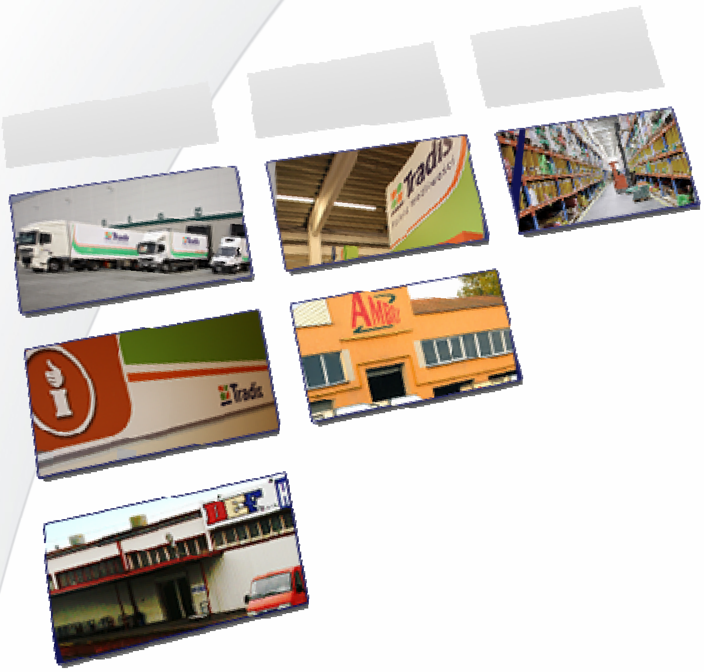

CONSOLIDATED FINANCIAL STATEMENTS

FOR Q4 2009

PREPARED IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(FIGURES IN PLN 000s)

TRANSLATORS' EXPLANATORY NOTE
The following document is a free translation of the Q4 Consolidated Report of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

LUBLIN, MARCH 2010

Table of Contents

1. Selected Financial Highlights ... 3
2. Summary Consolidated Statement of Financial Position ... 4
3. Summary Consolidated Profit and Loss Account and Statement of comprehensive income. ... 5
4. Summary Report of Changes in Equity ... 7
5. Summary Consolidated Report of Cash Flows ... 10
6. Notes to Consolidated Financial Statements ... 12
6.1 Group Background ... 12
6.2 Outline of Key Accounting Policies ... 17
7. Additional Notes ... 34
7.1 Brief description of the significant accomplishments or failures of Emperia Capital Group. ... 34
7.2 Revenues and performance by business segment ... 36
7.3 Indication of the effects of changes in structure of the enterprise. ... 37
7.4 Management Board position on the implementation of previously published results for the year. ... 37
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. ... 38
7.6 Changes in the number of shares held by members of the Management Board and Supervisory Board. ... 38
7.7 Information on pending litigation. ... 38
7.8 Material transactions of the Issuer with associated entities ... 39
7.9 Credit facilities, loans and guarantees. ... 39
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. ... 39
7.11 Description of factors and events, in particular of untypical character, affecting the result achieved in the financial year. ... 39
7.12 Description of factors materially affecting the Group's results at least in the next quarter. ... 39
7.13 Changes in the composition of the Issuer's Management Board and Supervisory Board. ... 40
7.14 Other material information and events. ... 40
8. Issuer's Summary Stand-Alone Financial Statements ... 53
8.1 Stand-Alone Selected Financial Highlights ... 53
2.1 Stand-Alone Summary Statement of Financial Position. ... 54
2.2 Stand-Alone Summary Profit and Loss Account and Stand-Alone Summary Statementof Comprehensive Income ... 55
2.3 Summary Report of Changes in Equity ... 56
2.4 Stand-Alone Summary Report of Cash Flow ... 58

(in PLN 000s, unless indicated otherwise)

1. Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EURO	
		For period 1 Jan. 2009 to 31 Dec. 2009	For period 1 Jan. 2008 to 31 Dec. 2008	For period 1 Jan. 2009 to 31 Dec. 2009	For period 1 Jan. 2008 to 31 Dec. 2008
I.	Net revenues from sale of products, goods and materials	5 543 730	5 257 118	1 277 181	1 488 383
II.	Profit (loss) on operating activity	110 695	96 012	25 502	27 183
III.	Profit (loss) before tax	89 957	80 443	20 725	22 775
IV.	Profit (loss) for period	68 231	59 206	15 719	16 762
V.	Net cash flows from operating activity	93 970	30 101	21 649	8 522
VI.	Net cash flows from investing activity	(121 738)	(176 565)	(28 046)	(49 989)
VII.	Net cash flows from financing activity	17 795	103 937	4 100	29 426
VIII.	Total net cash flows	(9 973)	(42 527)	(2 298)	(12 040)
IX.	Total assets	1 830 013	1 725 268	445 454	413 495
X.	Liabilities and provisions against liabilities	1 025 311	980 185	249 577	234 921
XI.	Long-term liabilities	171 063	306 221	41 639	73 392
XII.	Short-term liabilities	854 248	673 964	207 937	161 529
XIII.	Equity	804 702	745 083	195 877	178 574
XIV.	Initial capital	15 115	15 115	3 679	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	15 064 149	15 115 161	15 064 149
XVII.	Profit (loss) per ordinary share annualized * (PLN\EURO)	4,51	3,93	1,04	1,11
XVIII.	Diluted profit (loss) per ordinary share annualized* (PLN\EURO)	4,51	3,93	1,04	1,11
XIX.	Book value per share (PLN/EUR)**	53,24	49,29	12,96	11,81
XX.	Diluted book value per share (PLN/EUR)**	53,24	49,29	12,96	11,81
XXI.	Declared or distributed dividend per share (PLN/EUR)**	0,59	0,88	0,14	0,21

* 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 - December 15 115 161;
– in 2008: in January-May 14 992 732, June-December 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 4,3406 PLN/EUR in 2009, and 3,5321 PLN/EUR in 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 4,1082 PLN/EUR on 31 December 2009 and 4.1724 PLN/EUR on 31 December 2008.

(in PLN 000s, unless indicated otherwise)

2. Summary Consolidated Statement of Financial Position

	31 December 2009	30 September 2009	31 December 2008	30 September 2008
Fixed Assets	**943 260**	**913 543**	**851 288**	**777 333**
Tangible fixed assets	657 698	628 989	579 644	506 853
Investment real property	16 992	17 451	17 711	15 893
Intangible assets	7 739	6 955	6 367	4 524
Goodwill	202 862	202 672	189 827	198 221
Shares in associated companies - valuated by equity method	3 630	3 804	3 997	
Financial assets	12 526	13 082	10 331	12 041
Long-term loans				
Long-term receivables and other deferred income	26 068	24 890	22 326	20 718
Deferred income tax assets	15 745	15 700	21 085	19 083
Current Assets	**886 753**	**877 908**	**873 980**	**837 809**
Stock	457 288	435 355	415 801	399 427
Receivables	365 021	379 395	396 840	386 040
Income tax withholding	16 440	12 855	3 920	1 348
Short-term securities				15
Prepaid expenses	7 955	8 446	7 196	7 671
Cash	40 049	40 600	50 023	43 108
Other financial assets		240	200	200
Assets earmarked for sale		1 017		
Total Assets	**1 830 013**	**1 791 451**	**1 725 268**	**1 615 142**
Equity	**804 702**	**788 235**	**745 083**	**729 746**
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	1 035	596	596	
Reserve capital	59 150	59 150	59 873	59 873
Revaluation capital			(1 681)	
Treasury shares				
Retained profit	81 793	65 766	30 367	12 755
Total equity allocated to shareholders of dominant entity	**804 605**	**788 139**	**744 691**	**728 164**
Equity of minority shareholders	97	96	392	1 582
Long-term liabilities	**171 063**	**196 195**	**306 221**	**226 597**
Credit facilities, loans and debt securities	147 621	172 826	285 263	201 486
Long-term liabilities	5 959	6 496	5 498	4 710
Provisions	2 906	2 576	2 362	3 172
Provision against deferred income tax	14 577	14 297	13 098	17 229
Short-term liabilities	**854 248**	**807 021**	**673 964**	**658 799**
Credit facilities, loans and debt securities	213 096	172 165	29 315	51 485
Short-term liabilities	615 900	610 602	615 740	588 008
Income tax liabilities	4 518	5 232	6 715	2 951
Provisions	19 169	17 691	21 030	15 271
Deferred income	1 565	1 331	1 164	1 084
Total liabilities	**1 830 013**	**1 791 451**	**1 725 268**	**1 615 142**

(in PLN 000s, unless indicated otherwise)

Book value	804 702	788 235	745 083	729 746
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	53,24	52,15	49,29	48,28

