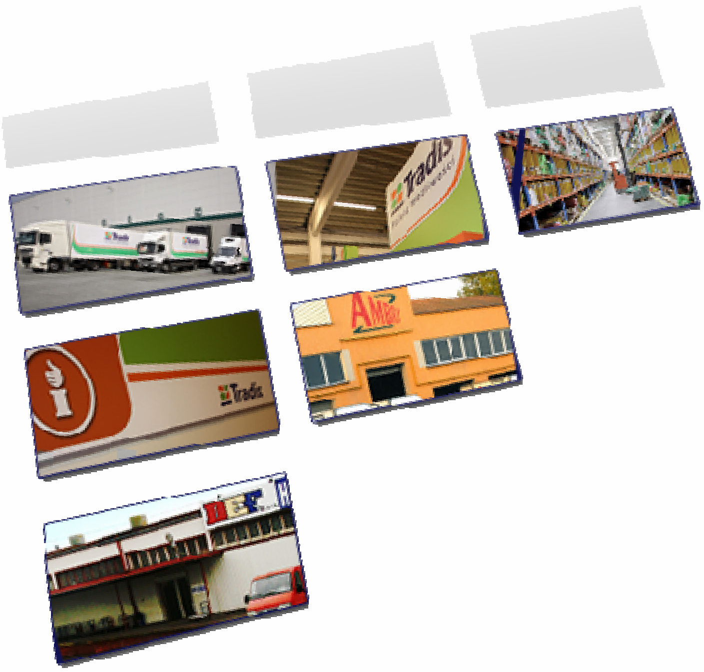


CONSOLIDATED FINANCIAL STATEMENTS

3rd QUARTER 2009

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

TRANSLATORS' EXPLANATORY NOTE
The following document is a free translation of the Q3 Consolidated Report of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

LUBLIN, NOVEMBER 2009

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(in PLN 000s, unless indicated otherwise)

1. Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EURO	
		For period 01.Jan.2009 to 30.Sep.2009	For period 01.Jan.2008 to 30.Sep.2008*	For period 01.Jan.2009 to 30.Sep.2009	For period 01.Jan.2008 to 30.Sep.2008*
I.	Net revenues from sale of products, goods and materials	4 099 853	3 900 401	931 933	1 138 903
II.	Profit (loss) on operating activity	86 417	72 975	19 643	21 308
III.	Profit (loss) before tax	69 546	62 086	15 808	18 129
IV.	Profit (loss) for period	52 205	41 084	11 867	11 996
V.	Net cash flows from operating activity	68 103	30 260	15 480	8 836
VI.	Net cash flows from investing activity	(92 912)	(123 166)	(21 120)	(35 964)
VII.	Net cash flows from financing activity	15 386	43 622	3 497	12 737
VIII.	Total net cash flows	(9 423)	(49 284)	(2 142)	(14 391)
IX.	Total assets	1 791 451	1 725 268	424 253	413 495
X.	Liabilities and provisions against liabilities	1 003 216	980 185	237 583	234 921
XI.	Long-term liabilities	196 195	306 221	46 463	73 392
XII.	Short-term liabilities	807 021	673 964	191 119	161 529
XIII.	Equity	788 235	745 083	186 671	178 574
XIV.	Initial capital	15 115	15 115	3 580	3 623
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	15 047 145	15 115 161	15 047 145
XVII.	Profit (loss) per ordinary share annualized** (PLN\EURO)	4,65	4,30	1,06	1,25
XVIII.	Diluted profit (loss) per ordinary share annualized** (PLN\EURO)	4,65	4,30	1,06	1,25
XIX.	Book value per share *** (PLN\EURO)	52,15	49,29	12,35	11,81
XX.	Diluted book value per share *** (PLN\EURO)	52,15	49,29	12,35	11,81
XXI.	Declared or distributed dividend per share *** (PLN\EURO)	0,59	0,88	0,14	0,21

* Comparative data on the Statement of Financial Position refer to 31 December 2008
** the declared amount is calculated based on the weighted average number of the Issuer's shares
*** the declared amount is calculated based on the number of the Issuer's shares as at the date of report

The weighted average number of shares:
– in 2009: in January-September 15 115 161;
– in 2008: in January-May 14 992 732, June-September 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 4,3993 PLN/EURO for three quarters of 2009, and 3,4247 PLN/EURO for three quarters of 2008,
2 The balance sheet items and book value/diluted book value are converted at the average exchange rate published by the National Bank of Poland, effective on the balance sheet date, which was 4,2226 PLN/EURO on 30 September 2009, and 4,1724 PLN/EURO on 31 December 2008.

(in PLN 000s, unless indicated otherwise)

2. Summary Consolidated Statement of Financial Position

	30 September 2009	30 June 2009	30 September 2008	31 December 2008
Fixed Assets	**913 543**	**915 514**	**777 333**	**851 288**
Tangible fixed assets	628 989	612 530	506 853	579 644
Investment real property	17 451	17 553	15 893	17 711
Intangible assets	6 955	7 023	4 524	6 367
Goodwill	202 672	193 822	198 221	189 827
Shares in associated companies - valuated by equity method	3 804	4 306		3 997
Financial assets	13 082	20 819	12 041	8 664
Long-term loans		16 678		1 667
Long-term receivables and other deferred income	24 890	26 389	20 718	22 326
Deferred income tax assets	15 700	16 394	19 083	21 085
Current Assets	**877 908**	**946 881**	**837 809**	**873 980**
Stock	435 355	476 031	399 427	415 801
Receivables	379 395	407 747	386 040	396 840
Income tax withholding	12 855	9 300	1 348	3 920
Short-term securities			15	
Prepaid expenses	8 446	12 840	7 671	7 196
Cash	40 600	40 758	43 108	50 023
Other financial assets	240	205	200	200
Assets earmarked for sale	1 017			
Total Assets	**1 791 451**	**1 862 395**	**1 615 142**	**1 725 268**
Equity	**788 235**	**767 638**	**729 746**	**745 083**
Share capital	15 115	15 115	15 115	15 115
Share premium capital	549 559	549 559	549 559	549 559
Supplementary capital	97 953	97 953	90 862	90 862
Supplementary capital from the evaluation of managerial options	596	596		596
Reserve capital	59 150	59 150	59 873	59 873
Revaluation capital				(1 681)
Treasury shares				
Retained profit	65 766	45 174	12 755	30 367
Total equity allocated to shareholders of dominant entity	**788 139**	**767 547**	**728 164**	**744 691**
Equity of minority shareholders	96	91	1 582	392
Long-term liabilities	**196 195**	**182 858**	**226 597**	**306 221**
Credit facilities, loans and debt securities	172 826	161 898	201 486	285 263
Long-term liabilities	6 496	5 088	4 710	5 498
Provisions	2 576	2 529	3 172	2 362
Provision against deferred income tax	14 297	13 343	17 229	13 098
Short-term liabilities	**807 021**	**911 899**	**658 799**	**673 964**
Credit facilities, loans and debt securities	172 165	192 532	51 485	29 315
Short-term liabilities	610 602	694 328	588 008	615 740
Income tax liabilities	5 232	4 594	2 951	6 715
Provisions	17 691	19 085	15 271	21 030
Deferred income	1 331	1 360	1 084	1 164
Total liabilities	**1 791 451**	**1 862 395**	**1 615 142**	**1 725 268**

(in PLN 000s, unless indicated otherwise)

Book value	788 235	767 638	729 746	745 083
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	52,15	50,79	48,28	49,29

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

	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Sales revenues	1 415 478	4 099 853	1 315 257	3 900 401
Cost of goods sold	(1 191 688)	(3 448 669)	(1 116 265)	(3 310 398)
Profit on sales	**223 789**	**651 184**	**198 992**	**590 003**
Other operating income	3 174	28 066	285	11 230
Selling expense	(171 024)	(514 128)	(159 857)	(458 122)
General administrative expense	(23 817)	(70 778)	(17 674)	(60 725)
Other operating expense	(3 048)	(7 927)	(3 025)	(9 411)
Profit on operations	**29 074**	**86 417**	**18 721**	**72 975**
Financial income	653	1 825	594	1 968
Financial expense	(4 286)	(18 696)	(5 750)	(12 857)
Profit before tax	**25 441**	**69 546**	**13 565**	**62 086**
Income tax	(4 343)	(17 148)	(8 099)	(21 002)
Share in financial result entities valued using the equity method	(502)	(193)	0	0
Profit for period	**20 597**	**52 205**	**5 466**	**41 084**
Profit for period for shareholders of dominant entity	20 592	52 188	5 452	41 047
Profit for period for minority shareholders	5	17	14	37

Emperia Holding SA has revised the presentation of bonuses handed over to recipients, bonuses received from suppliers and stocktaking_surpluses and losses. Detailed information about changes of presentation 2008 and their impact on the Profit and Loss Account and Profit and Loss Account Explanatory Notes were introduced in note 9 of this report.

Profit (loss) for period (annualised)	70 327	64 609
Weighted average of ordinary shares *	15 115 161	15 047 145
Profit (loss) per ordinary share (PLN) annualised	4,65	4,30

* The weighted average number of shares:
– in 2009: in January-September 15 115 161;
– in 2008: in January-May 14 992 732, June-September 15 115 161

(in PLN 000s, unless indicated otherwise)

Statement of total income	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Profit for period	**20 597**	**52 205**	**5 466**	**41 084**
Other total income:				
Security of Cash flow		635		
Income tax on the other comprehensive income components		(121)		
Other total net income		514		
Total income for period	**20 597**	**52 719**	**5 466**	**41 084**
Total income for shareholders of parent company	20 592	52 702	5 452	41 047
Total income for minority shareholders	5	17	14	37

(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	Minority capital	Total equity
1 July 2009	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**45 174**	**91**	**767 638**
Correction of error for 2008									
1 July 2009 adjusted	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**45 174**	**91**	**767 638**
Profit for 3 months until 30 September 2009							20 592	5	**20 597**
Settlement of acquisition shares in Spolem Tychy									
Settlement of sales and redemption of shares of Arsenal Sp. z o.o.									
Distribution of 2008 profit – allocation to capital funds									
Distribution of 2008 profit - Centrum Sanok (allocation to capital of Stokrotka Sp. z o.o.)									
Dividend for shareholders as part of 2008 profit distribution									
30 September 2009	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**65 766**	**96**	**788 235**

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Minority capital	Total equity
1 January 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**
Change in accounting standards and policies							(389)		**(389)**
1 January 2009 adjusted	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**29 978**	**392**	**744 694**
Profit for 9 months until 30 September 2009						514	52 188	17	**52 719**
Settlement of acquisition shares in Spolem Tychy								(313)	**(313)**
Settlement of sales and redemption of shares of Arsenal Sp. z o.o.						1 167	(1 167)		
Distribution of 2008 profit – allocation to capital funds			7 091		6 773		(13 864)		
Distribution of 2008 profit - Centrum Sanok (allocation to capital of Stokrotka Sp. z o.o.)							53		**53**
Dividend for shareholders as part of 2008 profit distribution					(7 496)		(1 422)		**(8 918)**
30 September 2009	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**65 766**	**96**	**788 235**

(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	Minority capital	Total equity
1 January 2008	**14 993**	**536 227**	**22 353**		**46 837**		**66 888**	**2 024**	**689 322**
Correction of error for 2007							(321)		**(321)**
- including the cost of coverage for the premium salary received in 2007 (subsidiary Lewiatan Podlasie)							(157)		**(157)**
- reverses of valuation to fair value of stocks in subsidiary Centrum							(164)		**(164)**
1 January 2008 adjusted	**14 993**	**536 227**	**22 353**		**46 837**		**66 567**	**2 024**	**689 001**
Profit for 12 months until 31 December 2008							58 969	237	**59 206**
Result on merger between Detal Koncept and Polka (previously unconsolidated)					(249)				**(249)**
Settlement of acquisition shares in Społem Tychy								(1 869)	**(1 869)**
Valuation of security interests						(1 681)			**(1 681)**
Effect of other mergers							(74)		**(74)**
Increase of capital following new share issue	122	13 345							**13 467**
Share issue costs		(13)							**(13)**
Valuation of management option				596					**596**
Distribution of 2007 profit – allocation to capital funds			68 509		13 285		(81 794)		
Dividend for shareholders as part of 2007 profit distribution							(13 301)		**(13 301)**
31 December 2008	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**

