INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

SEMI-ANNUAL REPORT 2010

PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

(ALL AMOUNTS IN THOUSANDS PLN)

LUBLIN, AUGUST 2010

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the 2010 Consolidated Semi-Annual Report of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

Table of Contents

1. Selected Financial Highlights 3
2. Management Board's Representations 4
3. Report of the independent auditor's of review of interim condensed consolidated financial statements for first half of 2010 5
4. Consolidated Statement of Financial Position 6
5. Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income 7
6. Statement of changes in consolidated equity 9
7. Consolidated statement of cash flows 12
8. Outline of Key Accounting Policies 14
8.1 Conformity Statement and Basis for Preparation of Consolidated Financial Statements 14
8.2 Functional Currency 14
8.3 New standards, their changes and interpretations which became effective as from 1 January 2010: 14
8.4 Published standards and interpretations, which have not entered into force to date of publication of these Financial Report 16
8.5 Basic principles of accounting 17
8.6 Segment Reporting 17
8.7 Merger, acquisition and sale of shares of subsidiaries and other, increase of capital in the business units 19
9. Additional Explanatory Notes and Other Important Information and Events. 23
9.1 Additional explanatory notes 23
9.2 Other material information and events. 29
10. Semi-annual report of activities of Capital Group of issuer. 46
10.1 Description of the Capital Group organization 46
10.2 Indicate impact of changes in structure of the enterprise. 51
10.3 Management Board position on the implementation of previously published results for the year. 51
10.4 List of shareholders holding at least 5 percent of votes at the Ordinary General Meeting of Shareholders of Emperia Holding S.A. at the date of the report. 51
10.5 Changes in the holding of shares by members of the Management Board and Supervisory Board. 52
10.6 Information on pending litigation. 52
10.7 Material transactions of the Issuer with associated entities 52
10.8 Credit facilities, loans and guarantees. 52
10.9 Other information that in Issuer's opinion are important to assess the staffing, and financial situation of the Company. 53
10.10 Factors that will affect on results achieved by the Group in next half of year. 55
10.11 Risk Factors 56

1. Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EUR	
		For period 01.01.2010 to 30.06.2010	For period 01.01.2009 to 30.06.2009*	For period 01.01.2010 to 30.06.2010	For period 01.01.2009 to 30.06.2009*
I.	Net revenues from sale of products, goods and materials	2 832 162	2 684 376	707 298	594 099
II.	Profit (loss) on operating activity	47 044	57 343	11 749	12 691
III.	Profit (loss) before tax	39 469	44 105	9 857	9 761
IV.	Profit (loss) for period	32 435	31 608	8 100	6 995
V.	Net cash flows from operating activity	37 810	39 366	9 443	8 712
VI.	Net cash flows from investing activity	(52 149)	(79 128)	(13 024)	(17 512)
VII.	Net cash flows from financing activity	35 131	30 500	8 774	6 750
VIII.	Total net cash flows	20 792	(9 262)	5 193	(2 050)
IX.	Total assets	1 978 513	1 830 168	477 233	445 491
X.	Liabilities and provisions against liabilities	1 152 489	1 024 331	277 990	249 338
XI.	Long-term liabilities	152 244	160 730	36 722	39 124
XII.	Short-term liabilities	1 000 245	863 601	241 267	210 214
XIII.	Equity	826 024	805 837	199 244	196 153
XIV.	Initial capital	15 115	15 115	3 646	3 679
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVII.	Profit (loss) per ordinary share annualized ** (PLN/EUR)	4,64	3,65	1,16	0,81
XVIII.	Diluted profit (loss) per ordinary share annualized ** (PLN/EUR)	4,64	3,65	1,16	0,81
XIX.	Book value per share *** (PLN\EURO)	54,65	53,31	13,18	12,98
XX.	Diluted book value per share *** (PLN\EURO)	54,65	53,31	13,18	12,98
XXI.	Declared or distributed dividend per share *** (PLN\EURO)	0,92	0,59	0,22	0,14

* comparative data on the balance sheet refer to 31.12.2009 .
** 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:
– first half of 2010: January-June 15 115 161;
– first half of 2009: January-June 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 exchange rates published by the National Bank of Poland, effective on the last day of each month, which was 4,0042 PLN/EURO in first half of 2010, and 4,5184 PLN/EURO in first half of 2009.
2 The balance sheet items and book value/diluted book value are converted at the average exchange rate published by the National Bank of Poland, effective on the balance sheet date, which was: at 30.06.2010 4,1458 EURO, and at 31.12.2009 4,1082 PLN/EURO.

2. Management Board's Representations

The Management Board of Emperia Holding S.A. represents that, to the best of its knowledge, the semi-annual consolidated financial statements and comparable data have been prepared in compliance with the accounting policies and that they provide a true, reliable and clear reflection of the assets and financial standing of the issuer's group of companies and its financial performance, and that the semi-annual report on the operations of the issuer's group of companies contains a true picture of the development and achievements as well as of the standing of the issuer's group of companies, including a description of fundamental threats and risks.

The Management Board of Emperia Holding S.A. further represents that the entity licensed to audit financial statements (auditor), reviewing the semi-annual consolidated financial statements, has been appointed in compliance with the law and that the entity and the auditors performing the review of such financial statements have met the conditions necessary to express an impartial and independent opinion on the audited consolidated semi-annual financial statements, in compliance with the regulations in force and professional standards.

Lublin, August 2010

Signatures of members of Management Board:

2010-08-31	Artur Kawa	Chairman of Management Board	..... signature
2010-08-31	Jarosław Wawerski	Vice-Chairman of Management Board	..... signature
2010-08-31	Dariusz Kalinowski	Vice-Chairman of Management Board - Financial Director	..... signature
2010-08-31	Marek Wesołowski	Vice-Chairman of Management Board – Retail Business Director	..... signature
2010-08-31	Grzegorz Wawerski	Vice-Chairman of Management Board – Retail Business Development Director	..... signature

Signature of person responsible for maintaining the accounts:

2010-08-31	Elżbieta Świniarska	Economic Director	..... signature

3. Report of the independent auditor's of review of interim condensed consolidated financial statements for first half of 2010.

Report of review of interim consolidated financial statements for period from 1 January 2010 to 30 June 2010 is in attached file "Opinion and report of review of interim consolidated financial statements of Emperia Holding Capital Group 30 June 2010.pdf"