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

	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Sales revenues	**1 443 877**	**5 543 730**	**1 356 717**	**5 257 118**
Cost of goods sold	**(1 207 931)**	**(4 656 600)**	**(1 133 892)**	**(4 444 290)**
Profit on sales	**235 946**	**887 130**	**222 825**	**812 828**
Other operating income	1 655	29 721	7 256	18 486
Selling expense	(183 940)	(698 068)	(160 126)	(618 248)
General administrative expense	(24 393)	(95 171)	(39 948)	(100 673)
Other operating expense	(4 990)	(12 917)	(6 970)	(16 381)
Profit on operations	**24 278**	**110 695**	**23 037**	**96 012**
Financial income	825	2 650	1 177	3 145
Financial expense	(4 692)	(23 388)	(5 857)	(18 714)
Profit before tax	**20 411**	**89 957**	**18 357**	**80 443**
Income tax	(4 211)	(21 359)	1 346	(19 656)
Share in financial result entities valued using the equity method	(174)	(367)	(1 581)	(1 581)
Profit for period	**16 026**	**68 231**	**18 122**	**59 206**
Profit for period for shareholders of dominant entity	16 025	68 213	17 922	58 969
Profit for period for minority shareholders	1	18	200	237

Profit (loss) for period (annualised)	68 231	59 206
Weighted average of ordinary shares *	15 115 161	15 064 149
Profit (loss) per ordinary share (PLN) (annualised)	4,51	3,93

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

(in PLN 000s, unless indicated otherwise)

Statement of total income	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Profit for period	**16 026**	**68 231**	**18 122**	**59 206**
Other total income:				
Security of Cash Flow		635	(2 075)	(2 075)
Income tax on the other comprehensive income		(121)	394	394
Other total net income		514	(1 681)	(1 681)
Total income for period	**16 026**	**68 745**	**16 441**	**57 525**
Total income for shareholders of parent company	16 025	68 727	16 260	57 307
Total income for minority shareholders	1	18	181	218

(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 interest	Total equity
1 October 2009	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**65 768**	**96**	**788 237**
Correction of error for 2008									
1 October 2009 adjusted	**15 115**	**549 559**	**97 953**	**596**	**59 150**		**65 768**	**96**	**788 237**
Profit for 3 months until 31 December 2009							16 025	1	**16 026**
Valuation of management option				439					**439**
Distribution of 2008 profit – allocation to capital funds									
Dividend for shareholders as part of 2008 profit distribution									
31 December 2009	**15 115**	**549 559**	**97 953**	**1 035**	**59 150**		**81 793**	**97**	**804 702**
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							(387)		**(387)**
1 January 2009 adjusted	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**29 980**	**392**	**744 696**
Profit for 12 months until 31 December 2009						514	68 213	18	**68 745**
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)		
Valuation of management option				439					**439**
Distribution of 2008 profit – allocation to capital funds			7 091		6 773		(13 864)		
Distribution of 2008 profit - Centrum Sanok (transfer to capital in Stokrotka Sp. z o.o.)							53		**53**
Dividend for shareholders as part of 2008 profit distribution					(7 496)		(1 422)		**(8 918)**
31 December 2009	**15 115**	**549 559**	**97 953**	**1 035**	**59 150**		**81 793**	**97**	**804 702**

(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 interest	Total equity
1 October 2008	**15 115**	**549 559**	**90 862**		**59 873**		**12 755**	**1 582**	**729 746**
Correction of terror 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 October 2008 adjusted	**15 115**	**549 559**	**90 862**		**59 873**		**12 434**	**1 582**	**729 425**
Profit for 3 months until 31 December 2008						(1 681)	17 922	200	**16 441**
Settlement of acquisition shares in Społem Tychy								(1 869)	**(1 869)**
Effect of other mergers							11	479	**490**
Valuation of management options				596					**596**
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)

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation Capital	Retained profit	Minority interest	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						(1 681)	58 969	237	**57 525**
Result on merger between Detal Koncept and Polka (previously unconsolidated)					(249)				**(249)**
Settlement of acquisition shares in Społem Tychy								(1 869)	**(1 869)**
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 options				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 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Profit (loss) for period	**16 026**	**68 231**	**18 122**	**59 206**
Adjustments for:	**9 841**	**25 739**	**(18 281)**	**(29 105)**
Share in net (profits) losses of entities consolidated using equity method	174	367	1 581	1 581
Depreciation	16 410	63 544	14 287	52 928
(Gain) loss on exchange rate differences	(1)	1	(124)	(139)
Interest and share in profit (dividends)	4 383	15 485	15 686	15 580
Income tax	4 045	21 194	(637)	19 656
Profit (loss) on investing activity	302	(13 014)	(2 085)	(11 479)
Change in provisions	1 773	(1 307)	4 950	676
Change in stock	(21 802)	(35 782)	(13 301)	(52 414)
Change in receivables	10 339	(16 459)	(29 039)	(27 384)
Change in accruals	163	(3 646)	(304)	(9 763)
Change in short-term liabilities	1 705	23 275	(1 038)	3 726
Other adjustments	313	(299)	(3 258)	510
Income tax paid	(7 963)	(27 620)	(4 999)	(22 583)
Net cash flows from operating activity	**25 867**	**93 970**	**(159)**	**30 101**
Income	**5 029**	**81 885**	**(9 093)**	**26 507**
Sale of fixed and intangible asset	3 181	41 470	78	11 863
Sale of financial assets		195	6 622	6 667
Disposal of subsidiaries		18 034		
Interest received	499	1 731	(5)	102
Repayment of loans granted	553	15 553		
Cash from acquired companies		2 230	(16 746)	6 493
Other income	796	2 672	958	1 382
Expenditures	**(33 855)**	**(203 623)**	**(44 306)**	**(203 072)**
Purchase of fixed and intangible assets	(33 554)	(159 217)	(38 564)	(182 197)
Investments in real property		(481)	(1 084)	(4 250)
Purchase of subsidiaries and associated entities	(33)	(27 460)	(1 409)	(12 474)
Purchase of financial assets			207	(91)
Loans granted		(15 000)		(200)
Cash from acquired companies at date of acquisition		(455)		
Other expenditures	(268)	(1 010)	(3 456)	(3 860)
Net cash flows from investing activity	**(28 826)**	**(121 738)**	**(53 399)**	**(176 565)**
Income	**17 997**	**202 095**	**89 141**	**199 766**
Income from credit facilities and loans contracted	10 650	145 001	77 509	174 357
Issue of short-term debt securities	7 326	57 008	11 466	11 466
Share issue				13 455
Other income	21	86	166	488
Expenditures	**(15 588)**	**(184 300)**	**(28 826)**	**(95 829)**
Repayment of credit facilities and loans	(2 634)	(100 210)	(12 256)	(52 916)
Redemption of short-term debt securities	(7 300)	(53 500)	(12 000)	(12 000)
Payment of liabilities under financial leases	(440)	(2 691)	(527)	(986)
Interest and charges paid	(4 710)	(17 986)	(3 542)	(16 125)
Dividends paid		(8 918)		(13 301)
Other	(504)	(995)	(501)	(501)

(in PLN 000s, unless indicated otherwise)

Net cash flows from financial activity	**2 409**	**17 795**	**60 315**	**103 937**
Change in cash	**(550)**	**(9 973)**	**6 757**	**(42 527)**
Exchange differences	(1)	(1)	158	143
Cash at beginning of period	**40 600**	**50 023**	**43 108**	**92 407**
Cash at end of period	**40 049**	**40 049**	**50 023**	**50 023**

6. Notes to Consolidated Financial Statements

6.1 Group Background

Name, seat and objects of business of the dominant entity

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

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

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

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

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

The consolidated financial statements have been prepared for the period from 1 January 2009 to 31 December 2009, with comparable data for the period from 1 January 2008 to 31 December 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 31 December 2009, Emperia Holding S.A. and fourteen 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. (including Projekt Elpro 2 Sp. z o.o. and Projekt Elpro 3 Sp. z o.o.)

In fourth quarter of 2009 the composition of the Emperia Holding Group (compared to the third quarter 2009) changed. There was merger of: „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.)

* At 31.12.2009 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 31 December 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 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 NCR	Subsidiary	Full	2001-02-15	100,00%	100,00%
5	„Tradis" Sp. z o.o.		20-952 Lublin, Mełgiewska 7-9	Food wholesaling	272382, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2007-01-23	100,00%	100,00%
6	"DEF" Sp. z o.o. (2)		15-399 Białystok, Handlowa 6	Food 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)

	Subsidiary name	Logo	Registered address	Main objects of business	Court of registration	Relation to parent	Consolidation method	Date of acquiring control / Date of material impact	Interest held	Voting power at general meeting
9	„Maro-Markety" Sp. z o.o.		61-615 Poznań, Skwierzyńska 20	Food product retailing	102596, District Court in Poznan, 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	Partner chain management	280288, District Court for the Capital City 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. (4)		42-202 Częstochowa, ul. Bór 66 F	Property development	71049, District Court in Wrocław, VI Commercial Division of NCR	Subsidiary	Full	2007-11-29	100,00%	100,00%

(1) directly by 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) indirectly 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%)

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

(in PLN 000s, unless indicated otherwise)

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

* indirectly weighted share

(1) indirectly by Stokrotka Sp. z o.o.