(in PLN 000s, unless indicated otherwise)

5. Summary Consolidated Report of Cash Flows

	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Profit (loss) for period	**20 597**	**52 205**	**5 466**	**41 084**
Adjustments for:	**8 140**	**15 898**	**29 114**	**(10 824)**
Share in net (profits) losses of entities consolidated using equity method	502	193		
Depreciation	16 429	47 134	13 820	38 641
(Gain) loss on exchange rate differences	2	2	(112)	(15)
Interest and share in profit (dividends)	3 752	11 102	(6 616)	(106)
Income tax	4 343	17 149	7 390	20 293
Profit (loss) on investing activity	(196)	(13 316)	(5 471)	(9 394)
Change in provisions	(1 053)	(3 080)	(2 994)	(4 274)
Change in stock	41 676	(13 980)	1 781	(39 113)
Change in receivables	(6 158)	(26 798)	5 489	1 655
Change in accruals	4 993	(3 809)	(1 692)	(9 459)
Change in short-term liabilities	(50 142)	21 570	16 095	4 764
Other adjustments	(339)	(612)	6 307	3 768
Income tax paid	(5 669)	(19 657)	(4 883)	(17 584)
Net cash flows from operating activity	**28 737**	**68 103**	**34 580**	**30 260**
Income	**39 546**	**76 856**	**3 584**	**35 600**
Sale of fixed and intangible asset	4 039	38 289	3 216	11 785
Sale of financial assets		195		45
Disposal of subsidiaries	17 939	18 034		
Interest received	890	1 232	8	107
Repayment of loans granted	15 000	15 000		
Cash from acquired companies at date of acquisition	1 218	2 230		23 239
Other income	460	1 876	360	424
Expenditures	**(53 330)**	**(169 768)**	**(84 599)**	**(158 766)**
Purchase of fixed and intangible assets	(38 257)	(125 663)	(82 977)	(143 633)
Investments in real property		(481)		(3 166)
Purchase of subsidiaries and associated entities	(15 032)	(27 427)	(1 621)	(11 065)
Purchase of financial assets				(298)
Loans granted		(15 000)		(200)
Cash in subsidiaries at date of sale		(455)		
Other expenditures	(41)	(742)	(1)	(404)
Net cash flows from investing activity	**(13 784)**	**(92 912)**	**(81 015)**	**(123 166)**
Income	**33 511**	**184 098**	**40 891**	**110 625**
Income from credit facilities and loans contracted	16 808	134 351	40 891	96 848
Issue of short-term debt securities	16 691	49 682		
Share issue				13 455
Other income	12	65		322
Expenditures	**(48 625)**	**(168 712)**	**(35 759)**	**(67 003)**
Repayment of credit facilities and loans	(7 627)	(97 576)	(17 444)	(40 660)
Redemption of short-term debt securities	(26 200)	(46 200)		
Payment of liabilities under financial leases	(1 592)	(2 251)	(2)	(459)
Interest and charges paid	(4 288)	(13 276)	(5 012)	(12 583)
Dividends paid	(8 918)	(8 918)	(13 301)	(13 301)
Other		(491)		

(in PLN 000s, unless indicated otherwise)

Net cash flows from financial activity	**(15 114)**	**15 386**	**5 132**	**43 622**
Change in cash	**(161)**	**(9 423)**	**(41 303)**	**(49 284)**
Exchange differences	3		82	(15)
Cash at beginning of period	**40 758**	**50 023**	**84 329**	**92 407**
Cash at end of period	**40 600**	**40 600**	**43 108**	**43 108**

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 2009 to 30 September 2009 , with comparable data for the period from 1 January 2008 to 30 September 2008. The consolidated financial statements contain no combined data, the subsidiaries do not operate any internal units that prepare independent financial statements.

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

Consolidation details

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

As at 30 September 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., PSD S.A.*, Lewiatan Podlasie 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. (previous name Sydo Sp. z o.o.), Projekt Elpro 2 Sp. z o.o. (previous name Alpaga-Xema Sp. z o.o.) and Projekt Elpro 3 Sp. z o.o. (previous name Express Podlaski Sp. z o.o.)

In third quarter of 2009 the composition of the Emperia Holding Group (compared to the end of first half of 2009) changed. Due to completion of integration process of distribution companies, composition of Group companies has changed of BOS S.A, Sygel-Jool S.A. and DLS S.A., which in process of merger has been acquired by Tradis Sp. z o.o. with it seat in Lublin.

* At 30.09.2009 due to the limited access to financial data, Emperia Holding S.A. valued shares of Partnerski Serwis Detaliczny S.A subsidiary using the equity method.

(in PLN 000s, unless indicated otherwise)

The data presented in this Report as at 30 September 2009 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)		20-952 Lublin, Mełgiewska 7-9	Food product retailing	16977, District Court in Lublin, XI Commercial Division of National Court Register ("NCR")	Subsidiary	Full	1999-01-27	100,00%	100,00%
2	„Infinite" Sp. z o.o.		20-150 Lublin, Ceramiczna 8	IT services	16222, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	1997-03-11	100,00%	100,00%
3	"Detal Koncept" Sp. z o.o.		20-952 Lublin, Mełgiewska 7-9	Retail franchising	40575, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	1995-04-25	100,00%	100,00%
4	„Elpro" Sp. z o.o.		20-952 Lublin, Mełgiewska 7-9	Property development	946, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	2001-02-15	100,00%	100,00%
5	„Tradis" Sp. z o.o.		20-952 Lublin, Mełgiewska 7-9	Food 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)		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)		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)		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)

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	Franchise chain management, retailing	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	Software-related 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, retailing	280288, District Court for the Capital City of Warsaw in Warsaw , XIII Commercial Division of NCR	Subsidiary	Equity method	2007-12-20	100,00%	100,00%
14	„Projekt Elpro 1" Sp. z o.o. (previous name „Sydo" Sp. z o.o.)		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	„Projekt Elpro 2" Sp. z o.o. (previous name „Alpaga–Xema" Sp. z o.o.)		42-202 Częstochowa, ul. Bór 66 F	Property development	167993, District Court in Poznań, XXI Commercial Division of NCR	Subsidiary	Full	2007-11-20	100,00%	100,00%
16	„Projekt Elpro 3" Sp. z o.o. (previous name „Express Podlaski" Sp. z o.o.)		42-202 Częstochowa, ul. Bór 66 F	Property development	126580, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%

(1) directly Emperia (98.482 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) indirecly by Tradis Sp. z o.o.

(3) directly by Emperia Holding S.A. (140.282 shares, 81,91%) indirectly by Tradis Sp. z o.o. (29.645 shares, 17,31%)

(in PLN 000s, unless indicated otherwise)

List of subsidiaries at the balance sheet date 30 September 2009 excluded from consolidation in financial statements with indication of legal grounds

Entity name	Registered address	Legal grounds for exclusion	Emperia Group interest in share capital (% at balance sheet date)	Emperia Group voting power (% at balance sheet date)
"Lider" Sp. z o.o. (in liquidation) (1)	70-660 Szczecin, Gdańska 3C	The financial data of these entities is immaterial to the extent of the obligation to present a reliable and clear picture of the Group's assets, financial standing and financial result	100,00%	100,00%
"Lewiatan Orbita" Sp. z o.o.(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 Śląsk" Sp. z o.o.(2a)	41-200 Sosnowiec, Chemiczna 12		100,00%	100,00%
"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		34,00%	34,00%
"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 Dolny Śląsk" Sp. z o.o. (7)	59-900 Zgorzelec, ul. Armii Krajowej 13		100,00%	100,00%
"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.

(2a) indirectly by Tradis Sp. z o.o. (34 shares, 50%), directly Emperia Holding S.A. (34 shares, 50%)

(3) indirectly by Tradis Sp. z o.o. (59,11% shares) and directly 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 Emperia Holding S.A. and indirectly by Lewiatan: Kujawy, Podlasie, Śląsk, Orbita, Opole, Wielkopolska, Zachód

(7) indirectly by Lewiatan Śląsk Sp. z o.o.

(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 30 September 2009

Entity name	Registered address	Share capital (PLN)	Emperia Group interest in share capital (% at balance sheet date)	Emperia Group voting power (% at balance sheet date)
"Giełda Rolno-Towarowa" Sp. z o.o. (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 3 Sp. z o.o. (previous name Expres Podlaski Sp. z o.o.)
(3) indirectly by Euro Sklep S.A.
(4) indirectly by Społem Tychy Sp. z o.o.
(5) indirectly by ZKiP Lewiatan 94 Holding S.A.

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 Operating Segment Reporting

IFRS 8 Operating Segments published by the International Accounting Standards Board on 30 November 2006, replaces IAS 14 Reporting of business segments and is apply to annual periods commencing on 1 January 2009 and after that date.

In process of standard implementing analyzed model of management of Capital Group, reporting system functioning in Capital Group and economic characteristics of its units. The analysis has not demonstrated the need of changes in current operating segments division , which is used for internal and external reporting.

The following operating segments are distinguished within the Group:

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

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

3 **Other** includes the entire holding operation of the Issuer's Company and the operations of the other subsidiaries: Elpro Sp. z o.o., Projekt Elpro 1 Sp. z o.o. (previous name Sydo Sp. z o.o.), Projekt Elpro 2 Sp. z o.o. (previous name Alpaga-Xema Sp. z o.o.) and Projekt Elpro 3 Sp. z o.o. (previous name Express Podlaski Sp. z o.o.) – development services and property management services, Infinite Sp. z o.o., Emperia Info Sp. z o.o. –IT services and PSD S.A., which render services of specialized trade mediation. Given the material consolidation exclusions and the overall limited significance (the segment does not meet any of the verge thresholds provided for under IFRS 8) these are reported as a single item.

* The distribution segment, although a smaller number of companies in relation to the half of 2009 has not changed becouse as a result of end of integration process of distribution companies Tradis Sp. z o.o. take over : BOS S.A., Sygel-Jool S.A. and DLS S.A. – details are described in note 6.2.9

The Group applies uniform accounting policies for all the segments. Business transactions between segments are on an arm's length basis; any such transactions are subject to exclusion in the consolidated financial statements.

6.2.4 Functional Currency

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

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

6.2.5 Changes in Accounting Policies Applied

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

6.2.6 Application of standards and interpretations applicable from 1 January 2009

New standards, amendments to existing standards and interpretations which became effective as from 1January 2009:

a) IFRS 8 "Operating Segments"

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

b) IAS 23 "Borrowing Costs"

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

c) Amendments to IAS 1 „Presentation of financial statements"

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

d) Amendments to IFRS 2 „Share-based payment, conditions vesting rights and cancellation"

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

e) Amendments to IAS 32 „ Financial instruments: presentation " and IAS 1 „Presentation of financial statements"

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

f) Corrections of IFRS 2008

On 22 May 2008, the International Accounting Standards Board published corrections amending 20 effective standards. The majority of the amendments will apply to annual periods commencing on 1 January 2009 and after that date, amendments include changes in presentation, allocating and including changes in terminology and editing.

g) Amendments to IFRS 1 „ First application of IFRS" and IAS 27 „Consolidated and Stand Alone financial statements"

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

h) IFRIC 14 IAS 19 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

IFRIC 14 interpretation was issued by the International Financial Reporting Interpretations Committee on 5 July 2007. The interpretation specifies guidelines for identification of assets of specific employee benefit programmes, requirements of minimum funding, and their interaction. The interpretation applies to annual periods commencing on 1 January 2009 or after that date.