4. Consolidated Statement of Financial Position

	30 June 2010	31 December 2009	30 June 2009
Fixed Assets	**962 775**	**944 641**	**915 514**
Tangible fixed assets	676 863	658 407	612 530
Investment real property	16 116	16 992	17 553
Intangible assets	8 198	7 796	7 023
Goodwill	203 975	203 354	193 822
Shares in equity method	4 615	3 982	4 306
Financial assets	11 683	11 178	20 819
Long-term loans		1 114	16 678
Long-term receivables and other deferred income	23 844	26 068	26 389
Deferred income tax assets	17 481	15 750	16 394
Current Assets	**1 015 738**	**885 527**	**946 881**
Stock	491 669	455 272	476 031
Receivables	444 196	366 702	407 747
Income tax withholding	2 322	15 504	9 300
Short-term securities			
Prepaid expenses	14 115	7 996	12 840
Cash	60 845	40 053	40 758
Other financial assets	2 591		205
Assets earmarked for sale			
Total Assets	**1 978 513**	**1 830 168**	**1 862 395**
Equity	**826 024**	**805 837**	**767 638**
Share capital	15 115	15 115	15 115
Unregistered share capital			
Share premium capital	549 559	549 559	549 559
Supplementary capital	98 394	98 394	97 953
Supplementary capital from the evaluation of managerial options	2 715	1 035	596
Reserve capital	47 273	59 150	59 150
Revaluation capital			
Reserve capital for the purchase of treasury shares	40 000		
Treasury shares			
Retained profit	72 861	82 482	45 174
Total equity allocated to shareholders of dominant entity	**825 917**	**805 735**	**767 547**
non-controlling interest	107	102	91
Long-term liabilities	**152 244**	**160 730**	**182 858**
Credit facilities, loans and debt securities	127 931	137 106	161 898
Long-term liabilities	5 442	5 959	5 088
Provisions	2 950	2 843	2 529
Provision against deferred income tax	15 921	14 822	13 343
Short-term liabilities	**1 000 245**	**863 601**	**911 899**
Credit facilities, loans and debt securities	277 939	223 620	192 532
Short-term liabilities	697 172	616 928	694 328
Income tax liabilities	3 121	4 200	4 594
Provisions	19 363	16 250	19 085
Deferred income	2 650	2 603	1 360
Total liabilities	**1 978 513**	**1 830 168**	**1 862 395**

Book value	826 024	805 837
Number of shares	15 115 161	15 115 161
Book value per share (PLN)	54,65	53,31

5. Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income

Profit and Loss Account	Note	6 months ended 30 June 2010	6 months ended 30 June 2009
Sales revenues		**2 832 162**	**2 684 376**
- including related entities		*4 415*	*5 311*
Sales of products and services	9.1.1	79 185	65 076
Sales of goods and materials	9.1.2	2 752 977	2 619 300
Cost of goods sold		**(2 375 948)**	**(2 256 981)**
- including related entities		*(3 988)*	*(4 527)*
Cost of manufactured products sold		(50 380)	(42 673)
Cost of goods and materials sold		(2 325 568)	(2 214 308)
Profit on sales		**456 214**	**427 395**
Other operating income	9.1.3	6 004	24 892
Selling expense	9.1.4	(368 470)	(343 104)
General administrative expense	9.1.4	(40 295)	(46 961)
Other operating expense	9.1.5	(6 409)	(4 879)
Profit on operations		**47 044**	**57 343**
Financial income	9.1.6	1 865	1 172
Financial expense	9.1.7	(9 440)	(14 410)
Profit before tax		**39 469**	**44 105**
Income tax		**(7 667)**	**(12 806)**
Current tax	9.1.8	(8 298)	(7 483)
Deferred tax		631	(5 323)
Share in financial result entities valued using the equity method		633	309
Profit for period		**32 435**	**31 608**
Profit for period for shareholders of dominant entity		**32 429**	**31 596**
Profit for period for non-controlling interests		**6**	**12**

Profit (loss) for period (annualised)	70 193	55 196
Weighted average of ordinary shares *	15 115 161	15 115 161
Profit (loss) per ordinary share (PLN) annualised	4,64	3,65

*The weighted average number of shares:
– for first half of 2010: January-June 15 115 161;
– for first half of 2009: January-June 15 115 161;

Statement of total income	6 months ended 30 June 2010	6 months ended 30 June 2009
Profit for period	32 435	31 608
Other total income:		
Security of Cash flow		635
Income tax on the other comprehensive income components		(121)
Other total net income		514
Total income for period	**32 435**	**32 122**
Total income for shareholders of parent company	32 429	32 110
Total income for non-controlling interests	6	12

6. Statement of changes in consolidated equity

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Reserve Capital for purchase of own shares	Retained profit	Non-controlling interest	Total equity
1 January 2010	**15 115**	**549 559**	**98 394**	**1 035**	**59 150**			**82 482**	**101**	**805 836**
Correction of error for 2009										
1 January 2010 adjusted	**15 115**	**549 559**	**98 394**	**1 035**	**59 150**			**82 482**	**101**	**805 836**
Profit for 6 months until 30 June 2010								32 429	6	**32 435**
Valuation of II managerial option				1 680						**1 680**
Distribution of 2009 profit – allocation to capital funds					28 123			(28 123)		
Creation of reserve for acquisition of own shares					(40 000)		40 000			
Dividend for shareholders as part of 2009 profit distribution								(13 906)		**(13 906)**
Dividend for non-controlling shareholders								(21)		**(21)**
30 June 2010	**15 115**	**549 559**	**98 394**	**2 715**	**47 273**		**40 000**	**72 861**	**107**	**826 024**

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Reserve capital for purchase of own shares	Retained profit	Non-controlling interest	Total equity
1 January 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**		**30 367**	**392**	**745 083**
Correction of error for 2008								(389)		**(389)**
1 January 2009 adjusted	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**		**29 978**	**392**	**744 694**
Profit for 6 months until 30 June 2009						514		31 596	12	**32 122**
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 managerial option										
Distribution of 2008 profit – allocation to capital funds			7 091		6 773			(13 864)		
Distribution of 2008 profit - Centrum Sanok (allocation to capital of Stokrotka Sp. z o.o.)								53		**53**
Dividend for shareholders as part of 2008 profit distribution					(7 496)			(1 422)		**(8 918)**
30 June 2009	**15 115**	**549 559**	**97 953**	**596**	**59 150**			**45 174**	**91**	**767 638**

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

7. Consolidated statement of cash flows

	6 months ended 30 June 2010	6 months ended 30 June 2009
Profit (loss) for period	**32 435**	**31 608**
Adjustments for:	**5 375**	**7 758**
Share in net (profits) losses of entities consolidated using equity method	(633)	(309)
Depreciation	33 739	30 705
(Gain) loss on exchange rate differences		
Interest and share in profit (dividends)	8 141	7 350
Income tax	7 667	12 806
Profit (loss) on investing activity	(516)	(13 120)
Change in provisions	3 151	(2 027)
Change in stock	(36 355)	(55 656)
Change in receivables	(73 694)	(20 640)
Change in accruals	(4 492)	(8 802)
Change in short-term liabilities	63 153	71 712
Other adjustments	1 874	(273)
Income tax paid	3 340	(13 988)
Net cash flows from operating activity	**37 810**	**39 366**
Income	**5 865**	**37 310**
Sale of fixed and intangible asset	2 604	34 250
Sale of financial assets		195
Sales of subsidiaries		95
Dividends received	1 000	
Interest received	578	342
Repayment of loans	553	
Cash from acquired companies	161	1 012
Other income	969	1 416
Expenditures	**(58 014)**	**(116 438)**
Purchase of fixed and intangible assets	(53 128)	(87 406)
Investments in real property		(481)
Purchase of subsidiaries and associated entities	(2 663)	(12 395)
Purchase of financial assets		
Loans granted	(2 000)	(15 000)
Cash in subsidiaries at date of sale		(455)
Other expenditures	(223)	(701)
Net cash flows from investing activity	**(52 149)**	**(79 128)**
Income	**113 565**	**150 587**
Income from credit facilities and loans contracted	101 058	117 543
Issue of short-term debt securities	12 497	32 991
Other income	10	53
Expenditures	**(78 434)**	**(120 087)**
Repayment of credit facilities and loans	(51 736)	(89 949)
Redemption of short-term debt securities	(16 200)	(20 000)
Payment of liabilities under financial leases	(824)	(659)
Interest and charges paid	(9 674)	(8 988)
Other expenditures		(491)
Net cash flows from financial activity	**35 131**	**30 500**

Change in cash	**20 792**	**(9 262)**
Exchange differences		(3)
Cash at beginning of period	**40 053**	**50 023**
Cash at end of period	**60 845**	**40 758**

8. Outline of Key Accounting Policies

8.1 Conformity Statement and Basis for Preparation of Consolidated Financial Statements

Condensed interim consolidated financial statement of Emperia Holding Capital Group has been prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and in accordance with relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and in force at the time of preparation of interim consolidated financial statement.