(2) indirectly by Tradis Sp. z o.o.

(2a) indirectly by Tradis Sp. z o.o. (34 shares, 34%), directly by Emperia Holding S.A. (66 shares, 66%)

(3) indirectly by Tradis Sp. z o.o. (59,11% shares) and directly by Emperia Holding S.A. (40,89% shares)

(4) indirectly by Społem Tychy Sp. z o.o.

(5) directly by Emperia Holding (7 shares, 10,0%), indirectly by Maro-Markety Sp. z o.o.(41 shares, 58,57%)

(5a) indirectly by Maro-Markety Sp. z o.o. (901 shares, 89,21%)

(6) directly by Emperia Holding S.A. and indirectly by Lewiatan: Kujawy, Podlasie, Śląsk, Orbita, Opole, Wielkopolska, Zachód

(in PLN 000s, unless indicated otherwise)

List of entities other than subsidiaries entities in which associated entities hold less than 20% of shares as at 31 December 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" S.A. (2)	Białystok ul. Gen. Wł. Andersa 38	14 805	0,30%	0,36%
"Spółdzielnia Mieszkaniowa Lokatorsko-Własnościowa w Lidzbarku Warmińskim" (1)	Lidzbark	The acquisition is necessary as the commercial space in which the business is conducted is owned by the cooperative;		
"Beskidzkie Towarzystwo Kapitałowe" S.A. (3)	43-300 Bielsko Biała, ul. Kamińskiego 19	21 520	4,37%	4,37%
"SPOŁEM" Domy Handlowe Sp. z o.o. (4)	43-100 Tychy, ul. Damrota 72	6	16,66%	16,66%
Lewiatan Podkarpacie Spółka z o.o. (5)	39-200 Dębica, ul. Drogowców 8	170	0,59%	0,59%
Elektroniczna Sieć Handlowa Merkury Spółka z o.o. (5)	01-728 Warszawa, ul. Powązkowska 46/50	3 298	11,20%	11,20%

(1) indirectly by Tradis Sp. z o.o.
(2) indirectly by Projekt Elpro 1 Sp. z o.o.
(3) indirectly by Euro Sklep S.A.
(4) indirectly by Społem Tychy Sp. z o.o.
(5) indirectly by ZKiP Lewiatan 94 Holding S.A.

6.2 Outline of Key Accounting Policies

6.2.1 Basis for Preparation of Consolidated Financial Statements

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

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

6.2.2 Conformity Statement

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

6.2.3 Operating Segment Reporting

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

The standard implementation process included an analysis of the Group's management model, of the Group's reporting system, and of the business properties of the Group's members. The findings of the analysis did not indicate any need to make changes to the existing segregation of business segments on which internal and external reporting relies.

The Group's operations fall into three business segments:

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

*) While the Wholesale Segment comprises a smaller number of companies compared to mid-2009, its composition has not changed since as part of the integration process the wholesale company Tradis Sp. z o.o. took over the following companies: BOS S.A., Sygel-Jool S.A. oraz DLS S.A.

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

6.2.4 Functional Currency

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

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

6.2.5 Changes in Accounting Policies Applied

The 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 capitalization (before the amendment they were reported directly in the profit and loss account). It applies to annual periods commencing on 1 January 2009 or after that date.

c) IFRIC 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.

d) IFRIC 13 "Customer Loyalty Programmes"

IFRIC 13 was issued on 9 July 2007 was issued by the International Financial Reporting Interpretations Committee. The interpretation sets forth the principles of accounting treatment of transactions resulting from the implemented loyalty programmes organized by the entity for its customers. The interpretation applies to annual periods commencing on 1 July 2008 or after that date.

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

The revised IAS 1 was issued on 6 September 2007 and is effective for annual periods beginning on or after 1 January 2009. The amendments relate to terminological changes and changes to the presentation of financial statements, statement of comprehensive income.

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

The revised IFRS 2 was issued on 17 January 2008 and is effective for annual periods beginning on or after 1 January 2009. The amendments to IFRS 2 clarify the definition of vesting conditions and the accounting treatment of cancellations by the parties of a share-based payment agreement.

g) 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.

h) 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.

i) 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.

j) IFRIC 16 " „Hedges Accounting of a Net Investment in a Foreign Operation"

The interpretation was issued on 3 July 2008 by International Financial Reporting Interpretations Committee IFRIC 16. Interpretation explains how to apply the requirements of IAS 21 and IAS 39 in cases when entities hedge exchange risk resulting from its net investment in foreign operation. The interpretation applies to annual periods commencing on 1 October 2008 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 fourth quarter of 2009.

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>New standards and interpretations which are not yet applicable and were not applied previously:</u>

a) IFRIC 15 „Agreements for the Construction of Real Estate"

The interpretation was issued on 3 July 2008 and will apply to annual periods commencing on 1 January 2009 and after that date. Interpretation clarifies when should be recognized revenue from property, and whether agreement concerning the construction of real estate is subject of the provisions of IAS 11 or IAS 18.

b) 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 recognizing 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.

c) 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.

d) 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.

e) 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.

f) 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.

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.

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

Amendments to IFRS 2 was issued on 18 June 2009 and 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. Standard provides detailed information on conduct and settlement of accounts of a business combination by purchase method, change methodology of valuation of goodwill, introduces new rules for the settlement of purchase / sale shares after date of acquiring control. 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. The standard has not as yet been adopted by the European Union.

l) 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 1 January 2010 and after that date The standard has not as yet been adopted by the European Union.

m) Amendments to IAS 32 „Classification of subscription rights"

On 08 October 2009 the International Accounting Standards Board has published amendments to do IAS 32. Changes relate to accounting emissions of allowances, denominated in currencies other than the functional currency and require that, during fulfilling of certain conditions, allowances emissions was classified as a share capital, irrespective of the currency in which realization price of right was establish. The amendments to IAS 32 will apply to annual periods commencing on 1 February 2010 and after that date.

n) Amendments to IAS 24 „Transactions with subsidiaries"

On 04 November 2009 the International Accounting Standards Board has published amendments to IAS 24. Amendments put a simplification in information disclosed by the entities associated with state-run establishment and clarify definitions of subsidiaries. The amendments to IAS 24 will apply to annual periods commencing on 1 February 2011 and after that date. The standard has not as yet been adopted by the European Union.

o) IFRS 9 „Financial Instruments"

On 12 November 2009 the International Accounting Standards Board has published IFRS 9. Standard introduces model with two methods of classification: amortized cost and fair value. Approach of standard is based on the business model used for asset management and on characteristics of financial assets. Standard will apply to annual periods commencing on 1 February 2013 and after that date. The standard has not as yet been adopted by the European Union.

p) Amendments to IFRIC 14 „Advances on against the minimum funding requirement"

On 26 November 2009 the International Accounting Standards Board has published amendments to IFRIC 14. Interpretation provides guidance on recognition of prior payment contributions to repayment of minimal funding requirement as a assets in the financing unit. Interpretation will apply to annual periods commencing on 1 January 2011 and after that date. The standard has not as yet been adopted by the European Union.

q) IFRIC 19 „Regulating of financial liabilities by the equity instruments"

On 26 November 2009 the International Accounting Standards Board has published IFRIC 19. Interpretation governs accounting principles in situation, when as a result of reorganization of conditions of liabilities commitment is settled by issuing equity instruments addressed to the creditor. In such a situation valuation of issued equity instruments is made in fair value, and the difference between book value of liabilities and the fair value of issued equity instruments is profit or loss. Interpretation will apply to annual periods commencing on 1 July 2010 and after that date. The standard has not as yet been adopted by the 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

Acquisition of shares in subsidiaries and other

a) Increase of share ownership in Lewiatan Mazowsze Sp. z o.o. as a result of redemption of shares in company.

As a result of redemption of share capital of Lewiatan Mazowsze Sp. z o.o., Tradis Sp. z o.o. increased its share in share capital of that company from 34% to 38.2%.

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

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

On 1 October 2009 District Court Katowice-Wschód in Katowice registered merger of Lewiatan Śląsk Sp. z o.o. and Lewiatan Dolny Śląski Sp. z o.o.. The merger consists of the acquisition by Lewiatan Śląsk Sp. z o.o. z with its seat in Sosnowiec all assets of Lewiatan Dolny Śląsk Sp. z o.o. with its seat in Zgorzelc.

b) Mergers of Projekt Elpro 1 Sp. z o.o., Projekt Elpro 2 Sp. z o.o. and Projekt Elpro 3 Sp. z o.o.