In the Group's opinion adopting the above new standards and interpretations, with exception of IAS 1 and IFRS 8, will not affect materially on the Interim Condensed Consolidated Financial Statements for third quarter of 2009.

Impact of changes in Financial Statement is as follows:
Revised IAS 1 Presentation of Financial Statements
Changes mainly concerned of names and basic elements of financial statement ie.
- till 31December 2008 „Balance Sheet" from 1 January 2009 „ Statement of financial position"
- till 31December 2008 „Profit and Loss Account" from 1 January 2009 „Profit and Loss Account" and „ Statement of comprehensive income".
- till 31December 2008 „ Statement of Changes in Equity Capital" from 1 January 2009 „Report of Changes in Equity Capital".
- till 31December 2008. „Cash flow Statement" from 1 January 2009 „Report of cash flows".

<u>Published standards and interpretations, which have not entered into force to date of publication of these Financial Statements</u>

a) Amendments to IAS 39 „Financial Instruments: „Recognition and Measurement" – „Criteria for recognition as a hedged item"

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

b) Amendments to IAS 39 „Financial Instruments: „Recognition and Measurement, „Reclassification of financial instruments: Effective date and transitional provisions" and Amendments to IFRS 7 „Financial Instruments: Disclosures "

The amendments to IAS 39 will apply to annual periods commencing on 1 July 2009 and after that date. Changes allow the reclassification of certain financial assets of non-derivative in accordance with IAS 39. The standard has not as yet been adopted by the European Union.

c) Amendments to IAS 39 „Financial Instruments: „Recognition and Measurement" „Embedded derivatives" and amendments to IFRC 9

The amendments to IAS 39 will apply to annual periods commencing on 1 July 2009 and after that date, change specifies that embedded in a debt base instrument option of early repayment should not be recognized separately as an embedded derivative if the penalty payments are so designed, to compensate lender for lost interest for the remaining part of base contract. The standard has not as yet been adopted by the European Union.

d) IFRIC 17 "The division of non-monetary assets between the owners"

Interpretation was issued on 27 November 2008 will apply to annual periods commencing on 1 July 2009 and after that date. Interpretation sets out guidelines to accounting division of non-monetary assets between shareholders : when should be recognized as a payable dividend, how to measure it, how to treat the differences between the carrying value of shared assets, and the carrying amount of payable dividends in its settlement. This interpretation has not as yet been adopted by the European Union.

e) IFRIC 18 "The transfer of assets from the customer"

Interpretation was issued on 29 January 2009 will apply to annual periods commencing on 1 July 2009 and after that date. Interpretation will apply mainly to the utilities sector. Interpretation sets out guidelines to include the assets received from the customer, that will be used to connect client to network or to provide customer service with use of transferred assets. This interpretation has not as yet been adopted by the European Union.

f) Amendments to IFRS 5 „Non-current assets held for sale and Discontinued Operations"

The amendments to IFRS 5 will apply to annual periods commencing on 1 July 2009 and after that date. Changes relate to classification of assets and liabilities of the subsidiary as a result of the sale, of which is linked to loss of control over subsidiary and presentation of discontinued operations in case of decision of sale , implying a loss of control over the enterprise.

g) Amendments to IFRS 1„Applying IFRS for the first time"

Amendments to IFRS 1 will apply to annual periods commencing on 1 January 2009 and after that date. Revision does not introduce any substantive changes. The purpose of amendment is to improve structure of standard, simplify and facilitate receipt of the standard through the reorganization of its contents and transfer most of the exceptions and exemptions to the annexes. The standard has not as yet been adopted by the European Union.

h) Amendments to IFRS 2 „Own-share payment"

The amendments to IFRS 2 will apply to annual periods commencing on 1 January 2010 and after that date. Changes made to the standard, are relate to transactions in form of shares within the Group, settled in cash. Changes determinant the accounting treatment of group-based payment transactions in the form of share settled in cash , in the reports of these units. The standard has not as yet been adopted by the European Union.

i) Revised IFRS 3 "Business Combinations"

Revised IFRS 3 has been published by the International Accounting Standards Board on 10 January 2008 and replaces existing IFRS 3. The introduction of standard is associated with completion of second phase of convergence process, designed to approximate of international and American solution in a business combination, prepared by the IASB and the U.S. Financial Accounting Standards Council. Standard provides detailed information on conduct and settlement of accounts of a business combination by purchase method. Standard will apply to annual periods commencing on 1 July 2009 and after that date and will apply in the case of business combinations occurring after that date.

j) Revised IAS 27„Consolidated and Stand Alone Financial Statements"

Revised IAS 27 has been publisher on 10 January 2008 will apply to annual periods commencing on 1 July 2009 and after that date. The revised standard requires recognition of changes in shares of subsidiary as a capital transaction, also changes the way of recognition losses incurred by the subsidiary, exceeding the value of investments as well as the recognition of loss of control of subsidiary. Changes should be applied prospectively, so they will affect on future purchases and transactions with minority shareholders.

k) Amendments to IFRS 2009

International Accounting Standards Board issued 15 amendments to 12 existing standards. Most of the changes will be apply for annual periods commencing on 1 January 2010 and after that date.

l) IFRS for small and medium-sized enterprises

On 9 July 2009 the International Financial Reporting Standards published standard dedicated to small and medium-sized enterprises. This standard contains the principles and issues, which are important for small business, simplifying the requirements and reducing the number of disclosures contained in full version of standards. Its requirements are tailored to the needs and capabilities of small and medium-sized enterprises. This standard does not apply to the Group financial statements.

m) Revised IFRS 1 "First time application of IFRS"

On 23 July 2009, the International Accounting Standards Board has published „The additional exemption for applying IFRS for the first time" as amendments to IFRS 1"First time application of IFRS". The amendment does not substantially alter, its aim is to establish additional exemptions at transition to IFRS at the: a) retrospective application of IFRS for oil and gas resources and b) reassessment of existing leases in accordance with IFRIC 4, where application of national rules leads to the same results. The amendments to IFRS 1 will apply to annual periods commencing on 1 January 2010 and after that date and will have no impact on the financial statements of the Group.

From among standards and interpretations only updated standards: IFRS 3 "Business Combinations" and Revised IAS 27 "Consolidated and Separate Financial Statements" have been approved for use by European Union.

Group analyze consequences and impact of the above-mentioned and interpretation for future financial statements, however, estimates that the application of these standards and interpretations will have no significant impact on financial statements during 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 Merger, acquisition and sale of shares of subsidiaries and other, increase of capital in the business units

<u>Acquisition of shares in subsidiaries and other</u>

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

On 15 July 2009 Emperia Holding SA purchased from an individual 1 share in a share capital of limited liability company Lewiatan Śląsk Sp. z o.o. with its seat in Sosnowiec, which—alongside the interest previously held by subsidiary Tradis Sp. z o.o. (purchase shares as a result of merger with Sygel-Jool S.A) carries 100 percent of votes at the general meeting of shareholders and represents 100 percent of the share capital of Lewiatan Śląsk Sp. z o.o.

Internal Mergers within Emperia Holding Group and increase of share capitals in subsidiary

a) Complete the process of integrating the largest distribution companies under Capital Group.

Started in first quarter of 2008, the largest in the history of Emperia Holding Capital Group process of merger of distribution companies has ended. On 1 July was legal merger between Tradis Sp. z o.o (acquiring company), BOS SA, DLS SA and Sygel-Jool S.A. After merger company will operate under name Tradis Sp. z o.o. In connection with the restructuring of the Group and companies which are under control, merger transaction has been carried out by pooling of shares, did not result in changes in assets and liabilities of Group companies, therefore there is no impact on consolidated financial statements of Capital Group.

b) Merger of retail company Stokrotka Sp. z o.o. and Przedsiębiorstwa Handlowe Alfa Sp. z o.o.

On 1 July in the retail section followed integration of companies Stokrotka Sp. z o.o. and so far not consolidated Alfa Sp. z o.o.. Acquisition of shares of Przedsiębiorstwo Handlowe Alfa Sp. z o.o. took place in second quarter of 2009.

c) Increase of share capital of Lewiatan Śląsk Sp. z o.o.

On 28 July 2009 was increased initial capital of a limited liability subsidiary Lewiatan Śląsk Sp. z o.o. of PLN 32 000 to amount of PLN 100,000. All newly created 32 shares of nominal value of PLN 1,000. were taken by Emperia Holding S.A. in exchange for a contribution of value of PLN 941,900. in the form of 196 shares with a total nominal value of PLN 98,000. in Lewiatan Dolny Śląsk Sp. z o.o. with its seat in Zgorzelc.
Emperia Holding S.A. holds 66 shares of nominal value of PLN 1,000. in share capital of Lewiatan Śląsk Sp. z o.o., which—alongside the interest previously held by subsidiary Tradis Sp. z o.o. (as a result of merger with Sygel-Jool S.A.) 34 shares of nominal value of PLN 1,000. represents 100 percent of the share capital of Lewiatan Śląsk Sp. z o.o.
The transaction was carried out in connection with the proposed merger of Lewiatan Śląsk Sp. z o.o. with Lewiatan Dolny Śląsk Sp. z o.o.

Sale of shares in subsidiaries and other

a) Sale of shares by a subsidiary.

On 4 August 2009 subsidiary Lewiatan Kujawy Sp. z o.o. sold 100 percent shares in Pro Media Art Sp. z o.o. with its seat in Wloclawek. Lewiatan Kujawy Sp. z o.o. sold to a legal person 130 shares representing 100 percent of the initial capital and 100 percent of the voting power at the general meeting of shareholders for value of PLN 130,000.

Mergers, acquisitions and sales 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.

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

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

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

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

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

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

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

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

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

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

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

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

6.2.11 Costs of external financing

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

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

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

6.2.12 Fixed assets for sale

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

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

6.2.13 Intangible assets

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

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

Trademarks and 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) Loans and receivables

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

c) Investments held to maturity

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

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

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

d) Financial assets available for sale

The financial assets available for sale are non-derivative instruments which are classified as available for sale or which are not:

● loans and receivables;
● investments held to maturity; or
● financial assets recognised at fair value through profit or loss.

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

Impairment of financial assets

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

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

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

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

Derivatives

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

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

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

Recognising commercial derivatives

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

Recognising protecting derivatives

Protecting, for purposes of the bookkeeping, consists in compensating between himself for get scores as a result of changes of fair value or changes of flows of financial means resulting from the protecting instrument and the protected position. With this consolidated financial report in the period grasped the Group practiced protecting changes of flows of financial means by the bookkeeping concerning protections and protecting fair value
Profit and loss resulting from the change of fair value of the instrument protecting financial flows presents in the separate position of own capital- revaluation capital, in such a part, in which the given instrument constitutes the effective protection bound with it. The ineffective part is being taken back as financial costs or financial incomes for the profit and loss account.
Profit and loss resulting from changes of fair value of the instrument protecting in the effective part they are taking the profit and loss account away in the position appropriately for taking hold of changes of fair value of protected position. The ineffective part is being taken back as financial costs or financial incomes for the profit and loss account.

6.2.15 Lease financing

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

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

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

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

6.2.16 Stock

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

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

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

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

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

6.2.17 Accounts receivable and other receivables

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

Revaluation allowances are made when there is objective evidence to suggest that the Group will not be able to recover all amounts payable to it under the original terms of the receivables.