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.

The attached consolidated financial statements present in a reliable manner the financial standing of the Group, its financial performance and cash flows.

8.2 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.
Application of standards and interpretations applicable from 1 January 2009

8.3 New standards, their changes and interpretations which became effective as from 1 January 2010:

a) IFRIC 12 „Concession Agreement"

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

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

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

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

The revised IAS 39 was issued on 31 July 2008 and is effective for annual periods beginning on and after 1 July 2009. The amendments relate to the criteria for recognising an item as a hedged item. Two issues that relate to hedge accounting were clarified: recognition of inflation as a risk subject to hedging and hedge in the form of an option.

d) IFRIC 15 Agreements for the Construction of Real Estate

The interpretation was issued on 3 July 2008 and is effective for annual periods beginning on and after 1 September July 2009. The interpretation relates to accounting for revenues and costs of real estate construction carried out directly by the entity or by subcontractors. The agreements covered by the scope of IFRIC 15 are referred to as "agreements for the construction of real estate" and may also provide for the supply of other goods and services. The interpretation specifies whether or not the relevant agreement for the construction of real estate is covered by the scope of IAS 11 or IAS 16, and when revenues from real estate construction need to be recognised.

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

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

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

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

g) IFRIC 18 Transfers of Assets from Customers

The interpretation was issued on 29 January 2009 and is effective for annual periods beginning on and after 1 July 2009. The interpretation will apply mainly to the sector of utilities. The interpretation provides guidelines for recognition of assets received from customers to be used to connect such customer to the grid or to provide the customer with services using the asset so contributed.

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

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

i) Updated IAS 27 Consolidated and Separate Financial Statements

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

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

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

k) Amendments to IFRS 2 Share-based Payment

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

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

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

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

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

n) Amendments to IFRS 2009

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

o) Amendments to IFRS 7 Financial Instruments: Disclosures

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

p) Amendments to IFRS 1 - First-time Application of IFRS

The proposed amendment to IFRS 1 introduces a limited exemption from disclosure of comparative data in accordance with IFRS 7 for entities applying IFRS for the first time. Amendments will be apply for annual periods commencing on 01 July 2010 and after that date.

q) IFRIC 19 - Regulating financial liabilities using the equity instruments

The IFRIC 19 clarifies the accounting policies used in situations, when as a result of renegotiation by the entities conditions of its debt, obligation is settled by issuing equity to the creditor by the debtor (so.” debt for equity swap”). Interpretation will apply for annual periods commencing on 01 July 2010 and after that date.

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

8.4 Published standards and interpretations, which have not entered into force to date of publication of these Financial Report

a) IFRS 9 Financial Instruments

IFRS 9 addresses the issues of classification and valuation of financial assets. The standard is effective for annual periods beginning on and after 1 January 2013

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

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

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

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

d) Amendment to IAS 24 Related Party Disclosures

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

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

8.5 Basic principles of accounting

With exception of changes described in section 11 accounting principles adopted in preparation of interim condensed consolidated financial statements are consistent with principles described in consolidated financial statements of Emperia Holding Capital Group drawn up with IFRS for the year ended on 31 December 2009.

8.6 Segment Reporting

IFRS 8 Operating Segments published by the International Accounting Standards Board on 30 November 2006, replaces IAS 14 Reporting of business segments and is apply to annual periods commencing on 1 January 2009 and after that date.
In process of standard implementing was analyzed model of management of Capital Group, reporting system functioning in Capital Group and economic characteristics of its units. The analysis has not demonstrated the need of changes in current operating segments division , which is used for internal and external reporting

The following business segments are distinguished within the Group:

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

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

Information of regarding the Group's business segments in first half of 2010:

Description	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	2 266 214	950 957	55 976	440 985	2 832 162
Segment revenues (from external clients/customers)	1 880 578	940 678	10 906		2 832 162
Segment revenues (from other segments)	385 636	10 279	45 070	440 985	
Segment total costs	(2 239 005)	(938 012)	(49 126)	(441 430)	(2 784 713)
Result on other operations	2 039	(2 508)	96	32	(405)
Result on financial operations	(90)	(2 349)	58 435	63 571	(7 575)
Result (gross)	29 158	8 088	65 381	63 158	39 469
Taxation	(4 921)	(1 374)	(1 253)	119	(7 667)
Share in financial result entities valued using the equity method			633		633
Segment result (net)	24 237	6 714	64 761	63 277	32 435

Description	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 239 224	474 259	945 904	680 874	1 978 513
Goodwill	156 073	47 281	621		203 975

Description	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(8 491)	(29 722)	(15 475)	(560)	(53 128)
Depreciation	(10 793)	(15 128)	(8 386)	(568)	(33 739)

Revenues from sales from external customers by geographical areas.

Revenues from sales are obtained on Polish territory (localization of final users).

Main customers

The total number of Emperia holding Capital Group customers is fragmented. None of the Group's customers do not have a dominant position, does not exceed 10% shares of sales.

Information of regarding the Group's business segments in first half of 2009:

Description	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	2 220 873	831 464	51 779	419 740	2 684 376
Segment revenues (from external clients/customers)	1 853 494	822 628	8 254		2 684 376
Segment revenues (from other segments)	367 379	8 836	43 525	419 740	
Segment total costs	(2 195 546)	(829 998)	(42 746)	(421 244)	(2 647 046)
Result on other operations	4 167	873	16 735	1 762	20 013
Result on financial operations	11 532	(3 355)	38 421	59 836	(13 238)
Result (gross)	41 026	(1 016)	64 189	60 094	44 105
Taxation	(6 393)	(1 497)	(4 880)	36	(12 806)
Share in financial result entities valued using the equity method			309		309
Segment result (net)	34 633	(2 513)	59 618	60 130	31 608

Description	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 612 168	441 901	861 135	1 052 809	1 862 395

Description	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(38 445)	(35 893)	(39 069)	(26 001)	(87 406)
Depreciation	(11 265)	(13 831)	(5 975)	(366)	(30 705)

8.7 Merger, acquisition and sale of shares of subsidiaries and other, increase of capital in the business units

8.7.1 Acquisition of shares in subsidiaries and other

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

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

Settlement of a business combination

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

Purchased net assets

	Fair value 01.01.2010	Book value 01.01.2010
Fixed Assets	**290**	**290**
Tangible fixed assets	150	150
Intangible assets	32	32
Financial assets	92	92
Long-term receivables and other deferred income	15	15
Deferred income tax assets		
Current Assets	**2 526**	**2 526**
Stock	42	42
Receivables	2 309	2 309
Income tax withholding		
Prepaid expenses	14	14

Cash	161	161
Long-term liabilities	**65**	**65**
Credit facilities, loans and debt securities		
Long-term liabilities		
Provisions	65	65
Provision against deferred income tax		
Short-term liabilities	**1 122**	**1 122**
Credit facilities, loans and debt securities		
Short-term liabilities	1 087	1 087
Income tax liabilities	30	30
Provisions	5	5
Deferred income		
Net assets	**1 629**	**1 629**
Net assets allocated to acquired share 100%	**1 629**	
Cost of purchasing	**2 249**	
Goodwill at the date of acquiring control	**620**	

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

b) Purchase of Shares in Ambra Sp. z o.o. in Czechowice-Dziedzice. – final settlement.