On 11 December 2009 was merger „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.). Acquiring company is „Projekt Elpro 1” Sp. z o.o., which is general successor of companies being acquired. Emperia Holding S.A. and Tradis Sp. z o.o. have respectively 60 percent and 40 percent in share capital of „Projekt Elpro 1” Sp. z o.o..

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

On 13 November 2009 Management Board of Emperia Holding received decision from 6 November 2009 about registration of increase of the share capital in its subsidiary Detal Koncept Sp. z o.o. (Company) by PLN 100 000 by District Court in Lublin. Share capital of the Company comprises 28 806 shares of PLN 500 each, of total value PLN 14 403 000. Emperia Holding S.A. holds 100 percent of shares in the share capital of Detal Koncept Sp. z o.o. carrying 100 percent of votes at the general meeting of shareholders.

Sale of shares in subsidiaries and other

No such event occurred in the Group.

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

No such event occurred in the Group.

6.2.10 Tangible fixed assets

The Group recognises as individual fixed assets things capable of use, meeting the requirements set forth for fixed assets in IAS 16, if the purchase price (cost of construction) is at least PLN 1,000, with the exception of:

- computer hardware,
- pallet trucks;
- shop trolleys;
- high-storage racks,
- lockers,

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

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

- store furniture,
- strip curtains,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.2.11 Costs of external financing

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) Financial assets recognised at fair value through profit or loss

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.

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

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

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

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

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

6.2.15 Lease financing

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

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

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

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

6.2.16 Stock

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

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

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

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

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

6.2.17 Accounts receivable and other receivables

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.

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.

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

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

6.2.18 Prepayments and accrued income

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

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

6.2.19 Cash and cash equivalents

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

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

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

6.2.20 Equity capital funds

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

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

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

6.2.21 Bank credit facilities

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

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

6.2.22 Provisions

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

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

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

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

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

6.2.23 Short-term liabilities, including accounts payable

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

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

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

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

6.2.24 Employee benefits

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

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

6.2.24.1 Own share-based payments.

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.

Management Option Plan will be discussed at the Extraordinary General Meeting of Shareholders Emperia Holding S.A. on 4 March 2010.

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.

Last quarter of 2009 was another period, in which Capital Group has consistently pursued a development strategy and improve efficiency. However, the results achieved in this period slightly deviated from the expectations of the Management Board. Both dynamics of sales growth in fourth quarter as well as the amount of margin on gross sales was lower than planned. Capital Group realized its sale forecast in 99%,and deviations was caused by weaker than planned results in last two months of the year.. In fourth quarter rate of sales dynamics in the distribution segment (sales to external customers) measured in the fourth quarter of 2009 to the same quarter the previous year reached 2,5%. This value is higher than value achieved in previous quarters this year which allows to assume, that the rate of dynamics will increase in subsequent periods. Relatively low rate of this dynamics was primarily consequence of consistently reducing sales to so-called semi-wholesale (to other wholesalers and focus on the main categories of customer, ie. retail stores. Dynamics of sale in retail segment, in terms of fourth quarter2009 to the same quarter last year reached a value of 16,3%, which is consequence of launches new retail outlets as well as sales growth in already existing retail outlets.

Fourth quarter was another period, in which carried out restructuring activities resulted in reducing management costs. The index reflecting the contribution of these costs in relation to trade turnover in current quarter amounted 1,7%, which is significant improvement compared to fourth quarter previous year when its value was 2,9%. In Management Board opinion this position still has potential to further improve of productivity of Capital Group. Source of further cost savings in fourth quarter was better use of the logistic potential of distribution segment.

The consequence of changes in the structure of sales in the distribution segment, ie. reduction of sales to semi-wholesale, who generally buy the product on longer-payment deadline than retail shops, is a significant reduction in cycle of rotation of receivables in fourth quarter, both in relation to fourth quarter previous year as well as to third quarter current year. However, it failed to improve the efficiency of stock management and amount of capital involved in stock financing has increased.

In fourth quarter most important challenge was to improve the cost-effectiveness and improve working capital management while increasing sales revenues and on level achieved margin on gross sales. In these areas is bigger potential to further improve the operations efficiency , which should be reflected in the results of subsequent periods.

Financial Highlights

Description	Q4 2009	Q4 2008	%
Sales revenues	5 543 730	5 257 118	5,5%
EBITDA	174 240	149 940	16,2%
Profit on operations	110 696	96 012	15,3%
Profit before tax	89 957	80 443	11,8%
Profit for period	68 231	59 206	15,2%
Total assets	1 830 013	1 725 268	6,1%
Liabilities and provisions against liabilities	1 025 311	980 185	4,6%
Short-term liabilities	854 248	673 964	26,7%
Net assets	804 702	745 083	8,0%
Share capital	15 115	15 115	0,0%
Annualised profit per share for period	4,51	3,93	14,8%

(in PLN 000s, unless indicated otherwise)

Group's activity and payment capacity.

Description	Q4 2009	Q4 2008
Return on invested capital (profit for the period under review/equity at the end of the period) in %	8,48%	7,95%
Return on assets (profit for the period under review/total assets at the end of the period) in %	3,73%	3,43%
Return on sales (profit for the period under review/sales revenues in the period) in %	16,00%	15,46%
Return on EBIDTA in %	3,14%	2,85%
Return on operations (profit on operations for the period under review/sales revenues in the period) in %	2,00%	1,83%
Gross return (profit before tax for the period under review/sales revenues in the period) in %	1,62%	1,53%
Net return (profit for the period under review/sales revenues in the period) in %	1,23%	1,13%

Despite lower than expected results in fourth quarter 2009 throughout the year has improved the profitability indicators at all levels.

Distribution activities

Creation of one distribution company Tradis (merger with BOS, DLS, Sygel-Jool) allowed to organize 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 fourth quarter there have been closures of branches and transfer of customers service between branches.

Retail activities

At the end of fourth quarter 2009 Stokrotka Sp. z o.o. reached 160 retail outlets Stokrotka and 6 Delima supermarkets. At the end of fourth franchise chain outlets of Detal Koncept Sp. z o.o. consisted of 1121 stores under the brand Groszek. Additionally Detal Koncept operated 93 Milea stores. Lewiatan Podlasie managed 183 outlets. Spółka Społem Tychy at balance sheet date managed 25 outlets, Euro Sklep 626 outlets. Franchise chain Lewiatan Śląsk (after merger Lewiatan Dolny Śląsk) managed 281 outlets, Lewiatan Zachód 279 outlets, Lewiatan Orbita 100 outlets Lewiatan Wielkopolska 181 outlets, Lewiatan Północ 165 outlets and Lewiatan Opole 177 outlets. Partnerski Serwis Detaliczny at the balance sheet date cooperate with 372 shops of Spolem.

(in PLN 000s, unless indicated otherwise)

7.2 Revenues and performance by business segment

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

The standard implementation process included an analysis of the Group's management model, of the Group's reporting system, and of the business properties of the Group's members. The findings of the analysis did not indicate any need to make changes to the existing segregation of business segments on which internal and external reporting relies.

The Group's operations fall into three business segments:

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

*) While the Wholesale Segment comprises a smaller number of companies compared to mid-2009, its composition has not changed since as part of the integration process the wholesale company Tradis Sp. z o.o. took over the following companies: BOS S.A., Sygel-Jool S.A. oraz DLS S.A.

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

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

	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	4 528 233	1 766 137	100 612	851 252	5 543 730
Segment revenues (from external clients/customers)	3 783 329	1 744 524	15 877		5 543 730
Segment revenues (from other segments)	744 904	21 613	84 735	851 252	
Segment total costs	(4 467 568)	(1 750 712)	(85 270)	(853 711)	(5 449 839)
Result on other operations	1 959	1 330	16 033	2 518	16 804
Result on financial operations	7 620	(6 734)	38 727	60 351	(20 738)
Result (gross)	70 244	10 021	70 102	60 410	89 957
Taxation	(11 834)	(3 347)	(6 125)	53	(21 359)
Share in financial result entities valued using the equity method			(367)		(367)
Segment result (net)	**58 410**	**6 674**	**63 610**	**60 463**	**68 231**

(in PLN 000s, unless indicated otherwise)

	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 159 305	475 273	873 802	678 367	1 830 013

	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(60 864)	(59 398)	(66 801)	(27 846)	(159 217)
Depreciation	(22 145)	(28 243)	(13 701)	(545)	(63 544)

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

	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	4 466 976	1 507 260	78 794	795 912	5 257 118
Segment revenues (from external clients/customers)	3 750 725	1 492 571	13 822		5 257 118
Segment revenues (from other segments)	716 251	14 689	64 972	795 912	
Segment total costs	(4 394 150)	(1 496 480)	(69 274)	(796 693)	(5 163 211)
Result on other operations	31 246	6 542	5 372	41 055	2 105
Result on financial operations	(10 824)	(5 338)	(4 398)	(4 991)	(15 569)
Result (gross)	93 248	11 984	10 494	35 283	80 443
Taxation	(20 888)	(4 040)	(2 899)	(8 171)	(19 656)
Share in financial result entities valued using the equity method			(1 581)		(1 581)
Segment result (net)	**72 360**	**7 944**	**6 014**	**27 112**	**59 206**

	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 258 787	433 056	775 131	741 706	1 725 268

	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(86 409)	(67 101)	(91 269)	(62 582)	(182 197)
Depreciation	(22 020)	(23 761)	(8 249)	(1 102)	(52 928)

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.