The Group makes receivables revaluation allowances for specific buyers. The Group may also make collective revaluation allowances with respect to numerous but small receivables. The detailed terms of measuring receivables revaluation allowances are set forth under the Terms of effecting receivables revaluation allowances. A revaluation allowance is recorded as other expense. The reversal of an earlier allowance is recognised as other income and derecognised as a revaluation allowance. Revaluation allowances are recorded in the profit and loss account as per account balance, as appropriate, as other expense or other income.

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

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

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

6.2.18 Prepayments and accrued income

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

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

6.2.19 Cash and cash equivalents

Cash is recognised as at the balance sheet date at nominal value.
Cash includes: cash on hand, cash at bank and all cash deposits and short-term securities with maturity of up to three months.
The balance of cash and cash equivalents reported in the cash flow statement comprises the above cash and cash equivalents 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 (including current loans in the current account and credit lines) maturing in a period of more than 12 month after the balance sheet date are treated by the Group as long-term-credit facilities.

6.2.22 Provisions

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

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

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

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

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

6.2.23 Short-term liabilities, including accounts payable

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

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

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

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

6.2.24 Employee benefits

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

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

The provisions against employee benefits are recognised as operating expense.

6.2.24.1 Own share-based payments.

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

The Group recognised the Plant at fair value on the launch date, in accordance with the requirements of IFRS 2 and IFRIC 11. The valuation was prepared by a third-party expert based on the Monte-Carlo valuation model. The valuation took into account: model input price (share price on the day of granting the instrument) of PLN 40,50 per share, instrument exercise price of PLN142, its expected variability of level of 35 percent, likelihood of earlier exercise at 0 percent annum for Members of Board of Company and 3 percent per annum for other persons entitled, expected dividend of PLN 0,90 per share (taking into increase of dividend by 10 percent in next years) and risk-free interest rate estimated as a rate of return obtained from currently available on date of grant of zero-coupon securities issued by the Polish Government, denominated in PLN The fair value of the Plan is amortised throughout the term of the Plan, starting from 1 October 2008 until the end of 2010. In the Financial Statements the fair value of the Plan is recorded in the profit and loss account as the costs of the management option plan in correspondence to the increase of supplementary capital.

6.2.25 Corporate tax

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

a) Current tax

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

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

b) Deferred tax

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

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

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

6.2.26 Sales revenues

Revenues from sale of goods

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

Revenues from sale of services

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

Revenues from interest

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

Dividends

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

6.2.27 Costs

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

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

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

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

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

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

6.2.28 Transactions in foreign currencies and exchange differences

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

On each balance sheet date:

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

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

(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 third quarter of 2009 were consistent with Management Board forecasts and showed, that ongoing integration and optimization activities begin to bring expected effects. Noteworthy are some positive trends, i.e.: improving of cost efficiency and efficiency of working capital.

The main source of improvements are changes in the distribution segment. Company can point two main causes for his situation. Firstly, after end of the integration process and formal merger of selected distribution companies, proved possible to transfer human resources from integration process to activities aimed to improving efficiency of sales and cost. Secondly, significantly improved performance of the new distribution centers, that consistently strengthen its market position by building profitable sales. Improvements of situations in these units had the most significant impact on increasing cost efficiency and stock rotation cycle.

Third quarter of 2009 is the next period, in which GK, despite unfavorable market conditions, consistently pursued a strategy consisting of a constant increase of cost efficiency and continuous development of distribution and retail segment. Realized by the Capital Group further projects which perfecting operational efficiency let to believe that, these positive trends will be sustained in subsequent periods.

Financial Highlights

Description	Q3 2009	Q3 2008	%
Sales revenues	4 099 853	3 900 401	5,1%
EBIDTA	133 551	111 616	19,7%
Profit on operations	86 417	72 975	18,4%
Profit before tax	69 546	62 086	12,0%
Profit for period	52 205	41 084	27,1%
Total assets	1 791 451	1 615 142	10,9%
Liabilities and provisions against liabilities	1 003 216	885 396	13,3%
Short-term liabilities	807 021	658 799	22,5%
Net assets	788 235	729 746	8,0%
Share capital	15 115 161	15 115 161	0,0%
Annualised profit per share for period	4,65	4,30	8,1%

Group's activity and payment capacity.

Description	Q3 2009	Q3 2008
Return on invested capital (profit for the period under review/equity at the end of the period) in %	6,62%	5,63%
Return on assets (profit for the period under review/total assets at the end of the period) in %	2,91%	2,54%
Return on sales (profit for the period under review/sales revenues in the period) in %	15,88%	15,13%
Return on EBIDTA in %	3,26%	2,86%
Return on operations (profit on operations for the period under review/sales revenues in the period) in %	2,11%	1,87%

(in PLN 000s, unless indicated otherwise)

Gross return (profit before tax for the period under review/sales revenues in the period) in %	1,70%	1,59%
Net return (profit for the period under review/sales revenues in the period) in %	1,27%	1,05%

In the third quarter of 2009 financial results were significantly better, both in comparison to the third quarter of the previous year and for the second quarter of the current year. This allowed to keep positive dynamics of results in three quarters of 2009. Particular attention should be paid at a slightly higher profitability on sales in presented table.

Distribution activities

The creation of one distribution company Tradis (merger with BOS, DLS, Sygel-Jool). Increasing efficiency of Tradis takes place through reorganize macro-regional structures and optimize of employment level. Development and operational improvement of existing distribution centers is carried out . As a result of investment process in third quarter were run up Distribution Centers in Bialystok and Poznan and launch of service warehouse in Zakopane.

Retail activities.

At the end of third quarter 2009 number of Stokrotka Sp. z o.o. retail outlets reached 156 and 5 Delima supermarkets. In July 2009 there was merger of Stokrotka and Alfa (unification of Alfa to Stokrotka format). At the end of third quarter franchise chain outlets of Detal Koncept Sp. z o.o. consisted of 1098 stores under the brand Groszek. Additionally Detal Koncept operated 91 Milea stores. Lewiatan Podlasie managed 155 outlets (6 proprietary stores). Spółka Społem Tychy at balance sheet date managed 25 outlets, Euro Sklep 604 outlets. Franchise chain Lewiatan Dolny Śląsk managed 99 outlets, Lewiatan Zachód 254 outlets, Lewiatan Orbita 99 outlets, Lewiatan Wielkopolska 183 outlets, Lewiatan Śląsk 177 outlets, Lewiatan Północ 164 outlets and Lewiatan Opole 174 outlets. PSD at the balance sheet date cooperate with 244 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, replaces IAS 14 Reporting of business segments and is apply to annual periods commencing on 1 January 2009 and after that date.
In process of standard implementing analyzed model of management of Capital Group, reporting system functioning in Capital Group and economic characteristics of its units. The analysis has not demonstrated the need of changes in current operating segments division , which is used for internal and external reporting.
The following operating segments are distinguished within the Group:

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

* The distribution segment, although a smaller number of companies in relation to the half of 2009 has not changed

(in PLN 000s, unless indicated otherwise)

becouse as a result of end of integration process of distribution companies Tradis Sp. z o.o. take over : BOS S.A., Sygel-Jool S.A. and DLS S.A

The Group applies uniform accounting policies for all the segments. Business transactions between segments are on an arm's length basis; any such transactions are subject to exclusion in the consolidated financial statements.

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

	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	3 359 340	1 283 091	76 120	618 698	4 099 853
Segment revenues (from external clients/customers)	2 817 645	1 270 559	11 649		4 099 853
Segment revenues (from other segments)	541 695	12 532	64 471	618 698	
Segment total costs	(3 313 013)	(1 277 477)	(63 104)	(620 019)	(4 033 575)
Result on other operations	3 701	2 102	16 531	2 195	20 139
Result on financial operations	9 697	(4 716)	38 498	60 350	(16 871)
Result (gross)	59 725	3 000	68 045	61 224	69 546
Taxation	(9 314)	(2 156)	(5 637)	41	(17 148)
Share in financial result entities valued using the equity method			(193)		(193)
Segment result (net)	**50 411**	**844**	**62 215**	**61 265**	**52 205**

	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 143 768	444 522	851 804	648 643	1 791 451

	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(51 258)	(51 465)	(48 980)	(26 040)	(125 663)
Depreciation	(16 694)	(21 076)	(9 788)	(424)	(47 134)

The tables below present cumulative information regarding the Group's business segments in three quarters of 2008:

	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	3 311 020	1 091 811	54 698	557 128	3 900 401
Segment revenues (from external clients/customers)	2 808 488	1 080 668	11 245		3 900 401
Segment revenues (from other segments)	502 532	11 143	43 453	557 128	
Segment total costs	(3 259 598)	(1 081 736)	(46 618)	(558 707)	(3 829 245)
Result on other operations	20 951	2 688	5 279	27 099	1 819
Result on financial operations	(7 706)	(3 533)	(3 938)	(4 288)	(10 889)
Result (gross)	64 667	9 230	9 421	21 232	62 086
Taxation	(17 174)	(2 662)	(2 497)	(1 331)	(21 002)
Segment result (net)	**47 493**	**6 568**	**6 924**	**19 901**	**41 084**

	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 173 436	304 764	719 191	582 249	1 615 142

(in PLN 000s, unless indicated otherwise)

	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(66 098)	(59 551)	(41 960)	(23 976)	(143 633)
Depreciation	(16 274)	(17 243)	(5 922)	(798)	(38 641)

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, following a detailed assessment of the feasibility of published forecasts estimates, similarly as in report for first half of 2009, that revenues from sale may be slightly lower than forecasted and will reach approximately PLN 5,600,000,000. against planned PLN 5,840,000,000. Forecast of the expected investment has not been changed and is on the level of PLN 160,000,000.
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 31/12/2008.	Percentage of share capital as at 31/12/2008	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*	1 798 386	11,90%	9,10%	1 648 393	10,91%	1 798 386	11,90%
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**	585 837	3,88%	(28,10%)	814 811	5,39%	585 837	3,88%

* Information about state of held shares of the issuer by the Aviva OFE (previously Commercial Union OFE) has been obtained on the occasion of clearance of dividends which was paid in 09-09-2009.
** In third quarter of 2009 ING OFE reduced state of held shares of the issuer below 5% of the votes at general meetings of shareholders.

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 30/09/2009	Percentage of share capital	Change %	Shares held as at 31/12/2008	Percentage of initial capital as at 31/12/2008
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%
Grzegorz Wawerski	353 738	2,34%	0,00%	353 738	2,34%
Dariusz Kalinowski	15 000	0,10%	0,00%	15 000	0,10%
Marek Wesołowski	12 520	0,08%	0,00%	12 520	0,08%

(in PLN 000s, unless indicated otherwise)

Members of Supervisory Board	Shares held as at 30/09/2009	Percentage of share capital	Change %	Shares held as at 31/12/2008	Percentage of initial capital as at 31/12/2008
Piotr Laskowski	386 125	2,55%	0,00%	386 125	2,55%
Artur Laskowski*	346 330	2,29%	(10,35%)	386 330	2,56%
Zenon Mierzejewski**	137 000	0,91%	0,00%	137 000	0,91%

* Mr. Artur Laskowski has been appointed with effect from 1 July 2009 as Member of the Supervisory Board.
** Mr. Zenon Mierzejewski with effect from 1 July 2009 ceased to act as Member of Supervisory Board.

7.7 Information on pending litigation.

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

7.8 Material transactions of the Issuer with associated entities

In third quarter of 2009, 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.
The intra-Group mergers effected in third quarter of 2009 are described in Section.6.2.9.

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 third quarter of 2009, 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. Along with sale of a subsidiary Arsenal in the first half of 2009, the Issuer nor any of the subsidiaries has no foreign currency options hedging the cash flow.

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 third quarter of 2009.