Entity name and registered address	**Ambra Sp. z o.o.** **43-502 Czechowice-Dziedzice, ul. Hutnicza 7**
Main objects of business	wholesaling of household chemistry articles and cosmetics
Date of acquiring control	11 March 2009
Number and percentage of held shares	16 000 shares, 100,00 percent of shares,
Cost of purchasing	8 114 000 PLN

Settlement of a business combination

Purchasing costs - Elements of the purchasing price:	
Cash	8 000
Directly attributable purchasing costs:	
Tax on civil law transactions	80
due diligence	33
Remaining costs connected with the transaction	1
Total cost of purchasing	**8 114**

Purchased net assets

	Fair value 11.03.2009	Book value 11.03.2009 (IAS)	Corrections	Book value 11.03.2009 (PAS)
Fixed Assets	**8 685**	**8 685**	**(3 881)**	**12 566**
Tangible fixed assets	7 484	7 484		7 484
Intangible assets	28	28	(4 943)	4 971
Deferred income tax assets	1 173	1 173	1 062	111
Current Assets	**22 687**	**22 687**	**(855)**	**23 542**
Stock	7 289	7 289	(843)	8 132
Receivables	14 921	14 921		14 921
Income tax withholding	13	13		13
Prepaid expenses	62	62		62
Cash	402	402	(12)	414
Long-term liabilities	**3 141**	**3 141**	**(230)**	**3 371**
Credit facilities, loans and debt securities	2 056	2 056		2 056
Long-term liabilities	820	820		820
Provisions	62	62		62
Provision against deferred income tax	203	203	(230)	433
Short-term liabilities	**22 891**	**22 891**	**(12)**	**22 903**
Credit facilities, loans and debt securities	7 764	7 764		7 764
Short-term liabilities	15 001	15 001	(12)	15 013
Income tax liabilities	126	126		126
Net assets	**5 340**	**5 340**	**(4 494)**	**9 834**
Net assets allocated to acquired share 100%	**5 340**			
Cost of purchasing	**8 114**			
Goodwill at the date of acquiring control	**2 774**			

Goodwill:

Goodwill on inclusion in the consolidation date as a result of final settlement is PLN 2 774 000. Goodwill has been calculated on the basis of identified net assets at the acquisition date. Goodwill includes intellectual capital, agreements with customers and related with them customer relationships, however due to the lack of opportunities to reliable estimate of their fair value, Company departed from their identification as a separate intangible asset in the settlement of merger

c) Purchase of Shares in Przedsiębiorstwo Handlowe "ALFA" Sp. z o.o. in Lublin. – final settlement.

Entity name and registered address	**ALFA Sp. z o.o.** **20-950 Lublin, ul. Jutrzenki 5**
Main objects of business	Food product retailing
Date of acquiring control	10 April 2009
Number and percentage of held shares	170 000 shares, 100,00 percent of shares,
Cost of purchasing	9 442 000PLN

Settlement of a business combination

Purchasing costs - Elements of the purchasing price:	
Cash	9 422
Directly attributable purchasing costs:	
Tax on civil law transactions	4
due diligence	6
Remaining costs connected with the transaction	10
Total cost of purchasing	**9 442**

Purchased net assets

	Fair value 10.04.2009	Book value 10.04.2009
Fixed Assets	**235**	**235**
Tangible fixed assets	235	235
Intangible assets		
Deferred income tax assets		
Current Assets	**1 996**	**1 996**
Stock	669	669
Receivables	101	101
Income tax withholding		
Prepaid expenses	6	6
Cash	1 218	1 218
Long-term liabilities		
Credit facilities, loans and debt securities		
Long-term liabilities		
Provisions		
Provision against deferred income tax		
Short-term liabilities		
Credit facilities, loans and debt securities	945	945
Short-term liabilities		
Income tax liabilities		
Net assets	**1 286**	**1 286**
Net assets allocated to acquired share 100%	**1 286**	
Net profit for first half of 2009 (until the combination)	**693**	
Cost of purchasing	**9 442**	
Goodwill at the date of acquiring control	**8 849**	

Goodwill:
Goodwill on inclusion in the consolidation date as a result of final settlement is PLN 8 849 000. Goodwill has been calculated on the basis of identified net assets at the acquisition date Goodwill includes intellectual capital, agreements with customers and related with them customer relationships, however due to the lack of opportunities to reliable estimate of their fair value, Company departed from their identification as a separate intangible asset in the settlement of merger

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

On 8 February 2010 Emperia Holding SA purchased from an individual 10 shares in a share capital of limited liability company Społem Tychy Sp. z o.o. with its seat in Tychy, which—alongside the interest previously held by

subsidiary Tradis Sp. z o.o. carries 99,22 percent of votes at the general meeting of shareholders and represents 99,22 percent of the share capital of Społem Tychy Sp. z o.o.

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

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

f) Acquisition of Shares in Newly-Established Company Ezon Sp. z o.o. z in Lublin.

On 22 June 2010 Emperia Holding S.A. acquired 200 shares of nominal value 500 PLN/each in a newly-established company - Ezon Sp. z o.o.. Acquired shares are covered by a cash contribution in amount of PLN 100 000 and represent 100 percent of the share capital and carry a right to 100 percent of votes at the Company's general meeting. On 26 July 2010 Company was registered in the District Court, XI KRS Department in Lublin, number 0000361697. Subject of activity of Company is a market research and public opinion..

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

No such event occurred in the Group.

8.7.3. Sale of shares in subsidiaries and other

No such event occurred in the Group.