Forecast of selected financial results for 2009 was implemented in 99 percent.

(in PLN 000s, unless indicated otherwise)

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	1 517 654	10,04%	(7,93%)	1 648 393	10,91%	1 517 654	10,04%
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%	1 000 086	6,62%
ING OFE	54 685	0,36%	(93,29%)	814 811	5,39%	54 685	0,36%

* Information about state of held shares of the issuer by the ING OFE and Aviva OFE has been obtained from site www.ing.pl and www.aviva.pl as at 31 December 2009.

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

Members of Management Board	Shares held as at 31/12/2009	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%

Members of Supervisory Board	Shares held as at 31/12/2009	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%

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

7.7 Information on pending litigation

In fourth 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 fourth 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 fourth 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 fourth 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 fourth quarter of 2009.

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

External:

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

Internal:

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

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

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

The composition of the Management Board at 31 December 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.

In fourth quarter of 2009 has been no changes of Supervisory Board of Emperia Holding S.A..

The composition of the Supervisory Board at 31 December 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.

The composition of the Supervisory Board of Emperia Holding S.A. was changed after balance sheet date – detail information in note 7.14.16 point b)

7.14 Other material information and events.

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

No such events occurred in the Group.

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.

(in PLN 000s, unless indicated otherwise)

Provisions against employee benefits	Changes in Q4 2009	Changes in Q1-Q4 2009	Changes in Q4 2008	Changes in Q1-Q4 2008
Long-term				
As at the beginning of the period	2 576	2 362	1 285	1 179
Increases/reductions during the period	*330*	*489*	*1 077*	*1 160*
Increases/reductions during the period resulting from acquisitions	*0*	*55*	*0*	*23*
As at the end of the period	**2 906**	**2 906**	**2 362**	**2 362**
Short-term				
As at the beginning of the period	11 521	18 070	11 924	14 792
Increases/reductions during the period	*911*	*(5 587)*	*6 281*	*3 071*
Increases/reductions during the period resulting from acquisitions	*0*	*(51)*	*0*	*342*
As at the end of the period	**12 432**	**12 432**	**18 205**	**18 205**
Other provisions	**Changes in Q4 2009**	**Changes in Q1-Q4 2009**	**Changes in Q4 2008**	**Changes in Q1-Q4 2008**
Long-term				
As at the beginning of the period	0	0	1 887	1 871
Increases/reductions during the period	*0*	*0*	*(1 887)*	*(1 871)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*
As at the end of the period	**0**	**0**	**0**	**0**
Short-term				
As at the beginning of the period	6 170	2 960	3 347	4 252
Increases/reductions during the period	*567*	*3 802*	*(522)*	*(1 685)*
Increases/reductions during the period resulting from acquisitions	*0*	*(25)*	*0*	*258*
As at the end of the period	**6 737**	**6 737**	**2 825**	**2 825**

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 Q4 2009 and 2008 and cumulatively throughout 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q4 2009	Total	External issue	Elpro Sp. z o.o.
As at the beginning of the period	**4 000**	**4 000**	**0**
Bonds issue	***4 000***	*4 000*	*0*
Bonds redemption	***(4 000)***	*(4 000)*	*0*
As at the end of the period	**4 000**	**4 000**	**0**

(in PLN 000s, unless indicated otherwise)

Bonds issue and redemption in 2009	Total	External issue	Elpro Sp. z o.o.
As at the beginning of the period	0	0	0
Bonds issue	***43 700***	*43 000*	*700*
Bonds redemption	***(39 700)***	*(39 000)*	*(700)*
As at the end of the period	**4 000**	**4 000**	**0**

2008:
In 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., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Elpro Sp. z o.o. in Q4 2009 and 2008 and cumulatively throughout 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q4 2009	Total	External issue	Emperia Holding S.A.	Projekt Elpro 1 Sp. z o.o.*	Euro Sklep S.A.	Społem Tychy Sp. z o.o.	PSD S.A.	Tradis Sp. z o.o.**	DEF Sp. z o.o.
As at the beginning of the period	35 100	0	12 500	7 500	0	0	1 100	9 000	5 000
Bonds issue	***148 000***	*0*	*38 800*	*22 800*	*8 500*	*4 000*	*3 300*	*48 600*	*22 000*
Bonds redemption	***(126 400)***	*0*	*(38 400)*	*(22 700)*	*(5 500)*	*(2 000)*	*(3 300)*	*(36 000)*	*(18 500)*
As at the end of the period	**56 700**	**0**	**12 900**	**7 600**	**3 000**	**2 000**	**1 100**	**21 600**	**8 500**

* concerns issue of bonds to BOS S.A. Projekt Elpro 3 Sp. z o.o. and Projekt Elpro 1 Sp. z o.o. (in Q4 2009 companies merged)
** concerns issue of bonds to BOS S.A. – as a result of completion of merger of largest distribution companies – BOS S.A. merged with Tradis Sp. z.o.o.

Bonds issue and redemption in 2009	Total	External issue	Emperia Holding S.A.	Projekt Elpro 1 Sp. z o.o.*	Euro Sklep S.A.	Społem Tychy Sp. z o.o.	PSD S.A.	Tradis Sp. z o.o.**	DEF Sp. z o.o.
As at the beginning of the period	42 500	0	18 500	7 000	0	0	1 000	4 000	12 000
Bonds issue	***558 000***	*0*	*168 400*	*94 400*	*8 500*	*4 000*	*14 600*	*178 100*	*90 000*
Bonds redemption	***(543 800)***	*0*	*(174 000)*	*(93 800)*	*(5 500)*	*(2 000)*	*(14 500)*	*(160 500)*	*(93 500)*
As at the end of the period	**56 700**	**0**	**12 900**	**7 600**	**3 000**	**2 000**	**1 100**	**21 600**	**8 500**

* concerns the issue of bonds to Projekt Elpro 3 Sp. z o.o. and Projekt Elpro 1 Sp. z o.o. (in Q4 2009 companies merged)
** concerns the issue of bonds to BOS S.A. – as a result of completion of merger of largest distribution companies – BOS S.A. merged with Tradis Sp. z.o.o.

2008:

Bonds issue and redemption in Q4 2008	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.*	DEF Sp. z o.o.
As at the beginning of the period	21 900	0	2 000	2 900	0	3 000
Bonds issue	***167 500***	*1 000*	*50 500*	*4 600*	*20 000*	*18 000*
Bonds redemption	***(146 900)***	*0*	*(34 000)*	*(7 500)*	*(16 000)*	*(9 000)*
As at the end of the period	**42 500**	**1 000**	**18 500**	**0**	**4 000**	**12 000**

(in PLN 000s, unless indicated otherwise)

* concerns the issue of bonds made by BOS S.A. – as a result of completion of merger of largest distribution companies – BOS S.A. merged with Tradis Sp. z.o.o.

Bonds issue and redemption in Q4 2008 – cont.	Express Sp. z o.o.	Rexpol Sp. z o.o. in liquidation	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.	Centrum Sp. z o.o.
As at the beginning of the period	**8 000**	**0**	**6 000**	**0**	**0**
Bonds issue	***46 800***	*0*	*12 000*	*12 000*	*2 600*
Bonds redemption	***(47 800)***	*0*	*(18 000)*	*(12 000)*	*(2 600)*
As at the end of the period	**7 000**	**0**	**0**	**0**	**0**

Bonds issue and redemption in 2008	Total	External issue.	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.*	DEF Sp. z o.o.
As at the beginning of the period	**24 700**	**0**	**5 000**	**1 200**	**0**	**0**
Bonds issue	***352 000***	*1 000*	*116 000*	*26 100*	*29 000*	*24 000*
Bonds redemption	***(334 200)***	*0*	*(102 500)*	*(27 300)*	*(25 000)*	*(12 000)*
As at the end of the period	**42 500**	**1 000**	**18 500**	**0**	**4 000**	**12 000**

* concerns the issue of bonds made by BOS S.A. – as a result of completion of merger of largest distribution companies – BOS S.A. merged with Tradis Sp. z.o.o.