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

External:

Economic depression on world markets in last year resulted in strong slows of growth in Poland. It is true that Polish economy, as one of few in the European Union, not noticed so far reduction of GDP and showed relatively high resistance of effects of global slowdown in economic growth , nevertheless noticed lowest growth GDP since 2002. It is expected that consumer demand, which is in our country, together with the export main sources of economic growth, will continue in decline. Indicates on this decline of purchasing power of public and labor market situation. Decline of consumer demand in a greater extent, concerns on so-called sectors of luxury goods and much less impact it has until now on consumer goods sector so. "Everyday use" of which wholesale and retail is the main business carried out by the Group. Important are also changes in structure of demand (replacement by customers expensive goods by cheaper substitutes), its resulting in an increased in sales structure of goods so. "own brand" at the expense of branded goods, especially those with so-called. "Higher-end price." Activities taken by the Group are primarily focused on adaptation commercial offer to change of demand structure.

The current economic situation will affect in future results of the Group and in other aspects, namely:

a) Increase of purchase prices of imported consumer goods as a result of fluctuations in exchange rates and hedge actions taken by the importers in form of financial instruments.

b) Price increases of consumed by the Group goods and services, in particular fuel and media.

c) Increase of lending margin expected by banks; reducing amount of funds allocated by banks for financing of business activities causes in increases of margin which potential borrowers are forced to accept to get financing in form of loan. This increase is to some extent offset by reductions in interest rates by NBP.

d) Difficult access to external financing (bank loans), stricter criteria for granting loans and expectations in relation to security. However, in this case, the Management Board of the Group sees no significant risks of slowing down of pace of development because of difficult access to external finance. This is associated with high credit-credibility of the Capital Group, which is a consequence of several factors: (1) relatively safe from standpoint of lenders, business model and specific of activities, (2) levels of achieved profitability (3) safe structure of assets and liabilities.

e) Situation on labor market - increase of unemployment makes it possible to obtain creative workers, with smaller than previously expected wage, and in relation to its own employees can significantly reduce wage pressure.

f) Situation of public finances (budget deficit) and associated with this probability pro-fiscal activities.

Interior:

a) Rebuilding structures of the Capital Group, mergers in distribution and retail segments, which will reduce cost of activity and better quality of management of segments.

b) Development of new formats of franchise chain belonging to the Group.

c) Current expansion and adjustment of offers of goods to the changed by crisis needs of customers.

d) Acquisition in the retail and distribution. Difficult economic situation increases tendency of smaller companies to consolidation with large and reliable trade partner.

e) Timely and budgetary implementation of the planned investments in fixed assets and software.

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

In third quarter of 2009 has been no changes of Management Board of Emperia Holding S.A..

The composition of the Management Board at 30 September 2009 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.

On 19 May 2009 Mr Zenon Andrzej Mierzejewski resigned as a member of the issuer's Supervisory Board with effects of 1 July 2009.
On 30 June Ordinary General Meeting of Emperia Holding S.A. appoints Mr Artur Laskowski as a member of the Company's Supervisory Board from 2 July 2009.
On 8 September Supervisory Board of Emperia Holding S.A. appoints Mr Piotr Laskowski as a Vice-Chairman of the Supervisory Board Emperia Holding S.A.

The composition of the Supervisory Board of Emperia Holding SA at 30 September 2009 is as follows:

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

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.

(in PLN 000s, unless indicated otherwise)

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 Q3 2009	Changes in Q1-Q3 2009	Changes in Q3 2008	Changes in Q1-Q3 2008
Long-term				
As at the beginning of the period	2 529	2 362	1 277	1 179
Increases/reductions during the period	*47*	*159*	*8*	*83*
Increases/reductions during the period resulting from acquisitions	*0*	*55*	*0*	*23*
As at the end of the period	**2 576**	**2 576**	**1 285**	**1 285**
Short-term				
As at the beginning of the period	15 860	18 070	14 306	14 792
Increases/reductions during the period	*(4 339)*	*(6 498)*	*(2 382)*	*(3 210)*
Increases/reductions during the period resulting from acquisitions	*0*	*(51)*	*0*	*342*
As at the end of the period	**11 521**	**11 521**	**11 924**	**11 924**
Other provisions	**Changes in Q3 2009**	**Changes in Q1-Q3 2009**	**Changes in Q3 2008**	**Changes in Q1-Q3 2008**
Long-term				
As at the beginning of the period	0	0	1 887	1 871
Increases/reductions during the period	*0*	*0*	*0*	*16*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*
As at the end of the period	**0**	**0**	**1 887**	**1 887**
Short-term				
As at the beginning of the period	3 225	2 960	3 967	4 252
Increases/reductions during the period	*2 945*	*3 235*	*(620)*	*(1 163)*
Increases/reductions during the period resulting from acquisitions	*0*	*(25)*	*0*	*258*
As at the end of the period	**6 170**	**6 170**	**3 347**	**3 347**

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 third quarter of 2009 and cumulatively throughout three quarters of 2009 and 2008 were as follows:

2009:

Bonds issue and redemption Q3 2009	Total	External issue	Elpro Sp. z o.o.
As at the beginning of the period	**13 000**	**13 000**	**0**
Bonds issue	***13 700***	*13 000*	*700*
Bonds redemption	***(22 700)***	*(22 000)*	*(700)*
As at the end of the period	**4 000**	**4 000**	**0**

(in PLN 000s, unless indicated otherwise)

Bonds issue and redemption in Q1-Q3 2009	**Total**	**External issue**	**Elpro Sp. z o.o.**
As at the beginning of the period	**0**	**0**	**0**
Bonds issue	***39 700***	*39 000*	*700*
Bonds redemption	***(35 700)***	*(35 000)*	*(700)*
As at the end of the period	**4 000**	**4 000**	**0**

2008:
In Q1-Q3 2008 Emperia Holding S.A. did not issue any bonds.

b) Elpro Sp. z o.o.

A subsidiary limited liability company 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 third quarter of 2009 and cumulatively throughout three quarters of 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q3 2009	**Total**	**External issue**	**Emperia Holding S.A.**	**Express Sp. z o.o.**	**BOS S.A.**	**Tradis Sp. z o.o.**	**DEF Sp. z o.o.**
As at the beginning of the period	**22 000**	**1 000**	**0**	**7 000**	**0**	**14 000**	**0**
Bonds issue	***122 096***	*4 300*	*55 696*	*29 600*	*0*	*12 500*	*20 000*
Bonds redemption	***(108 996)***	*(4 200)*	*(43 196)*	*(29 100)*	*0*	*(17 500)*	*(15 000)*
As at the end of the period	**35 100**	**1 100**	**12 500**	**7 500**	**0**	**9 000**	**5 000**

Bonds issue and redemption in Q1-Q3 2009	**Total**	**External issue**	**Emperia Holding S.A.**	**Express Sp. z o.o.**	**BOS S.A.**	**Tradis Sp. z o.o.**	**DEF Sp. z o.o.**
As at the beginning of the period	**42 500**	**1 000**	**18 500**	**7 000**	**4 000**	**0**	**12 000**
Bonds issue	***409 996***	*11 300*	*129 596*	*71 600*	*87 000*	*42 500*	*68 000*
Bonds redemption	***(417 396)***	*(11 200)*	*(135 596)*	*(71 100)*	*(91 000)*	*(33 500)*	*(75 000)*
As at the end of the period	**35 100**	**1 100**	**12 500**	**7 500**	**0**	**9 000**	**5 000**

2008:

Bonds issue and redemption in Q3 2008	**Total**	**External issue**	**Emperia Holding S.A.**	**Infinite Sp. z o.o.**	**Tradis Sp. z o.o.**	**DEF Sp. z o.o.**	**Express Sp. z o.o.**	**Rexpol Sp. z o.o. in liquidation**	**Maro Markety Sp. z o.o.**	**Sydo Sp. z o.o.**
As at the beginning of the period	**15 800**	**0**	**6 000**	**2 300**	**3 000**	**0**	**0**	**1 500**	**3 000**	**0**
Bonds issue	***60 100***	*0*	*13 000*	*8 100*	*0*	*6 000*	*8 000*	*0*	*17 000*	*8 000*
Bonds redemption	***(54 000)***	*0*	*(17 000)*	*(7 500)*	*(3 000)*	*(3 000)*	*0*	*(1 500)*	*(14 000)*	*(8 000)*
As at the end of the period	**21 900**	**0**	**2 000**	**2 900**	**0**	**3 000**	**8 000**	**0**	**6 000**	**0**

(in PLN 000s, unless indicated otherwise)

Bonds issue and redemption in Q1-Q3 2008	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	DEF Sp. z o.o.	Express Sp. z o.o.	Rexpol Sp. z o.o. in liquidation	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**24 700**	**0**	**5 000**	**1 200**	**0**	**0**	**0**	**1 500**	**0**	**17 000**
Bonds issue	***184 500***	*0*	*65 500*	*21 500*	*9 000*	*6 000*	*8 000*	*10 500*	*32 000*	*32 000*
Bonds redemption	***(187 300)***	*0*	*(68 500)*	*(19 800)*	*(9 000)*	*(3 000)*	*0*	*(12 000)*	*(26 000)*	*(49 000)*
As at the end of the period	**21 900**	**0**	**2 000**	**2 900**	**0**	**3 000**	**8 000**	**0**	**6 000**	**0**

c) Stokrotka Sp. z o.o.

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

Bonds issue and redemption (expressed in nominal amounts) of Stokrotka Sp. z o.o. in third quarter of 2009 and cumulatively throughout three quarters of 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q3 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	BOS S.A.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.	Euro Sklep S.A.
As at the beginning of the period	**49 000**	**0**	**0**	**4 500**	**13 400**	**15 000**	**4 900**	**11 200**	**0**
Bonds issue	***171 400***	*0*	*70 800*	*14 300*	*35 800*	*0*	*14 700*	*33 800*	*2 000*
Bonds redemption	***(170 400)***	*0*	*(52 000)*	*(13 800)*	*(40 200)*	*(15 000)*	*(14 700)*	*(33 700)*	*(1 000)*
As at the end of the period	**50 000**	**0**	**18 800**	**5 000**	**9 000**	**0**	**4 900**	**11 300**	**1 000**

Bonds issue and redemption in Q1-Q3 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	BOS S.A.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.	Euro Sklep S.A.
As at the beginning of the period	**50 000**	**0**	**32 800**	**3 500**	**0**	**0**	**6 000**	**7 700**	**0**
Bonds issue	***520 800***	*0*	*212 200*	*38 800*	*56 200*	*60 000*	*49 600*	*102 000*	*2 000*
Bonds redemption	***(520 800)***	*0*	*(226 200)*	*(37 300)*	*(47 200)*	*(60 000)*	*(50 700)*	*(98 400)*	*(1 000)*
As at the end of the period	**50 000**	**0**	**18 800**	**5 000**	**9 000**	**0**	**4 900**	**11 300**	**1 000**

2008:

Bonds issue and redemption in Q3 2008	Total	External issue	Emperia Holding S.A.	Tradis Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**45 000**	**0**	**40 000**	**5 000**	**0**
Bonds issue	***174 000***	*0*	*135 000*	*29 000*	*10 000*
Bonds redemption	***(161 000)***	*0*	*(127 000)*	*(26 000)*	*(8 000)*
As at the end of the period	**58 000**	**0**	**48 000**	**8 000**	**2 000**

Bonds issue and redemption in Q1-Q3 2008	Total	External issue	Emperia Holding S.A.	Tradis Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**30 000**	**0**	**30 000**	**0**	**0**
Bonds issue	***274 000***	*0*	*225 000*	*39 000*	*10 000*
Bonds redemption	***(246 000)***	*0*	*(207 000)*	*(31 000)*	*(8 000)*
As at the end of the period	**58 000**	**0**	**48 000**	**8 000**	**2 000**

(in PLN 000s, unless indicated otherwise)

d) Tradis Sp. z o.o.