9. Additional Explanatory Notes and Other Important Information and Events.

9.1 Additional explanatory notes

9.1.1 Net sales of products

NET SALES OF PRODUCTS (by type of products)	6 months ended 30 June 2010	6 months ended 30 June 2009
Sales of products	555	
- including to related entities	*38*	
Sales of services	78 630	65 076
- including to related entities	*1 268*	*663*
Total net sales of products	**79 185**	**65 076**
- including to related entities	*1 306*	*663*

NET SALES OF PRODUCTS (by geographic area)	6 months ended 30 June 2010	6 months ended 30 June 2009
Domestic	78 701	64 720
- including to related entities	*1 306*	*663*
Export	484	356
- including to related entities		
Total net sales of products	**79 185**	**65 076**
- including to related entities	*1 306*	*663*

9.1.2 NET SALES OF MERCHANDISES AND MATERIALS

NET SALES OF MERCHANDISES AND MATERIALS (by type of activity)	6 months ended 30 June 2010	6 months ended 30 June 2009
Sales of merchandises and materials	2 752 977	2 619 300
- including to related entities	*3 109*	*4 648*
Sales of merchandises and materials	**2 752 977**	**2 619 300**
- including to related entities	*3 109*	*4 648*

NET SALES OF MERCHANDISE AND MATERIALS (by geographic area)	6 months ended 30 June 2010	6 months ended 30 June 2009
Domestic	2 752 727	2 560 194
- including to related entities	*3 109*	*4 648*
Export	250	59 106
- including to related entities		
Total net sales of merchandise and materials	**2 752 977**	**2 619 300**
- including to related entities	*3 109*	*4 648*

9.1.3 Non operating income

Non operating income	6 months ended 30 June 2010	6 months ended 30 June 2009
Profit from the disposal of non-financial fixed assets	527	17 347
Revaluation of non-financial assets	482	1 815
Other non operating income	4 995	5 730
Total non operating income	**6 004**	**24 892**

Revaluation of non-financial assets	6 months ended 30 June 2010	6 months ended 30 June 2009
Creating of write-offs – fixed assets		
Reversal of write-offs – fixed assets	32	6
Creating of write-offs - receivable	(2 595)	(1 580)
Reversal of write-offs - receivable	3 045	3 389
Total revaluation of non-financial assets	**482**	**1 815**

Other operating income	6 months ended 30 June 2010	6 months ended 30 June 2009
Penalties	40	40
Compensation of vehicle damages	532	726
Compensation of fixed assets damages	686	233
Overdue trade payables	1	1 481
Rental income	948	887
Court proceedings costs	94	149
Costs of re-invoice	40	3
Employees salaries refund	4	17
Donations	1 770	378
Replied deposits		162
Other operating income in acquired companies		16
Other	880	1 638
Total other non operating income	**4 995**	**5 730**

9.1.4 Costs by kind

Costs by kind	6 months ended 30 June 2010	6 months ended 30 June 2009
depreciation and amortization	(33 568)	(30 705)
materials and energy	(63 646)	(56 875)
external services	(129 228)	(116 071)
payroll	(182 286)	(177 617)
social security and other employee benefits	(38 932)	(37 751)
taxes and charge	(8 696)	(9 445)
other costs	(4 316)	(5 936)
Total cost by kind of expenditure	**(460 672)**	**(434 400)**
Sales costs	(368 470)	(343 104)
Overhead costs	(40 295)	(46 961)
Cost of products sold	(50 380)	(42 673)
Cost of manufactured computer software	(1 527)	(1 662)

The value of "depreciation" shown in this note differs from the position shown in the Cash Flow – this is because of eligibility to depreciation in the Cash Flow amount of PLN 171 000 - depreciation in investment property.

Payroll	6 months ended 30 June 2010	6 months ended 30 June 2009
Salary	(182 286)	(177 617)
social security	(31 595)	(30 663)
company's social benefit fund	(4 151)	(4 006)
personnel training	(442)	(463)
Other	(2 744)	(2 619)
Total payroll	**(221 218)**	**(215 368)**

Salaries of entity authorized to audit financial statements	6 months ended 30 June 2010	6 months ended 30 June 2009
Audit and review of financial statement	(173)	(308)
Accounting consultancy (transform to IFRS)		
Due diligence		
Tax consultancy	(67)	(15)
Services related to issue of shares		
Expertise and other services		
Total	**(240)**	**(323)**

9.1.5 Other operating expenses

Other operating expenses	6 months ended 30 June 2010	6 months ended 30 June 2009
Loss from the sale of non-financial fixed assets	(799)	
Revaluation of non-financial assets	(666)	(1 635)
Other non operating expenses	(4 944)	(3 244)
Total other operating expenses	**(6 409)**	**(4 879)**

Revaluation of non-financial assets	6 months ended 30 June 2010	6 months ended 30 June 2009
Creating of write-offs – fixed assets	(110)	(144)
Reversal of write-offs – fixed assets		38
Creating of write-offs - receivable	(3 108)	(2 695)
Reversal of write-offs - receivable	2 552	1 166
Total revaluation of non-financial assets	**(666)**	**(1 635)**

Other non operating expenses	6 months ended 30 June 2010	6 months ended 30 June 2009
Donations	(320)	(312)
Compensation of vehicle damages	(428)	(555)
Compensation of fixed assets damages	(613)	(238)
Fixed assets damages		(6)
Cost of real estates	(396)	(508)
Court proceedings costs	(106)	(97)
Transfer rights from rental	(1 094)	(1 154)
Sale of assets components		(7)
Compensation for abandonment of the premises	(1 602)	
Other operating costs	(385)	(367)
Total other non operating expenses	**(4 944)**	**(3 244)**

9.1.6 Financial Income

Financial Income	6 months ended 30 June 2010	6 months ended 30 June 2009
Dividends received	1 000	
Interest	830	908
Other	35	264
Total financial income	**1 865**	**1 172**

Interest	**6 months ended 30 June 2010**	**6 months ended 30 June 2009**
Loans granted	107	137
- including related entities		*46*
Interest on deposits	133	211
Interest on overdue receivables	550	560
- including related entities		*1*
Other interest	40	
Total interest	**830**	**908**

Other financial income	**6 months ended 30 June 2010**	**6 months ended 30 June 2009**
Positive exchange rate differences		55
Valuation of financial instruments	2	200
Other	33	9
Total other financial income	**35**	**264**

9.1.7 Financial expenses

Financial expenses	6 months ended 30 June 2010	6 months ended 30 June 2009
Interest	(9 349)	(8 984)
Loss on the disposal of investments		(4 139)
Other financial expenses	(91)	(1 287)
Total financial expenses	**(9 440)**	**(14 410)**

Interest	6 months ended 30 June 2010	6 months ended 30 June 2009
Bank loan interest	(8 972)	(8 332)
Leasing interest	(195)	(261)
Loans interest		(46)
- including related entities		(46)
Interest on overdue payables	(57)	(40)
- including related entities		*(1)*
Bonds interest	(118)	(287)
- including related entities	*(47)*	
Treasury interests	(7)	(18)
Other interest		
- including related entities		
Total interest	**(9 349)**	**(8 984)**

Other financial expenses	6 months ended 30 June 2010	6 months ended 30 June 2009
Financial expenses of bank warranty	(61)	(54)
Exchange rate differences	(12)	(1 138)
Write offs – long term liabilities		
Write offs – financial instruments		(1)
Balance sheet valuation of liabilities and receivables		(42)
Other	(18)	(52)
Total other financial expenses	**(91)**	**(1 287)**

9.1.8 Corporate Income Tax

Corporate Income Tax	6 months ended 30 June 2010	6 months ended 30 June 2009
Gross profit in entities gained tax profit	**102 626**	**69 955**
Gross loss in entities gained tax loss	*60 338*	*34 757*
Consolidation exemptions at the level of profit before tax	*(63 158)*	*(60 094)*
Non taxable revenues	**(12 690)**	**(44 926)**
financial incomes	(5 377)	(40 704)
non operating incomes	(7 313)	(4 222)
Other taxable income	**763**	**545**
Non taxable costs and losses	**64 705**	**45 396**
operating costs	56 883	19 247
financial expenses	132	22 419
other non operating expenses	7 690	3 730
Additional taxable costs	**(46 535)**	**(31 631)**

Taxable revenue	**48 531**	**39 339**
Other discount form income	*(269)*	*(252)*
Settlement of previous year loss	*(4 586)*	*(128)*
Base of tax calculation	**43 676**	**38 959**
Tax amount 19%	**(8 298)**	**(7 402)**
Additional		*(80)*
Income tax current for the period	**(8 298)**	**(7 483)**
Tax amount *	19,4%	29,0%

* Tax amount - is calculated by dividing the income tax (current and deferred) and profit before tax.