Bonds issue and redemption in 2008 – cont.	Express Sp. z o.o.	Rexpol Sp. z o.o. in liquidation	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.	Centrum Sp. z o.o.
As at the beginning of the period	**0**	**1 500**	**0**	**17 000**	**0**
Bonds issue	***54 800***	*10 500*	*44 000*	*44 000*	*2 600*
Bonds redemption	***(47 800)***	*(12 000)*	*(44 000)*	*(61 000)*	*(2 600)*
As at the end of the period	**7 000**	**0**	**0**	**0**	**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 Q4 2009 and 2008 and cumulatively throughout 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q4 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Projekt Elpro 1 Sp. z o.o.	Euro Sklep S.A.
As at the beginning of the period	**50 000**	**0**	**18 800**	**5 000**	**9 000**	**4 900**	**11 300**	**1 000**
Bonds issue	***149 000***	*0*	*57 000*	*16 000*	*27 000*	*13 900*	*35 100*	*0*
Bonds redemption	***(149 000)***	*0*	*(56 800)*	*(15 500)*	*(27 400)*	*(14 300)*	*(34 000)*	*(1 000)*
As at the end of the period	**50 000**	**0**	**19 000**	**5 500**	**8 600**	**4 500**	**12 400**	**0**

Bonds issue and redemption in 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Projekt Elpro 1 Sp. z o.o.	Euro Sklep S.A.
As at the beginning of the period	**50 000**	**0**	**32 800**	**3 500**	**0**	**6 000**	**7 700**	**0**
Bonds issue	***670 800***	*0*	*269 200*	*54 800*	*143 200*	*63 500*	*137 100*	*3 000*
Bonds redemption	***(670 800)***	*0*	*(283 000)*	*(52 800)*	*(134 600)*	*(65 000)*	*(132 400)*	*(3 000)*
As at the end of the period	**50 000**	**0**	**19 000**	**5 500**	**8 600**	**4 500**	**12 400**	**0**

(in PLN 000s, unless indicated otherwise)

2008:

Bonds issue and redemption in Q4 2008	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**58 000**	**0**	**48 000**	**0**	**8 000**	**0**	**2 000**
Bonds issue	***174 000***	*0*	*115 800*	*5 500*	*24 000*	*12 000*	*16 700*
Bonds redemption	***(182 000)***	*0*	*(131 000)*	*(2 000)*	*(32 000)*	*(6 000)*	*(11 000)*
As at the end of the period	**50 000**	**0**	**32 800**	**3 500**	**0**	**6 000**	**7 700**

Bonds issue and redemption in 2008	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**30 000**	**0**	**30 000**	**0**	**0**	**0**	**0**
Bonds issue	***448 000***	*0*	*340 800*	*5 500*	*63 000*	*12 000*	*26 700*
Bonds redemption	***(428 000)***	*0*	*(338 000)*	*(2 000)*	*(63 000)*	*(6 000)*	*(19 000)*
As at the end of the period	**50 000**	**0**	**32 800**	**3 500**	**0**	**6 000**	**7 700**

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 Q4 2009 and 2008 and cumulatively throughout 2009 and 2008 were as follows:

2009:
In Q4 2009 Tradis Sp. z o.o. did not issue any bonds.

Bonds issue and redemption in 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 the issue of bonds made by DLS S.A. to BOS S.A. – as a result of completion of merger of largest distribution companies – BOS S.A. and DLS merged with Tradis Sp. z.o.o.

2008:

Bonds issue and redemption in Q4 2008	Total	External issue	Emperia Holding S.A.	Maro Markety Sp. z o.o.	Tradis Sp. z o.o.*	Sydo Sp. z o.o.
As at the beginning of the period	**25 000**	**0**	**25 000**	**0**	**0**	**0**
Bonds issue	***83 000***	*0*	*75 000*	*0*	*8 000*	*0*
Bonds redemption	***(89 000)***	*0*	*(85 000)*	*0*	*(4 000)*	*0*
As at the end of the period	**19 000**	**0**	**15 000**	**0**	**4 000**	**0**

(in PLN 000s, unless indicated otherwise)

Bonds issue and redemption in 2008	Total	External issue	Emperia Holding S.A.	Maro Markety Sp. z o.o.	Tradis Sp. z o.o.*	Sydo Sp. z o.o.
As at the beginning of the period	**50 000**	**0**	**50 000**	**0**	**0**	**0**
Bonds issue	***297 000***	*0*	*277 000*	*6 000*	*8 000*	*6 000*
Bonds redemption	***(328 000)***	*0*	*(312 000)*	*(6 000)*	*(4 000)*	*(6 000)*
As at the end of the period	**19 000**	**0**	**15 000**	**0**	**4 000**	**0**

* concerns the issue of bonds made by DLS S.A. to BOS S.A. as a result of completion of merger of largest distribution companies – BOS S.A. and DLS merged with Tradis Sp. z.o.o.

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

Total liabilities from debt securities at 31.12.2009

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 31.12.2009
Emperia Holding S.A.	0047	4 000	2010-01-08	3 995
Stokrotka Sp. z o.o.	0053**	19 000	2010-01-29	
Stokrotka Sp. z o.o.	0053**	5 500	2010-01-29	
Stokrotka Sp. z o.o.	0053**	8 600	2010-01-29	
Stokrotka Sp. z o.o.	0053**	4 500	2010-01-29	
Stokrotka Sp. z o.o.	0053**	12 400	2010-01-29	
Elpro Sp. z o.o.	0066**	10 000	2010-01-29	
Elpro Sp. z o.o.	0066**	3 000	2010-01-29	
Elpro Sp. z o.o.	0066**	19 800	2010-01-29	
Elpro Sp. z o.o.	0065**	2 000	2010-01-29	
Elpro Sp. z o.o.	0065**	1 800	2010-01-29	
Elpro Sp. z o.o.	0090**	7 600	2010-01-29	
Elpro Sp. z o.o.	0090**	8 500	2010-01-29	
Elpro Sp. z o.o.	0090	1 100	2010-01-29	1 095
Elpro Sp. z o.o.	0090**	2 900	2010-01-29	
Total bonds issued by the Group *				**5 090**
Other				
Total liabilities under debt securities				
including: short-term				5 090
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	

(in PLN 000s, unless indicated otherwise)

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	
Tradis Sp. z o.o.***	0014**	11 000	2009-01-23	
Tradis Sp. z o.o.***	0013**	4 000	2009-01-09	
Tradis Sp. z o.o.***	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.

*** concerns the issue of bonds made in 2008 by DLS S.A. (on 01 July 2009 DLS SA was merged with Tradis Sp. z.o.o.)

7.14.6 Paid and received dividends

No such events occurred in the Group.

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	
	Q4 2009	Q1-Q4 2009	Q4 2009	Q1-Q4 2009	Q4 2009	Q1-Q4 2009
Mortgages						
As at the beginning of the period	205 714	93 356	0	7 800		
Increases during the period	*0*	*123 000*	*0*			
Reductions during the period	*(400)*	*(11 042)*	*0*			
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*			
As at the end of the period	**205 314**	**205 314**	**0**			
Transfer of title as security/pledge/assignment of current assets						
As at the beginning of the period	301 324	281 786	13 431	21 325		
Increases during the period	*0*	*89 318*	*1 854*	*5 880*		
Reductions during the period	*(3 150)*	*(62 130)*	*0*	*(11 720)*		
Increases/reductions during the period resulting from acquisitions	*0*	*(10 800)*	*0*	*(200)*		
As at the end of the period	**298 174**	**298 174**	**15 285**	**15 285**		
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**				

(in PLN 000s, unless indicated otherwise)

Guarantees						
As at the beginning of the period	128 800	68 500	1 241	8 036	3 273	3 535
Increases during the period	*13 379*	*161 379*	*7 330*	*8 425*	*2 744*	*2 744*
Reductions during the period	*0*	*(87 700)*	*(2 799)*	*(10 689)*	*(463)*	*(725)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*	*0*	*0*
As at the end of the period	**142 179**	**142 179**	**5 772**	**5 772**	**5 554**	**5 554**

Emperia Holding S.A. extended corporate financial guarantees of PLN 142,179,000 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.

2008:

Changes in off-balance sheet liabilities	Under bank credit facilities		Under bank guarantees		Under financial guarantees	
	Q4 2008	Q1-Q4 2008	Q4 2008	Q1-Q4 2008	Q4 2008	Q1-Q4 2008
Mortgages						
As at the beginning of the period	61 131	63 033	7 800	0		
Increases during the period	*32 900*	*41 400*	*0*	*7 800*		
Reductions during the period	*(675)*	*(11 078)*	*0*	*0*		
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*		
As at the end of the period	**93 356**	**93 356**	**7 800**	**7 800**		
Transfer of title as security/pledge/assignment of current assets						
As at the beginning of the period	222 134	221 945	21 524	18 225		
Increases during the period	*69 500*	*132 300*	*3 942*	*12 411*		
Reductions during the period	*(9 848)*	*(80 459)*	*(4 141)*	*(9 311)*		
Increases/reductions during the period resulting from acquisitions	*0*	*8 000*	*0*	*0*		
As at the end of the period	**281 786**	**281 786**	**21 325**	**21 325**		
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	*2 097*	*(8 578)*				
Increases/reductions during the period resulting from acquisitions	*0*	*0*				
As at the end of the period	**2 232**	**2 232**				
Guarantees						
As at the beginning of the period	48 500	70 000	9 404	0	3 621	3 969
Increases during the period	*84 000*	*117 500*	*90*	*10 667*	*33*	*33*
Reductions during the period	*(64 000)*	*(119 000)*	*(1 458)*	*(2 631)*	*(119)*	*(467)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*	*0*	*0*	*0*
As at the end of the period	**68 500**	**68 500**	**8 036**	**8 036**	**3 535**	**3 535**

Emperia Holding S.A. extended corporate financial guarantees of PLN 68,500,000 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.