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

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

2009:

Bonds issue and redemption in Q3 2009	Total	External issue	Emperia Holding S.A.	Tradis Sp. z o.o. *
As at the beginning of the period	**40 000**	**0**	**40 000**	**0**
Bonds issue	***7 000***	*0*	*7 000*	*0*
Bonds redemption	***(47 000)***	*0*	*(47 000)*	*0*
As at the end of the period	**0**	**0**	**0**	**0**

Bonds issue and redemption in Q1-Q3 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	***101 000***	*0*	*101 000*	*0*
Bonds redemption	***(120 000)***	*0*	*(116 000)*	*(4 000)*
As at the end of the period	**0**	**0**	**0**	**0**

* concerns of bond issue in the first half of 2009 made by DLS S.A. to BOS S.A.– details about completion of merger of largest distribution companies included note 6.2.9

2008:

Bonds issue and redemption in Q3 2008	Total	External issue	Emperia Holding S.A.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**22 000**	**0**	**20 000**	**2 000**	**0**
Bonds issue	***92 000***	*0*	*92 000*	*0*	*0*
Bonds redemption	***(89 000)***	*0*	*(87 000)*	*(2 000)*	*0*
As at the end of the period	**25 000**	**0**	**25 000**	**0**	**0**

Bonds issue and redemption in Q1-Q3 2008	Total	External issue	Emperia Holding S.A.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**50 000**	**0**	**50 000**	**0**	**0**
Bonds issue	***214 000***	*0*	*202 000*	*6 000*	*6 000*
Bonds redemption	***(239 000)***	*0*	*(227 000)*	*(6 000)*	*(6 000)*
As at the end of the period	**25 000**	**0**	**25 000**	**0**	**0**

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

Total liabilities from debt securities at 30.09.2009

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 30.09.2009
Stokrotka Sp. z o.o.	0050**	18 800	2009-10-30	
Stokrotka Sp. z o.o.	0050**	5 000	2009-10-30	
Stokrotka Sp. z o.o.	0050**	9 000	2009-10-30	
Stokrotka Sp. z o.o.	0050**	4 900	2009-10-30	
Stokrotka Sp. z o.o.	0050**	11 300	2009-10-30	
Stokrotka Sp. z o.o.	0050**	1 000	2009-10-30	

(in PLN 000s, unless indicated otherwise)

Elpro Sp. z o.o.	0058**	10 000	2009-10-30	
Elpro Sp. z o.o.	0057**	9 000	2009-10-30	
Elpro Sp. z o.o.	0085**	2 500	2009-10-30	
Elpro Sp. z o.o.	0085**	5 000	2009-10-30	
Elpro Sp. z o.o.	0085**	7 500	2009-10-30	
Elpro Sp. z o.o.	0085	1 100	2009-10-30	1 095
Emperia S.A.	0045	4 000	2009-10-09	3 994
Total bonds issued by the Group *				**5 089**
Other				
Total liabilities under debt securities				
including: short-term				5 089
including: long-term				

* Financial liabilities measured at amortized cost, according with MSR 39

** The bonds were purchased by Group's companies which are subject to consolidation, thus are excluded in this report.

Total liabilities from debt securities at 31.12.2008

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 31.12.2008
Stokrotka Sp. z o.o.	0023**	27 000	2009-01-09	
Stokrotka Sp. z o.o.	0025**	5 800	2009-01-23	
Stokrotka Sp. z o.o.	0025**	3 500	2009-01-23	
Stokrotka Sp. z o.o.	0025**	6 000	2009-01-23	
Stokrotka Sp. z o.o.	0025**	7 700	2009-01-23	
Elpro Sp. z o.o.	0032**	16 500	2009-01-23	
Elpro Sp. z o.o.	0033**	2 000	2009-01-23	
Elpro Sp. z o.o.	0068**	6 000	2009-01-09	
Elpro Sp. z o.o.	0070**	6 000	2009-01-23	
Elpro Sp. z o.o.	0070**	7 000	2009-01-23	
Elpro Sp. z o.o.	0068	1 000	2009-01-09	998
Elpro Sp. z o.o.	0031**	4 000	2009-01-23	
DLS S.A.	0014**	11 000	2009-01-23	
DLS S.A.	0013**	4 000	2009-01-09	
DLS S.A.	0014**	4 000	2009-01-23	
Total bonds issued by the Group *				**998**
Other				
Total liabilities under debt securities				
including: short-term				998
including: long-term				

* Financial liabilities measured at amortized cost, according with MSR 39

** The bonds were purchased by Group's companies which are subject to consolidation, thus are excluded in this report.

7.14.6 Paid dividends

Paid dividends

On 30 June 2009, the General Meeting of Shareholders of Emperia Holding S.A decided to pay dividend in amount of PLN 8,917,944.99 (eight million nine hundred and seventeen thousand nine hundred and forty-four and 99/100 zloty), representing PLN 0.59 (point fifty-nine zloty) per share. On the dividend allocated is net profit generated in 2008 by the dominant Company in value of PLN 1,422,341.63 (one million four hundred and twenty-two thousand three hundred and forty-one and 63/100 zloty) plus PLN 7,495,603.36 (seven million four hundred and ninety-five thousand six hundred and three and 36/100 zloty) of the net profit generated by the Company in previous years.

(in PLN 000s, unless indicated otherwise)

All shareholders holding shares as at 25 August 2009 (record date) are entitled to dividend. The date of dividend payment was 9 September 2009.

Received dividends:
Dominant Company Emperia Holding S.A. as a result of distribution of profit for 2008 in subsidiaries received dividends from following companies:
- Tradis Sp. z o.o. amount of PLN 29,251,000. (payment of dividends on 20 July 2009)
- BOS S.A. amount of PLN 9,497,000. (Dominant Company received dividends on 8 May 2009, in accordance with the resolution of profit sharing of GMS BOS S.A.)

Dividends have been paid within the Group, thus they are excluded in this report.

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.

2009:

Changes in off-balance sheet liabilities	Under bank credit facilities		Under bank guarantees		Under financial guarantees	
	Q3 09	Q1-Q3 09	Q3 09	Q1-Q3 09	Q3 09	Q1-Q3 09
Mortgages						
As at the beginning of the period	205 714	93 356	0	7 800		
Increases during the period	*0*	*123 000*	*0*	*0*		
Reductions during the period	*0*	*(10 642)*	*0*	*(7 800)*		
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*		
As at the end of the period	**205 714**	**205 714**	**0**	**0**		
Transfer of title as security/pledge/assignment of current assets						
As at the beginning of the period	276 731	281 786	18 586	21 325		
Increases during the period	*47 000*	*89 318*	*2 918*	*4 026*		
Reductions during the period	*(11 607)*	*(58 980)*	*(7 873)*	*(11 720)*		
Increases/reductions during the period resulting from acquisitions	*(10 800)*	*(10 800)*	*(200)*	*(200)*		
As at the end of the period	**301 324**	**301 324**	**13 431**	**13 431**		
Transfer of title as security/pledge/assignment of fixed assets						
As at the beginning of the period	1 432	2 232				
Increases during the period	*0*	*0*				
Reductions during the period	*0*	*(800)*				
Increases/reductions during the period resulting from acquisitions	*0*	*0*				
As at the end of the period	**1 432**	**1 432**				
Guarantees						
As at the beginning of the period	134 800	68 500	146	8 036	3 273	3 535
Increases during the period	*15 000*	*148 000*	*1 095*	*1 095*	*0*	*0*
Reductions during the period	*(21 000)*	*(87 700)*	*0*	*(7 890)*	*0*	*(262)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*	*0*	*0*
As at the end of the period	**128 800**	**128 800**	**1 241**	**1 241**	**3 273**	**3 273**

Emperia Holding S.A. extended corporate financial guarantees of PLN 128,800,000. 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.

(in PLN 000s, unless indicated otherwise)

2008:

Changes in off-balance sheet liabilities	Under bank credit facilities		Under bank guarantees		Under financial guarantees	
	Q3 08	Q1-Q3 08	Q3 08	Q1-Q3 08	Q 3 08	Q1-Q3 08
Mortgages						
As at the beginning of the period	60 781	63 033	0	0		
Increases during the period	*3 800*	*8 500*	*7 800*	*7 800*		
Reductions during the period	*(3 450)*	*(10 402)*	*0*	*0*		
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*		
As at the end of the period	**61 131**	**61 131**	**7 800**	**7 800**		
Transfer of title as security/pledge/assignment of current assets						
As at the beginning of the period	206 235	221 945	15 667	18 225		
Increases during the period	*25 980*	*62 800*	*6 857*	*8 469*		
Reductions during the period	*(10 081)*	*(70 611)*	*(1 000)*	*(5 170)*		
Increases/reductions during the period resulting from acquisitions	*0*	*8 000*	*0*	*0*		
As at the end of the period	**222 134**	**222 134**	**21 524**	**21 524**		
Transfer of title as security/pledge/assignment of fixed assets						
As at the beginning of the period	**4 329**	**10 810**				
Increases during the period	*0*	*0*				
Reductions during the period	*0*	*(6 481)*				
Increases/reductions during the period resulting from acquisitions	*0*	*0*				
As at the end of the period	**4 329**	**4 329**				
Guarantees						
As at the beginning of the period	59 700	70 000	776	0	3 739	3 969
Increases during the period	*3 800*	*33 500*	*9 258*	*10 577*	*0*	*0*
Reductions during the period	*(15 000)*	*(55 000)*	*(630)*	*(1 173)*	*(118)*	*(348)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*	*0*	*0*
As at the end of the period	**48 500**	**48 500**	**9 404**	**9 404**	**3 621**	**3 621**

Emperia Holding S.A. extended corporate financial guarantees of PLN 48,500,000. 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 Q3 2009	Changes in Q1-Q3 2009	Changes in Q3 2008	Changes in Q1-Q3 2008
Revaluation allowances on account of impairment of fixed assets				
As at the beginning of the period	1 835	1 798	1 696	1 677
Creating of write-offs	*0*	*143*	*32*	*65*
Reversal of write–offs	*(40)*	*(146)*	*(94)*	*(108)*
Changes of write-offs resulting from acquisitions	*0*	*0*	*0*	*0*
As at the end of the period	**1 795**	**1 795**	**1 634**	**1 634**

(in PLN 000s, unless indicated otherwise)

Revaluation allowances for receivables				
As at the beginning of the period	28 037	33 102*	30 849	29 254
Creating of write-offs	*4 150*	*8 444*	*3 219*	*7 170*
Reversal of write–offs	*(1 894)*	*(6 608)*	*(1 091)*	*(4 009)*
Changes of write-offs resulting from acquisitions	*0*	*(2 041)*	*0*	*562*
*Not written off profit and loss***	0	(2 604)**	0	0
As at the end of the period	**30 293**	**30 293**	**32 977**	**32 977**
Revaluation allowances for financial assets				
As at the beginning of the period	62	3 540	10 703	13 712
Creating of write-offs	*0*	*3 434*	*1 210*	*16 783*
Reversal of write–offs	*0*	*(5 339)*	*(6 521)*	*(25 103)*
Changes of write-offs resulting from acquisitions	*0*	*(1 573)*	*0*	*0*
As at the end of the period	**62**	**62**	**5 392**	**5 392**
Revaluation allowances for financial assets				
As at the beginning of the period	20 862	16 022	17 555	13 213
Creating of write-offs	*4 358*	*16 820*	*4 609*	*15 496*
Reversal of write–offs	*(5 716)*	*(13 267)*	*(3 566)*	*(10 716)*
Changes of write-offs resulting from acquisitions	*0*	*(71)*	*0*	*605*
As at the end of the period	**19 504**	**19 504**	**18 598**	**18 598**
including: revaluation allowances on account of stocktaking				
As at the beginning of the period	4 867	1 030	4 858	1 136
Creating of write-offs	*4 259*	*13 126*	*3 036*	*10 649*
Reversal of write–offs	*(3 906)*	*(8 918)*	*(2 704)*	*(6 772)*
Changes of write-offs resulting from acquisitions	*0*	*(18)*	*0*	*177*
As at the end of the period	**5 220**	**5 220**	**5 190**	**5 190**
including: revaluation allowances on account of bonuses				
As at the beginning of the period	15 995	14 992	12 697	12 077
Creating of write-offs	*99*	*3 694*	*1 573*	*4 847*
Reversal of write–offs	*(1 810)*	*(4 349)*	*(862)*	*(3 944)*
Changes of write-offs resulting from acquisitions	*0*	*(53)*	*0*	*428*
As at the end of the period	**14 284**	**14 284**	**13 408**	**13 408**

* Difference on the opening balance for 2009 in relation to previous reports attributable of changes in the presentation of interest and court cost relating to overdue debts. From third quarter of 2009 the Issuer does not related them to revaluation allowances for receivables but they are directly related to the receivables.
** 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.