9.2 Other material information and events.

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

Description of the Group's basic accounting policies applied from 1 January 2005 is presented in Note 8 of these consolidated financial statements.

9.2.2 Seasonality and cyclicality of production.

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

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

The Group experienced no such events.

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

Provisions against employee benefits	Changes in first half of 2010	Changes in 2009
Long-term		
As at the beginning of the period	2 843	2 362
Increases/reductions during the period	*102*	*363*
Increases/reductions during the period resulting from acquisitions	*5*	*118*
As at the end of the period	**2 950**	**2 843**
Short-term		
As at the beginning of the period	12 634	18 205
Increases/reductions during the period	*39*	*(5 516)*
Increases/reductions during the period resulting from acquisitions	*51*	*(55)*
As at the end of the period	**12 724**	**12 634**
Other provisions	**Changes in first half of 2010**	**Changes in 2009**
Long-term		
As at the beginning of the period	0	0
Increases/reductions during the period	*0*	*0*

Increases/reductions during the period resulting from acquisitions	*0*	*0*
As at the end of the period	**0**	**0**
Short-term		
As at the beginning of the period	3 616	2 825
Increases/reductions during the period	*3 010*	*816*
Increases/reductions during the period resulting from acquisitions	*13*	*(25)*
As at the end of the period	**6 639**	**3 616**

9.2.5 Issue, redemption and repayment of debt and equity securities

Bonds Issued

a) Emperia Holding S.A.

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

Year 2010:

Bonds issue and redemption in first half of 2010	Total	External issue
As at the beginning of the period	**4 000**	**4 000**
Bonds issue	***4 000***	*4 000*
Bonds redemption	***(8 000)***	*(8 000)*
As at the end of the period	**0**	**0**

Year 2009:

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**

b) Elpro Sp. z o.o.

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

Year 2010:

Bonds issue and redemption in first half of 2010	Total	External issue	Emperia Holding S.A.	Projekt Elpro 1 Sp. z o.o.	Euro Sklep S.A.	Tradis Sp. z o.o.	Społem Tychy Sp. z o.o.	Detal Koncept Sp. z o.o.	DEF Sp. z o.o.
As at the beginning of the period	**56 700**	**1 100**	**12 900**	**7 600**	**3 000**	**21 600**	**2 000**	**0**	**8 500**
Bonds issue	***384 000***	*8 600*	*153 800*	*45 600*	*23 000*	*121 400*	*10 200*	*4 400*	*17 000*
Bonds redemption	***(373 200)***	*(8 200)*	*(112 300)*	*(45 600)*	*(24 000)*	*(143 000)*	*(12 200)*	*(2 400)*	*(25 500)*
As at the end of the period	**67 500**	**1 500**	**54 400**	**7 600**	**2 000**	**0**	**0**	**2 000**	**0**

Year 2009:

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

* concerns issue of bonds Projekt Elpro 3 Sp. z o.o. and Projekt Elpro 1 Sp. z o.o. (in Q4 2009 companies merged)
** bond issue made the company BOS SA - As a result of the completion of the merger the company's largest distribution companies BOS SA merged with Tradis Sp. z o.o

c) Stokrotka Sp. z o.o.

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

Year 2010:

Bonds issue and redemption in first half of 2010	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Projekt Elpro 1 Sp. z o.o.
As at the beginning of the period	**50 000**	**0**	**19 000**	**5 500**	**8 600**	**4 500**	**12 400**
Bonds issue	***276 000***	*0*	*130 800*	*35 500*	*8 200*	*22 500*	*79 000*
Bonds redemption	***(276 000)***	*0*	*(119 200)*	*(35 400)*	*(16 800)*	*(27 000)*	*(77 600)*
As at the end of the period	**50 000**	**0**	**30 600**	**5 600**	**0**	**0**	**13 800**

Year 2009:

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**

d) Tradis Sp. z o.o.

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

Year 2010:
In first half of 2009 Tradis Sp. z o.o. did not issue any bonds.

Year 2009:

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**

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

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

Total liabilities from debt securities at *30.06.2010*

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 30.06.2010
Stokrotka Sp. z o.o.	0059	30 600	2010-07-29	
Stokrotka Sp. z o.o.	0059	5 600	2010-07-29	
Stokrotka Sp. z o.o.	0059	13 800	2010-07-29	
Elpro Sp. z o.o.	0097	1 500	2010-07-29	1 495
Elpro Sp. z o.o.	0097	16 200	2010-07-29	
Elpro Sp. z o.o.	0097	7 600	2010-07-29	
Elpro Sp. z o.o.	0097	2 000	2010-07-29	
Elpro Sp. z o.o.	0074	38 200	2010-07-29	
Elpro Sp. z o.o.	0074	2 000	2010-07-29	
Total bonds issued by the Group **				**1 495**
Other				
Total liabilities under debt securities				
including: short-term				1 495
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 *31.12.2009*

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.

9.2.6 Dividends paid and proposed to pay

Paid dividends :

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

Dominant Company Emperia Holding S.A. as a result of distribution of profit for 2009 in subsidiaries received dividends from following companies:

- *Tradis Sp. z o.o. amount of PLN 49 000 000 (dividend payment on 25 June 2010),
- *Infinie Sp. z o.o. amount of PLN 900 000 (dividend payment on 25 June 2010),
- *Maro Markety Sp. z o.o. amount of PLN 4 500 000 (dividend payment on 25 June 2010),
- *Społem Tychy Sp. z o.o. amount of PLN2 245 000 (dividend payment on 28 June 2010),
- *Euro Sklep Sp. z o.o. amount of PLN 2 260 000 (dividend payment on 25 June 2010),
- Lewiatan Orbita Sp. z o.o. amount of PLN 1 000 000 (dividend payment on 14 June 2010)

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

Proposed for distribution of net profit earned by the company Emperia Holding in 2009:

On 23 June 2010 Ordinary General Meeting of Emperia Holding S.A. decided to pay dividend in amount of PLN 13.905.948,12 (thirteen million nine hundred and five thousand nine hundred and forty-eight and 12/100 zloty), representing PLN 0.92 (point ninety-two zloty) per share.
All shareholders holding shares as at 25 August 2010 (record date) are entitled to dividend. The date of dividend payment is set for 9 September 2010.

9.2.7 Revenues and performance by business segment

Revenue and performance for business segments were described in note 8.6

9.2.8 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.