(in PLN 000s, unless indicated otherwise)

7.14.8 Revaluation allowances on account of impairment of fixed assets, intangible assets or other assets, 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 assets and reversal of those allowances	Changes in Q4 2009	Changes in Q1-Q4 2009	Changes in Q4 2008	Changes in Q1-Q4 2008
Revaluation allowances on account of impairment of fixed assets				
As at the beginning of the period	1 795	1 798	1 634	1 296
Establishment of allowance	*264*	*408*	*786*	*851*
Release of allowance	*(299)*	*(446)*	*(622)*	*(730)*
Change of allowance resulting from acquisitions	*0*	*0*	*0*	*381*
As at the end of the period	**1 760**	**1 760**	**1 798**	**1 798**
Revaluation allowances for receivables				
As at the beginning of the period	30 293	33 102*	32 977	29 577
Establishment of allowance	*6 413*	*14 857*	*7 588*	*14 437*
Release of allowance	*(3 375)*	*(9 983)*	*(6 152)*	*(10 161)*
Change of allowance resulting from acquisitions	*0*	*(2 041)*	*0*	*560*
*Not written off profit and loss***	(3 095)**	(5 699)**	0	0
As at the end of the period	**30 236**	**30 236**	**34 413**	**34 413**
Revaluation allowances for financial assets				
As at the beginning of the period	62	3 540	1 173	5 085
Establishment of allowance	*0*	*3 434*	*7 418*	*24 201*
Release of allowance	*0*	*(5 339)*	*(5 051)*	*(25 746)*
Change of allowance resulting from acquisitions	*0*	*(1 573)*	*0*	*0*
As at the end of the period	**62**	**62**	**3 540**	**3 540**
Revaluation allowances for stock				
As at the beginning of the period	19 504	16 022	18 573	13 220
Establishment of allowance	4 427	20 661	*4 953*	*20 417*
Release of allowance	(7 150)	(19 831)	*(7 504)*	*(18 220)*
Change of allowance resulting from acquisitions	0	(71)	*0*	*605*
As at the end of the period	**16 781**	**16 781**	**16 022**	**16 022**
including: revaluation allowances on account of stocktaking				
As at the beginning of the period	5 220	1 030	5 190	1 140
Establishment of allowance	2 735	15 879	*2 262*	*12 906*
Release of allowance	(7 148)	(16 084)	*(6 154)*	*(12 925)*
Change of allowance resulting from acquisitions	0	(18)	*0*	*177*
As at the end of the period	**807**	**807**	**1 298**	**1 298**
including: revaluation allowances on account of bonuses				
As at the beginning of the period	14 284	14 992	13 383	12 080
Establishment of allowance	1 692	4 782	*2 691*	*7 511*
Release of allowance	(2)	(3 747)	*(1 350)*	*(5 295)*
Change of allowance resulting from acquisitions	0	(53)	*0*	*428*
As at the end of the period	**15 974**	**15 974**	**14 724**	**14 724**

(in PLN 000s, unless indicated otherwise)

* difference in the opening balance for 2009 compared to previous reports results from changes in presenting of value of the interest and court cost relating to overdue debts. From the third quarter of 2009, the issuer does not related them to revaluation allowances for receivables but have been attributed directly to the value of receivables.
** written receivables on which has been previously Establishment Revaluation allowances and irrecoverable of which has been documented.

7.14.9 Release of provisions against restructuring costs.

In 2008, the Group has formed a provision for restructuring of employment. In fourth quarter of 2009 as a result of use, reserve has been reduced by amount of PLN 292 000 (cumulatively PLN 1 662 000) Thus, entire provisions against restructuring of employment was used. Operation had neutral impact on Group's financial result for 2009.

7.14.10 Deferred corporate tax.

Deferred corporate tax	Changes in Q4 2009	Changes in Q1-Q4 2009	Changes in Q4 2008	Changes in Q1-Q4 2008
Deferred corporate tax assets				
As at the beginning of the period	15 700	21 085	19 083	16 113
Increase of assets	*5 889*	*10 539*	*5 952*	*19 209*
Reduction of assets	*(5 844)*	*(16 583)*	*(3 950)*	*(14 602)*
Change resulting from acquisitions	*0*	*704*	*0*	*365*
As at the end of the period	**15 745**	**15 745**	**21 085**	**21 085**
Provision against deferred corporate tax				
As at the beginning of the period	14 297	13 098	17 229	10 462
Establishment of provision	*11 614*	*25 227*	*4 996*	*15 440*
Release of provision	*(11 334)*	*(25 332)*	*(9 127)*	*(12 947)*
Changes resulting from acquisitions	*0*	*1 584*	*0*	*143*
As at the end of the period	**14 577**	**14 577**	**13 098**	**13 098**

7.14.11 Financial and operating leases.

2009:

Liabilities under financial leases	31 December 2009	
	Minimum payments	Current value of minimum payments
Up to 1 year	949	751
From 1 to 5 years	2 534	2 340
Over 5 years		
Total	**3 483**	**3 091**

Operating leases

Description of assets	Term of agreement	As at 31/12/2009	As at 31/12/2010	From 1 - 5 years	Over 5 years
			Minimum annual payments		
Real properties	definite				
	indefinite				
Machinery and equipment	definite	1 319	734	585	
	indefinite				
Vehicles	definite				
	indefinite				

Other fixed assets	definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 31/12/2009	As at 31/12/2010	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	definite	66 914	76 424	283 498	288 460
	indefinite	5 331	5 380	19 769	19 465
Machinery and equipment	definite	188	188	753	941
	indefinite	114	29	456	485
Vehicles	definite				
	indefinite	5	5		
Other fixed assets	definite	2	1		
	indefinite	4	7	30	37

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 fourth 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 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 and 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 his type.

b) Appointment of audit committee

Supervisory Board on 3 rd December 2009 in accordance with Article. 86 of the Act on Auditors and their government, operators' certificated for auditing and for public supervision of 7 May 2009 has established among its members, triple person Audit Committee composed as follows:

1. Tomasz Krysztofiak- Chairman of the Committee,
2. Artur Laskowski – Committee Member,
3. Piotr Długosz – Committee Member.

Board of Emperia Holding SA indicates that through the establishment of the Audit Committee launches application of Part No. 7. III, corporate governance, adopted Resolution No. 12/1170/2007 Council of the Stock Exchange in Warsaw on 4 July 2007.

Chairman of the Audit Committee Mr. Thomas Krysztofiak meets the criteria for independence and have competence in accounting and finance.

7.14.16 Material events after the period of the financial statements

a) Resignation by Members of Issuer's Supervisory Board.

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

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

The Management Board of Emperia Holding S.A. is pleased to inform of convening the Extraordinary General Meeting of Shareholders of Emperia Holding SA, to be held on 4 March 2010 to deliberate on the following agenda:

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

(in PLN 000s, unless indicated otherwise)

8. Issuer's Summary Stand-Alone Financial Statements

8.1 Stand-Alone Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS	PLN		EURO	
		For period 1 Jan. 2009 to 31 Dec. 2009	For period 1 Jan. 2008 to 31 Dec. 2008	For period 1 Jan. 2009 to 31 Dec. 2009	For period 1 Jan. 2008 to 31 Dec. 2008
I.	Net revenues from sale of products, goods and materials	51 084	51 414	11 769	14 556
II.	Profit (loss) on operating activity	3 112	3 798	717	1 075
III.	Profit (loss) before tax	45 359	3 192	10 450	904
IV.	Net profit (loss)	43 979	1 422	10 132	403
V.	Net cash flows from operating activity	7 994	11 183	1 842	3 166
VI.	Net cash flows from investing activity	(3 140)	(40 726)	(723)	(11 530)
VII.	Net cash flows from financing activity	(5 475)	144	(1 262)	41
VIII.	Total net cash flows	(621)	(29 399)	(143)	(8 323)
IX.	Total assets	632 413	598 036	153 939	143 331
X.	Liabilities and provisions against liabilities	11 317	12 216	2 755	2 928
XI.	Long-term liabilities	1 403	818	342	196
XII.	Short-term liabilities	9 914	11 398	2 413	2 732
XIII.	Share capital	621 096	585 820	151 184	140 404
XIV.	Initial capital	15 115	15 115	3 679	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	15 064 149	15 115 161	15 064 149
XVII.	Annualised profit (loss) per ordinary share (PLN/EUR)*	2,91	0,09	0,67	0,03
XVIII.	Diluted profit (loss) per ordinary share (PLN/EUR)*(annualised)	2,91	0,09	0,67	0,03
XIX.	Book value per share (PLN/EUR)**	41,09	38,76	10,00	9,29
XX.	Diluted book value per share (PLN/EUR)**	41,09	38,76	10,00	9,29
XXI.	Declared or distributed dividend per share (PLN/EUR)**	0,59	0,88	0,14	0,21

* 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: January- December 15 115 161;
– in 2008: January-May 14 992 732, June-December 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 4,3406 PLN/EUR in 2009, and 3,5321 PLN/EUR in 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 4,1082 PLN/EUR on 31 December 2009 and 4.1724 PLN/EUR on 31 December 2008.