In 2008, the Group has formed a provision for restructuring of employment. In third quarter of 2009 as a result of use, reserve has been reduced by amount of PLN 363,000. (cumulatively PLN 1,393,000. PLN). Operation had neutral impact on Group's financial result for 2009.

(in PLN 000s, unless indicated otherwise)

7.14.10 Deferred corporate tax.

Deferred corporate tax	Changes in Q3 2009	Changes in Q1-Q3 2009	Changes in Q3 2008	Changes in Q1-Q3 2008
Deferred corporate tax assets				
As at the beginning of the period	16 394	21 085	17 356	16 113
Increase of assets	*935*	*4 650*	*4 784*	*13 263*
Reduction of assets	*(1 629)*	*(10 739)*	*(3 057)*	*(10 652)*
Increases/reductions during the period resulting from acquisitions	*0*	*704*	*0*	*359*
As at the end of the period	**15 700**	**15 700**	**19 083**	**19 083**
Provision against deferred corporate tax				
As at the beginning of the period	13 343	13 098	12 020	10 462
Increase of assets	*11 051*	*12 605*	*6 024*	*10 444*
Reduction of assets	*(10 097)*	*(12 990)*	*(815)*	*(3 820)*
Increases/reductions during the period resulting from acquisitions	*0*	*1 584*	*0*	*143*
As at the end of the period	**14 297**	**14 297**	**17 229**	**17 229**

7.14.11 Financial and operating leases.

2009:

Liabilities under financial leases	30 September 2009	
	Minimum payments	Current value of minimum payments
Up to 1 year	1 921	1 701
From 1 to 5 years	2 869	2 717
Over 5 years		
Total	4 790	4 418

Operating leases

Description of assets	Term of agreement	As at 30.09.2009	As at 30.09.2010	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	definite				
	indefinite				
Machinery and equipment	definite	1 523	785	734	1 523
	indefinite				
Vehicles	definite				
	indefinite				
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 30.09.2009	As at 30.09.2010	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	definite	58 129	65 184	270 310	333 417
	indefinite	3 035	3 154	13 274	15 400
Machinery and equipment	definite	268	295	1 430	1 735
	indefinite	23	23	122	153
Vehicles	definite	3	6		
	indefinite				
Other fixed assets	definite	2	1		
	indefinite	3	5	28	35

2008:

Financial leases

Liabilities under financial leases	31 December 2008	
	Minimum payments	Current value of minimum payments
Up to 1 year	2 189	1 936
From 1 to 5 years	3 632	2 879
Over 5 years	121	120
Total	**5 942**	**4 935**

Operating leases

Description of assets	Term of agreement	As at 31.12.2008	As at 31.12.2009	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	definite	619	619	619	
	indefinite				
Machinery and equipment	definite				
	indefinite				
Vehicles	definite	19			
	indefinite				
Other fixed assets	definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 31.12.2008	As at 31.12.2009	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	definite	68 637	74 868	285 353	305 557
	indefinite	4 990	3 618	12 427	14 918
Machinery and equipment	definite	60	53	212	264
	indefinite				
Vehicles	definite	10 790	8 384	24 857	68
	indefinite	344	192	749	937
Other fixed assets	definite	13	13	51	63
	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 third quarter of 2009 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) Execution of annexe to Credit Facility Agreement by Subsidiary.

On 3 July 2009 and 10 August 2009 a annexes to Credit Facility Agreement from 24 May 2007 were signed between subsidiary limited liability company Tradis ("Borrower") and Bank Polska Kasa Opieki Spółka Akcyjna in Warsaw ("Lender"). Subject of the annexe is increasing by PLN 47,000,000. the amount of credit facility in a current account to the height of 74,000,000. The credit facility has been granted for the period ended on 30 March 2010.

The credit facility is basically secured by:
1. Registered pledge on Borrower's inventory of commercial goods for the amount of PLN 42,000,000.
2. Transfer of commercial liabilities from agreements with contracting parties of the Borrower for the amount of PLN 32,000,000.

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

b) Appointment of member of the Supervisory Board

On 30 June the Annual General Meeting of Shareholders of Emperuia Holding S.A. unanimously appointed Mr Artur Jarosław Laskowski as a Member of the Supervisory Board from 2 July 2009.

c) Short-term loan to a subsidiary Stokrotka Sp. z o.o.

On 7 July 2009 Emperia Holding SA has granted short-term loan amounting of PLN 17,000,000. for subsidiary Stokrotka Sp. z o.o.. Contract was entered on an arm's length basis, ie. the facility interest rate is based on WIBOR for monthly deposits plus a margin, interest shall be payable at the end of each month , the loan is secure by own blank bills of exchange with bill declaration.

d) Short-term loan to a subsidiary Detal Koncept Sp. z o.o.

On 20 July 2009 as a annex (to loan agreement dated 20 May 2009) Emperia Holding S.A. granted a loan for a further PLN 7,000,000. for Detal Koncept Sp. z o.o. Contract was entered on an arm's length basis, ie. the facility interest rate is based on WIBOR for monthly deposits plus a margin, interest shall be payable at the end of each month , the loan is secure by blank bills of exchange with bill declaration.

e) Changing the name and address of the Sydo Sp. z o.o.

On 27 August 2009 name and address of Sydo Sp. z o.o. was changed. New name of company is „Projekt Elpro 1" Sp. z o.o., and new address is Bór 66F, 42-202 Częstochowa. Main object of business of Company is property development.

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

The Management Board of Emperia Holding S.A. informs that received the following notification from ING OFE on 4 September 2009:

"Given the obligation arising under Article 69 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, 23 September 2005, No. 184 item 1539), please be advised that following sales of shares in Emperia Holding S.A. ("Company") in transactions on the Warsaw Stock cleared on 1 September 2009, ING Otwarty Fundusz Emerytalny („Fund") reduced state of ownership of shares, to less than 5 percent of votes at the General Meeting of Shareholders of the Company. Prior to sale of shares Fund had held 814,811. (eight hundred and fourteen thousand eight hundred and eleven) shares in the Company, representing 5.39 percent of the share capital of the Company, carrying 814,811. (eight hundred and fourteen thousand eight hundred and eleven) votes at the General Meeting of Shareholders of Company, which accounted for 5.39 percent of the total number of votes. On 4 September 2009 on securities account of Fund are 585,837. (five hundred and eighty five thousand eight hundred and thirty seven) shares in the Company, representing 3.88 percent of the share capital of the Company. Shares carrying 585,837. (five hundred and eighty five thousand eight hundred and thirty seven) votes at the General Meeting of Shareholders of Company, which accounted for 3.88 percent of the total number of votes."

g) Appointment of Vice-Chairman of the Supervisory Board

On 8 September Supervisory Board of Emperia Holding S.A. appoints Mr Piotr Laskowski as a Vice-Chairman of the Supervisory Board Emperia Holding S.A.

h) Changing the name and address of the Express Podlaski Sp. z o.o.

On 24 September 2009 name and address of Express Podlaski Sp. z o.o. was changed. New name of company is „Projekt Elpro 3" Sp. z o.o., and new address is Bór 66F, 42-202 Częstochowa. Main object of business of Company is property development.

7.14.16 Material events after the period of the financial statements

a) Merger of subsidiaries Lewiatan Śląsk Sp. z o.o. and Lewiatan Dolny Śląsk Sp. z o.o.

On 1 October 2009 the District Court Katowice-Wschód in Katowice registered merger of subsidiaries Lewiatan Śląsk Sp. z o.o. with its seat in Sosnowiec and Lewiatan Dolny Śląsk Sp. z o.o. with its seat in Zgorzelc. Merger was made by transferring entire assets of Lewiatan Dolny Śląsk Sp. z o.o. (acquired company) to Lewiatan Śląsk Sp. z o.o. (acquiring company).

b) Execution of Credit Facility Agreement by Subsidiary.

On 30 October 2009 a Credit Facility Agreement was signed between subsidiary limited liability company Tradis ("Borrower") and BRE Bank Spółka Akcyjna in Warsaw ("Lender"). The Lender has provided a overdraft facility of PLN 63,000,000. The purpose of the facility is to finance day-to-day operational needs. Signed loan agreement replaced three agreements functioning so far executed by Tradis and acquired by him in July 2009 companies of Emperia Capital

Group: BOS and DLS with BRE Bank (total value of PLN 63,000,000.) The credit facility has been granted for the period from 30 October 2009 to 30 August 2012.

The facility is secured by:
1. Global cession for Lender claims of Borrower in an amount not less than 90 percent of amount of credit.
2. Patronage letter of 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.

(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.2009 to 30.Sep.2009	For period 01.Jan.2008 to 30.Sep.2008*	For period 01.Jan.2009 to 30.Sep.2009	For period 01.Jan.2008 to 30.Sep.2008*
I.	Net revenues from sale of products, goods and materials	38 381	38 064	8 724	11 115
II.	Profit (loss) on operating activity	3 736	3 559	849	1 039
III.	Profit (loss) before tax	44 842	2 271	10 193	663
IV.	Profit (loss) for period	43 631	897	9 918	262
V.	Net cash flows from operating activity	7 264	6 798	1 651	1 985
VI.	Net cash flows from investing activity	(2 474)	(30 013)	(562)	(8 764)
VII.	Net cash flows from financing activity	(5 406)	(4 196)	(1 229)	(1 225)
VIII.	Total net cash flows	(616)	(27 411)	(140)	(8 004)
IX.	Total assets	631 134	598 036	149 466	143 331
X.	Liabilities and provisions against liabilities	10 601	12 216	2 510	2 928
XI.	Long-term liabilities	1 281	818	303	196
XII.	Short-term liabilities	9 320	11 398	2 207	2 732
XIII.	Equity	620 534	585 820	146 955	140 404
XIV.	Initial capital	15 115	15 115	3 580	3 623
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	15 047 145	15 115 161	15 047 145
XVII.	Profit (loss) per ordinary share (annualized) (PLN/EUR)**	2,92	0,22	0,66	0,07
XVIII.	Diluted profit (loss) per ordinary share (PLN/EUR)**	2,92	0,22	0,66	0,07
XIX.	Book value per share (PLN/EUR)***	41,05	38,76	9,72	9,29
XX.	Diluted book value per share (PLN/EUR)***	41,05	38,76	9,72	9,29
XXI.	Declared or distributed dividend per share (PLN/EUR)***	0,59	0.88	0,14	0,21

* Comparative data on the Statement of Financial Position refer to 31 December 2008
** the declared amount is calculated based on the weighted average number of the Issuer's shares
*** the declared amount is calculated based on the number of the Issuer's shares as at the date of report

The weighted average number of shares:
– in 2009: in January-September 15 115 161;
– in 2008: in January-May 14 992 732, June-September 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 4,3993 PLN/EURO for three quarters of 2009, and 3,4247 PLN/EURO for three quarters of 2008.
2 The balance sheet items and book value/diluted book value are converted at the average exchange rate published by the National Bank of Poland, effective on the balance sheet date, which was 4,2226 PLN/EURO on 30 September 2009 , and 4,1724 PLN/EURO on 31 December 2008.