First half of 2010

Changes in off-balance sheet liabilities in first half of 2010	Under bank credit facilities	Under bank guarantees	Under financial guarantees
Mortgages			
As at the beginning of the period	205 314		
Increases during the period	*42*		
Reductions during the period	*0*		
Increases/reductions during the period resulting from acquisitions	*0*		
As at the end of the period	**205 356**		
Transfer of title as security/pledge/assignment of current assets			
As at the beginning of the period	297 856	15 285	
Increases during the period	*346 779*	*7 766*	
Reductions during the period	*(241 606)*	*(6 845)*	
Increases/reductions during the period resulting from acquisitions	*0*	*0*	
As at the end of the period	**403 029**	**16 206**	
Changes in off-balance sheet liabilities in first half of 2010	**Under bank credit facilities**	**Under bank guarantees**	**Under financial guarantees**
Transfer of title as security/pledge/assignment of fixed assets			
As at the beginning of the period	1 432		
Increases during the period	*0*		
Reductions during the period	*0*		
Increases/reductions during the period resulting from acquisitions	*0*		
As at the end of the period	**1 432**		
Guarantees			
As at the beginning of the period	142 179	5 772	5 554
Increases during the period	*163 579*	*7 357*	*0*
Reductions during the period	*(127 829)*	*(6 114)*	*(285)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*
As at the end of the period	**177 929**	**7 015**	**5 269**

Emperia Holding S.A. extended corporate financial guarantees of PLN 177 929 000 to its subsidiaries with respect to bank credit facilities contracted by them (note 9.2.16. f). The guarantees are only temporary in nature and have been extended until regular security for those credit facilities is established.

Year 2009:

Changes in off-balance sheet liabilities in 2009	Under bank credit facilities	Under bank guarantees	Under financial guarantees
Mortgages			
As at the beginning of the period	93 356	7 800	
Increases during the period	*123 000*	*0*	
Reductions during the period	*(11 042)*	*(7 800)*	
Increases/reductions during the period resulting from acquisitions	*0*	*0*	
As at the end of the period	**205 314**	**0**	
Transfer of title as security/pledge/assignment of current assets			
As at the beginning of the period	281 786	21 325	
Increases during the period	*89 000*	*5 880*	
Reductions during the period	*(62 130)*	*(11 720)*	
Increases/reductions during the period resulting from acquisitions	*(10 800)*	*(200)*	
As at the end of the period	**297 856**	**15 285**	

Transfer of title as security/pledge/assignment of fixed assets			
As at the beginning of the period	2 232		
Increases during the period	*0*		
Reductions during the period	*(800)*		
Increases/reductions during the period resulting from acquisitions	*0*		
As at the end of the period	**1 432**		
Guarantees			
As at the beginning of the period	68 500	8 036	3 535
Increases during the period	*161 379*	*8 425*	*2 744*
Reductions during the period	*(87 700)*	*(10 689)*	*(725)*
Increases/reductions during the period resulting from acquisitions	*0*	*0*	*0*
As at the end of the period	**142 179**	**5 772**	**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.

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

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

First half of 2010:

Revaluation allowances on account of impairment of fixed assets and reversal of those allowances	Changes in first half of 2010
Revaluation allowances on account of impairment of fixed assets	
As at the beginning of the period	1 758
Creating of write-offs	*110*
Reversal of write–offs	*(89)*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**1 779**
Revaluation allowances for receivables	
As at the beginning of the period	(30 796)
Creating of write-offs	*(5 676)*
Reversal of write–offs	*5 597*
Changes of write-offs resulting from acquisitions	*(25)*
*Not written off profit and loss**	*1 336**
As at the end of the period	**(29 564)**
Revaluation allowances for financial assets	
As at the beginning of the period	62
Creating of write-offs	*0*
Reversal of write–offs	*0*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**62**
Revaluation of stock	
As at the beginning of the period	17 459
Creating of write-offs	*13 497*
Reversal of write–offs	*(7 553)*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**23 403**

including: revaluation allowances on account of stocktaking	
As at the beginning of the period	783
Creating of write-offs	*10 470*
Reversal of write–offs	*(5 170)*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**6 083**
including: revaluation allowances on account of bonuses	
As at the beginning of the period	16 676
Creating of write-offs	*3 027*
Reversal of write–offs	*(2 383)*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**17 320**

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

Year 2009:

Revaluation allowances on account of impairment of fixed assets and reversal of those allowances	Changes in 2009
Revaluation allowances on account of impairment of fixed assets	
As at the beginning of the period	1 798
Creating of write-offs	*408*
Reversal of write–offs	*(448)*
Changes of write-offs resulting from acquisitions	*0*
As at the end of the period	**1 758**
Revaluation allowances for receivables	
As at the beginning of the period	(33 081)*
Creating of write-offs	*(16 783)*
Reversal of write–offs	*10 854*
Changes of write-offs resulting from acquisitions	*2 039*
*Not written off profit and loss**	*6 175***
As at the end of the period	**(30 796)**
Revaluation allowances for financial assets	
As at the beginning of the period	3 540
Creating of write-offs	*3 434*
Reversal of write–offs	*(5 339)*
Changes of write-offs resulting from acquisitions	*(1 573)*
As at the end of the period	**62**
Revaluation of stock	
As at the beginning of the period	(16 022)
Creating of write-offs	*(21 347)*
Reversal of write–offs	*19 815*
Changes of write-offs resulting from acquisitions	*95*
As at the end of the period	**(17 459)**

* difference on the opening balance for 2009 compared to previous reports result from changes in the presentation of interest and legal costs to overdue receivables From third quarter of 2009, the issuer does not include them to revaluation allowances for receivables but they are directly related to value of receivables.
** written off receivables which had previously been tied revaluation and of which irrecoverable had been documented

9.2.10 Release of provisions against restructuring costs.

The Group experienced no such events.

9.2.11 Deferred corporate tax.

Deferred corporate tax	Changes in first half of 2010	Changes in 2009
Deferred corporate tax assets		
As at the beginning of the period	15 750	21 085
Increase of assets	*3 931*	*9 691*
Reduction of assets	*(2 200)*	*(15 395)*
Increases/reductions during the period resulting from acquisitions	*0*	*369*
As at the end of the period	**17 481**	**15 750**

Deferred corporate tax	Changes in first half of 2010	Changes in 2009
Provision against deferred corporate tax		
As at the beginning of the period	14 822	13 098
Increase of assets	*1 380*	*23 779*
Reduction of assets	*(281)*	*(23 179)*
Increases/reductions during the period resulting from acquisitions	*0*	*1 124*
As at the end of the period	**15 921**	**14 822**

9.2.12 Financial and operating leases.

Year 2010:

Liabilities under financial leases	30 June 2010	
	Minimum payments	Current value of minimum payments
Up to 1 year	1 171	935
From 1 to 5 years	2 681	2 513
Over 5 years		
Total	**3 852**	**3 448**

Operating leases

Description of assets	Term of agreement	As at 30.06.2010	As at 30.06.2011	from 1 - 5 years	over 5 years
		Minimum annual payments			
Real properties	Definite				
	indefinite				
Machinery and equipment	definite				
	indefinite				
Vehicles	definite	27	19	4	
	indefinite				
Other fixed assets	definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 30.06.2010	As at 30.06.2011	from 1 - 5 years	over 5 years
		Minimum annual payments			
Real properties	Definite	57 308	58 896	243 913	246 813
	indefinite	11 449	11 856	56 946	63 306
Machinery and equipment	definite				
	indefinite	369	369	2 955	3 609
Vehicles	definite	12 932	5	13 278	
	indefinite				
Other fixed assets	definite	25	27	5	
	indefinite	2	2	17	23

Year 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				
	indefinite				
Vehicles	definite	1 319	734	585	
	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

9.2.13 Commitments to purchase tangible fixed assets.

No such event occurred in the Group.