(in PLN 000s, unless indicated otherwise)

2.1 Stand-Alone Summary Statement of Financial Position.

	31 December 2009	30 September 2009	31 December 2008	30 September 2008
Fixed Assets	**572 362**	**558 262**	**519 594**	**504 650**
Tangible fixed assets	45 824	47 683	41 446	40 532
Investment real property	3 166	3 166	3 166	3 166
Intangible assets	6 418	5 532	4 565	3 300
Financial assets	516 582	501 570	469 421	456 240
Long-term loans				
Long-term receivables and other deferred income	63	65	68	589
Deferred income tax assets	309	246	928	823
Current Assets	**60 051**	**72 872**	**78 442**	**88 634**
Stock	49	31	22	971
Receivables	6 513	5 134	6 628	7 143
Income tax withholding	1 693	1 371		
Short-term securities	31 745	31 149	66 110	74 796
Prepaid expenses	477	408	287	341
Cash	2 574	2 579	3 195	5 183
Other financial assets	17 000	32 200	2 200	200
Total Assets	**632 413**	**631 134**	**598 036**	**593 284**
Equity	**621 096**	**620 534**	**585 820**	**585 027**
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	482	268	268	
Reserve capital	12 376	12 376	19 871	19 871
Revaluation capital				
Treasury shares				
Retained profit	42 038	41 690	(519)	(1 044)
Long-term liabilities	**1 403**	**1 281**	**818**	**673**
Credit facilities, loans and debt securities	21	28	53	
Long-term liabilities				
Provisions	88	42	42	43
Provision against deferred income tax	1 294	1 210	723	630
Short-term liabilities	**9 914**	**9 320**	**11 398**	**7 584**
Credit facilities, loans and debt securities	4 023	4 021	29	
Short-term liabilities	4 833	4 353	9 354	5 314
Income tax liabilities		157	33	78
Provisions	953	728	1 929	2 126
Deferred income	105	61	53	66
Total liabilities	**632 413**	**631 134**	**598 036**	**593 284**

Book value	621 096	620 534	585 820	585 027
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	41,09	41,05	38,76	38,70

(in PLN 000s, unless indicated otherwise)

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

	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Sales revenues	12 703	51 084	13 350	51 414
Cost of goods sold	(10 664)	(40 040)	(9 090)	(33 879)
Profit on sales	**2 039**	**11 044**	**4 260**	**17 535**
Other operating income	(110)	116	148	555
Selling expense	(1)	(4)	(3)	(6)
General administrative expense	(2 481)	(7 898)	(4 137)	(14 122)
Other operating expense	(71)	(146)	(29)	(164)
Profit on operations	**(624)**	**3 112**	**239**	**3 798**
Financial income	1 218	42 843	1 391	6 066
Financial expense	(77)	(596)	(709)	(6 672)
Profit before tax	**517**	**45 359**	**921**	**3 192**
Income tax	(169)	(1 380)	(396)	(1 770)
Profit for period	**348**	**43 979**	**525**	**1 422**
Net profit (loss) for dominant stockholders	348	43 979	525	1 422
Net profit (loss) for minority stockholders				

Profit (loss) for period (annualised)	43 979	1 422
Weighted average of ordinary shares *	15 115 161	15 064 149
Profit (loss) per ordinary share (PLN)(annualised)	2,91	0,09

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

Statement of total income	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Profit for period	348	43 979	525	1 422
Other total income				
Total income for period	**348**	**43 979**	**525**	**1 422**

(in PLN 000s, unless indicated otherwise)

2.3 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 October 2009	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**41 690**	**620 534**
Correction of error for 2008								
1 October 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**12 376**		**41 690**	**620 534**
Profit for 3 months until 31 December 2009							348	**348**
Valuation of management option				214				**214**
Effect of other mergers								
Increase of capital following new share issue								
Distribution of 2008 profit – allocation to capital funds								
Dividend for shareholders as part of 2008 profit distribution								
31 December 2009	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 038**	**621 096**
1 January 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Change in accounting standards and policies								
1 January 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Profit for 12 months until 31 December 2009							43 979	**43 979**
Valuation of management option				214				**214**
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)**
31 December 2009	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 038**	**621 096**

(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**
Profit 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)

2.4 Stand-Alone Summary Report of Cash Flow

	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2008	12 months ended 31 December 2008
Profit (loss) for period	**348**	**43 979**	**525**	**1 422**
Adjustments for:	**382**	**(35 985)**	**3 860**	**9 761**
Depreciation	2 471	8 254	1 443	5 110
Interest and share in profit (dividends)	(664)	(41 635)	(574)	(79)
Income tax	169	1 380	847	1 770
Profit (loss) on investing activity	145	35	(91)	1 482
Change in provisions	271	(929)	(384)	(1 707)
Change in stock	(17)	(26)	949	(16)
Change in receivables	(1 530)	(220)	(414)	3 695
Change in accruals	(26)	(136)	(227)	160
Change in short-term liabilities	(24)	(1 007)	2 497	496
Other adjustments	214	214	268	268
Income tax paid	(627)	(1 915)	(454)	(1 418)
Net cash flows from operating activity	**730**	**7 994**	**4 385**	**11 183**
Income	**97 169**	**610 432**	**251 676**	**756 600**
Sale of fixed and intangible asset	1 023	1 625	1 664	4 048
Sale of financial assets	95 200	565 996	250 000	752 500
Dividends received		38 748		
Interest received	246	853	12	52
Repayment of loans granted	700	3 210		
Other income				
Expenditures	**(97 835)**	**(613 572)**	**(258 039)**	**(797 326)**
Purchase of fixed and intangible assets	(2 010)	(18 039)	(4 809)	(15 424)
Investments in real property				(3 166)
Purchase of subsidiaries and associated entities	(12)	(33 453)	(10 470)	(42 374)
Purchase of financial assets	(95 313)	(529 095)	(240 050)	(729 102)
Loans granted	(500)	(32 985)	(2 000)	(2 200)
Cash in subsidiaries at the date of sale				
Other expenditures			(710)	(5 060)
Nat cash flows from investing activity	**(666)**	**(3 140)**	**(6 363)**	**(40 726)**
Income	**3 938**	**42 475**	**0**	**13 454**
Income from credit facilities and loans contracted				
Issue of short-term debt securities	3 938	42 475		
Share issue				13 454
Other income				
Expenditures	**(4 007)**	**(47 950)**	**(10)**	**(13 310)**
Repayment of credit facilities and loans				
Redemption of short-term debt securities	(4 000)	(39 000)		
Payment of liabilities under financial leases	(6)	(27)	(7)	(7)
Interest and charges paid	(1)	(6)	(3)	(2)
Dividends paid		(8 917)		(13 301)
Other				
Net cash flows from financial activity	**(69)**	**(5 475)**	**(10)**	**144**

(in PLN 000s, unless indicated otherwise)

Change in cash	**(5)**	**(621)**	**(1 988)**	**(29 399)**
Exchange differences				
Cash at beginning of period	**2 579**	**3 195**	**5 183**	32 594
Cash at end of period	**2 574**	**2 574**	**3 195**	**3 195**

Lublin, March 2010

Signatures of all Members of the Management Board:

2010-03-01	Artur Kawa	Chairman of Management Board	.... Signature
2010-03-01	Jarosław Wawerski	Vice-Chairman of Management Board	.... Signature
2010-03-01	Dariusz Kalinowski	Member of Management Board – Financial Director	.... Signature
2010-03-01	Marek Wesołowski	Member of Management Board – Retail Business Director	.... Signature
2010-03-01	Grzegorz Wawerski	Member of Management Board – Retail Business Development Director	.... Signature

Signature of person responsible for maintaining the accounts:

2010-03-01	Elżbieta Świniarska	Economic Director	.... Signature