(in PLN 000s, unless indicated otherwise)

8.2 Stand-Alone Summary Statement of Financial Position.

	30 September 2009	30 June 2009	30 September 2008	31 December 2008
Fixed Assets	**558 262**	**559 580**	**504 650**	**519 594**
Tangible fixed assets	47 683	49 029	40 532	41 446
Investment real property	3 166	3 166	3 166	3 166
Intangible assets	5 532	5 445	3 300	4 565
Financial assets	501 570	501 532	456 240	469 421
Long-term loans				
Long-term receivables and other deferred income	65	66	589	68
Deferred income tax assets	246	342	823	928
Current Assets	**72 872**	**88 849**	**88 634**	**78 442**
Stock	31	33	971	22
Receivables	5 134	35 496	7 143	6 628
Income tax withholding	1 371	941		
Short-term securities	31 149	39 880	74 796	66 110
Prepaid expenses	408	661	341	287
Cash	2 579	2 633	5 183	3 195
Other financial assets	32 200	9 205	200	2 200
Total Assets	**631 134**	**648 429**	**593 284**	**598 036**
Equity	**620 534**	**618 948**	**585 027**	**585 820**
Share capital	15 115	15 115	15 115	15 115
Share premium capital	549 559	549 559	549 559	549 559
Supplementary capital	1 526	1 526	1 526	1 526
Supplementary capital from the evaluation of managerial options	268	268		268
Reserve capital	12 376	12 376	19 871	19 871
Revaluation capital				
Treasury shares				
Retained profit	41 690	40 104	(1 044)	(519)
Long-term liabilities	**1 281**	**1 052**	**673**	**818**
Credit facilities, loans and debt securities	28	35		53
Long-term liabilities				
Provisions	42	42	43	42
Provision against deferred income tax	1 210	975	630	723
Short-term liabilities	**9 320**	**28 429**	**7 584**	**11 398**
Credit facilities, loans and debt securities	4 021	12 977		29
Short-term liabilities	4 353	14 179	5 314	9 354
Income tax liabilities	157	157	78	33
Provisions	728	1 059	2 126	1 929
Deferred income	61	57	66	53
Total liabilities	**631 134**	**648 429**	**593 284**	**598 036**

Book value	620 534	618 948	585 027	585 820
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	41,05	40,95	38,71	38,76

(in PLN 000s, unless indicated otherwise)

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

	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Sales revenues	12 776	38 381	11 268	38 064
Cost of goods sold	(10 126)	(29 376)	(8 335)	(24 789)
Profit on sales	**2 650**	**9 005**	**2 933**	**13 275**
Other operating income	79	226	107	407
Selling expense	(1)	(3)	(1)	(3)
General administrative expense	(1 675)	(5 417)	(2 573)	(9 985)
Other operating expense	(15)	(75)	(63)	(135)
Profit on operations	**1 038**	**3 736**	**403**	**3 559**
Financial income	1 131	41 625	1 502	4 675
Financial expense	(212)	(519)	(1)	(5 963)
Profit before tax	**1 957**	**44 842**	**1 904**	**2 271**
Income tax	(371)	(1 211)	(482)	(1 374)
Profit for period	**1 586**	**43 631**	**1 422**	**897**
profit for shareholders of dominant entity				
profit for minority shareholders				

Profit (loss) for period (annualised)	44 156	3 350
Weighted average of ordinary shares *	15 115 161	15 047 145
Profit (loss) per ordinary share (PLN) annualised	2,92	0,22

* The weighted average number of shares:
– for 2009: January-September 15 115 161;
– for 2008: January-May 14 992 732, June-September 15 115 161.

Statement of total income	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Profit for period	1 586	43 631	1 422	897
Other total income:				
Total income for period	**1 586**	**43 631**	**1 422**	**897**

(in PLN 000s, unless indicated otherwise)

8.4 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	Total equity
1 July 2009	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**40 104**	**618 948**
Correction of error for 2008								
1 July 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**40 104**	**618 948**
Total revenue for 3 months until 30 September 2009							1 586	**1 586**
Effect of Społem Tychy interest acquisition								
Settlement of sales and redemption of shares of Arsenal Sp. z o.o.								
Valuation of management option								
Distribution of 2008 profit – allocation to capital funds								
Distribution of 2008 profit - Centrum Sanok (allocation to capital of Stokrotka Sp. z o.o.)								
Dividend for shareholders as part of 2008 profit distribution								
30 September 2009	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**41 690**	**620 534**
1 January 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Change in accounting standards and policies								
1 January 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Total revenue for 9 months until 30 September 2009							43 631	**43 631**
Result on merger between Detal Koncept and Polka (previously unconsolidated)								
Effect of other mergers								
Increase of capital following new share issue								
Distribution of 2008 profit – allocation to capital funds								
Dividend for shareholders as part of 2008 profit distribution					(7 495)		(1 422)	**(8 917)**
30 September 2009	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**41 690**	**620 534**

(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 2008	**14 993**	**536 227**	**1 526**		**18 542**		**12 689**	**583 977**
Change in accounting standards and policies								
1 January 2008 adjusted	**14 993**	**536 227**	**1 526**		**18 542**		**12 689**	**583 977**
Total revenue for 12 months until 31 December 2008							1 422	**1 422**
Increase of capital following new share issue	122	13 332						**13 454**
Valuation of management option				268				**268**
Distribution of 2007 profit – allocation to capital funds					1 329		(1 329)	
Dividend for shareholders as part of 2007 profit distribution							(13 301)	**(13 301)**
31 December 2008	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**

(in PLN 000s, unless indicated otherwise)

8.5 Stand-Alone Summary Report of Cash Flow

	3 months ended 30 September 2009	9 months ended 30 September 2009	3 months ended 30 September 2008	9 months ended 30 September 2008
Profit (loss) for period	**1 586**	**43 631**	**1 422**	**897**
Adjustments for:	**2 452**	**(36 367)**	**461**	**5 901**
Depreciation	2 392	5 783	1 412	3 667
Interest and share in profit (dividends)	(913)	(40 971)	3 037	495
Income tax	372	1 211	31	923
Profit (loss) on investing activity	(54)	(110)	2	1 573
Change in provisions	(330)	(1 200)	(186)	(1 323)
Change in stock	2	(9)	(3)	(965)
Change in receivables	1 237	1 310	932	4 109
Change in accruals	258	(110)	1 009	387
Change in short-term liabilities	(41)	(983)	(1 254)	(2 001)
Other adjustments			(4 353)	
Income tax paid	(471)	(1 288)	(166)	(964)
Net cash flows from operating activity	**4 038**	**7 264**	**1 883**	**6 798**
Income	**166 240**	**513 263**	**231 612**	**504 924**
Sale of fixed and intangible asset	193	602	574	2 384
Sale of financial assets	134 796	470 796	231 000	502 500
Dividends received	29 251	38 748		
Interest received	490	607	38	40
Repayment of loans granted	1 510	2 510		
Other income				
Expenditures	**(152 239)**	**(515 737)**	**(241 277)**	**(534 937)**
Purchase of fixed and intangible assets	(2 265)	(16 029)	(1 126)	(10 615)
Investments in real property				(3 166)
Purchase of subsidiaries and associated entities	(37)	(33 441)	(1 460)	(31 904)
Purchase of financial assets	(125 452)	(433 782)	(238 691)	(489 052)
Loans granted	(24 485)	(32 485)		(200)
Cash in subsidiaries at the date of sale				
Other expenditures				
Net cash flows from investing activity	**14 001**	**(2 474)**	**(9 665)**	**(30 013)**
Income	**12 833**	**38 537**	**(9)**	**13 455**
Income from credit facilities and loans contracted				
Issue of short-term debt securities	12 833	38 537		
Share issue			(9)	13 455
Other income				
Expenditures	**(30 926)**	**(43 943)**	**(13 301)**	**(17 651)**
Repayment of credit facilities and loans				
Redemption of short-term debt securities	(22 000)	(35 000)		
Payment of liabilities under financial leases	(6)	(20)		
Interest and charges paid	(2)	(5)		
Dividends paid	(8 918)	(8 918)	(13 301)	(13 301)
Other expenditures				(4 350)
Net cash flows from financial activity	**(18 093)**	**(5 406)**	**(13 310)**	**(4 196)**

(in PLN 000s, unless indicated otherwise)

Change in cash	**(54)**	**(616)**	**(21 092)**	**(27 411)**
Exchange differences				
Cash at beginning of period	**2 633**	**3 195**	**26 275**	**32 594**
Cash at end of period	**2 579**	**2 579**	**5 183**	**5 183**

9. Change to the presentation of bonuses and its impact upon profit and loss account.

Starting from financial statement for 2008 all the subsidiaries of the Emperia Group changed the presentation of product losses and bonuses provided to the buyers and bonuses received from the suppliers.

Correction of presentation for three quarters of 2008, to preserve the comparability of financial data was made on basis of IAS 18 "Revenues" which provides that the same criteria of recognition (presentation) should be applied to two or more various transactions if they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. Product surpluses and losses and bonuses received and paid by the companies are linked with sales and affect directly sales revenues or cost of goods sold.
The change effected results in the correct presentation of the data in the profit and loss account for three quarters 2008 , in compliance with the economic sense and purpose of the transactions.

● previously product losses were presented as selling expense, and now the value of product losses increases the cost of goods sold (in one of the Group's subsidiaries, the adjustment applies to other operating expense and not selling expense, as in 2008 the subsidiary reported product losses as other operating expense);

● previously bonuses provided to the buyers were reported as selling expense, and now they are deducted from sales revenues;

● previously bonuses received from suppliers were reported as sales revenues, now they are deducted from cost of goods sold;

<u>Impact of presentation of bonuses and loss of goods on profit and loss account for the three quarters of 2008:</u>

	9 months ended 30 September 2008	Presentation correction	9 months ended 30 September 2008 after correction
Sales revenues	3 960 247	(59 846)	3 900 401
Cost of goods sold	(3 348 488)	38 090	(3 310 398)
Profit on sales	**611 759**	**(21 756)**	**590 003**
Other operating income	11 230	0	11 230
Selling expense	(478 659)	20 537	(458 122)
General administrative expense	(61 137)	412	(60 725)
Other operating expense	(10 218)	807	(9 411)
Profit on operations	**72 975**	**0**	**72 975**
Financial income	1 968	0	1 968
Financial expense	(12 857)	0	(12 857)
Profit before tax	**62 086**	**0**	**62 086**
Income tax	(21 002)	**0**	(21 002)
Profit for period	**41 084**	**0**	**41 084**
Profit for shareholders of dominant entity	41 047	0	41 047
Profit for minority shareholders	37	0	37

(in PLN 000s, unless indicated otherwise)

Lublin, November 2009

Signatures of members of Management Board:

2009-11-16	Artur Kawa	President of the management board	.... signature
2009-11-16	Jarosław Wawerski	Vice- President of the management board	.... signature
2009-11-16	Dariusz Kalinowski	Member of the management board – Financial Director	.... signature
2009-11-16	Marek Wesołowski	Member of the management board – Retail Business Director	.... signature
2009-11-16	Grzegorz Wawerski	Member of the management board – Retail Business Development Director	.... signature

Person responsible for accountancy:

2009-11-16	Elżbieta Świniarska	Economic Director	.... signature