9.2.14 Correction of errors of previous periods.

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

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

No such event occurred in the Group.

9.2.16 Other material information.

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

On 4 February 2010 Mr. Piotr Długosz and Mr. Piotr Kawa resigned as a members of the issuer's Supervisory Board with effect as of 14 February 2010.
On 4 March 2010 the Extraordinary General Meeting of Shareholders of Emperia Holding S.A. appointed Mr Piotr Długosz as a Independent Member of the Supervisory Board.
Mr. Piotr Dlugosz was a Member of the Supervisory Board Emperia Holding SA in the years 2007-2010.

In connection with recent personal changes in Company's Supervisory Board, functions of Members in Board were changed. At its first meeting in its new composition, the Supervisory Board Chairman was emerged in the person of Mr. Peter Laskowski and Vice-Chairman - Mr. Thomas Krysztofiak (independent member).

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

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

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

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

Registration data:
Foundation Emperia
20-952 Lublin, ul. Mełgiewska 7-9
National Court Register: KRS 0000348564
Statistical No.: REGON 060581183
Tax Identification Number: NIP 9462599869
Bank account: BRE Bank S.A. 48 1140 1094 0000 4745 0000 100

c) Repayment of loan granted by Emperia Holding SA to subsidiary.

On 22-23 February 2010 a subsidiary Stokrotka Sp. z o.o. made a loan repayment in amount of PLN 10 000 000 granted by Emperia Holding S.A. Debt as at 31.03.2010 amounted to PLN 7 000 000.

In Q2 2010 Stokrotka Sp. z o.o. made full repayment of the loans granted by Emperia Holding S.A. As at 30.06.2010 Stokrotka has not granted loans in the other group's companies..
The interest rate on loans was WIBOR 1M plus lender's margin, interest was payable at the end of each month, loan was secured by blank bills of exchange with promissory note declaration. The loan was granted for the period to 30.06.2010.

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

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

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

e) II Management Option Programme 2010-2012

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

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

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

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

The exercise of the options will take place in the following periods:
- for Tranche I bonds: from 1 July 2014 to 30 June 2018;
- for Tranche II bonds: from 1 July 2015 to 30 June 2019;
- for Tranche III bonds: from 1 July 2016 to 30 June 2020.

The nominal value and issue price of one bond is PLN 0.01. The underlying option instrument are shares in a public company listed on the Warsaw Stock Exchange.

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

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

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

The group is in the valuation of the program to fair value at the date of its launch, according to the requirements of IFRS 2 and IFRIC 11. This evaluation will be done by an independent expert. The Group formed a provision for this purpose in an amount of PLN1 679 000.

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

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

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

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

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

g) Execution of loan agreements and annexes by Tradis Sp. z.o.o.

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

The credit facility is secured by:

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

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

The Lender has provided a overdraft facility of PLN 121,000,000. The purpose of the facility is to finance day-to-day operational needs.
The credit facility has been granted for the period from 30 March 2010 to 30 March 2011.
The facility is secured by:
1. Registered pledge on commercial goods with assignment of rights from insurance policy in value not less than 100 percent of amount of credit;
2. A guarantee issued by the parent company, Emperia Holding S.A., to amount of credit - PLN 121,000,000. until pending establishment of registered pledge of commercial goods referred to in item 1.
As consideration for the guarantee issued, Tradis will pay to Emperia Holding S.A. a fee of 0.3 percent per annum on the guarantee amount throughout the term of the guarantee.
The facility interest rate is based on WIBOR 1M + Lender's margin. The other terms and conditions are consistent with those customarily applied in the market in agreements of this type.

In connection with obtaining on 24 June 2010 District Court resolve establishing the registered pledge on Tradis trade goods, security has been released in the form of loan guarantees granted by the parent company Emperia.
Currently, the loan is legally secured registered pledge on the trade goods together with transfer of rights from the insurance policy of at least 100% of the loan.

On 8 April 2010 a Credit Facility Agreement was signed between subsidiary company Tradis Sp. z o.o. ("Borrower") and Raiffeisen Bank Polska SA in Warsaw ("Lender").
The Lender has provided a overdraft facility of PLN 80 000 000. The purpose of the facility is to finance day-to-day operational needs.
The credit facility has been granted for the period from 26 April 2010 to 31 March 2011.
The facility is secured by:
1. Power of attorney for Borrowers' accounts in Raiifeisen Bank ,
2. Silent assignment of the Borrower receivables in the amount of 72 million PLN,
3. Letter of comfort issued by Emperia Holding SA

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

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

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

"According to the obligation arising under Article 69(1) and (4) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Journal of Laws No. 184 item 1539), please be advised that following purchase of shares of Emperia Holding S.A. ("Company") with its registered seat in Lublin, Poland, cleared on 12 April 2010, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK (Aviva OFE) increased state of ownership of shares, to more than 10% of votes at the General Meeting of Shareholders of the Company.

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

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

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

j) Notification of purchase of shares in Emperia Holding S.A. by PZU Asset Management SA.

The Management Board of Emperia Holding S.A. informs that it received the following notification from PZU Asset Management SA on 24 May 2010:

„PZU Asset Management SA with its registered seat in Warsaw, Al. Jana Pawła II 24 kindly informs, that by the conclusion on 18 May 2010, purchase on the regulated market 2.638 shares of the company Emperia Holding SA ("Company") to investment portfolios of our clients share in the total number of votes in the Company exceeded 5%.

Number of shares held before the change of share: 755,015
Percentage share capital of the Company: 4.995%
Number of votes of shares: 755,015
Percentage of the total number of votes: 4.995%
Number of shares held after the change of share: 757,653
Percentage share capital of the Company: 5.013%
Number of votes of shares: 757,653
Percentage of the total number of votes: 5.013%"

k) The deliberations of the Ordinary General Meeting of Shareholders of Emperia Holding S.A.

On 23 June 2010 took place the Ordinary General Meeting of Shareholders of Emperia Holding S.A with the following agenda:

1. Opening the Ordinary General Meeting.
2. Electing the Chairman of the Ordinary General Meeting.
3. Confirming that the Ordinary General Meeting has been properly convened and is capable of adopting valid resolutions.
4. Adopting the agenda.
5. Consideration and approval of the Management Board's report on the operations of the Company and of the financial statements as well as the consolidated financial statements for the previous financial year.
6. Adopting a resolution regarding distribution of the profit generated by the Company or covering the loss incurred by the Company.
7. Acknowledging satisfactory performance of duties by members of the Supervisory Board and Management Board.
8. Election of a member of the Supervisory Board.
9. Adopting resolutions to determination of the remuneration of Supervisory Board members.
10. Adopting resolutions to amend the Company's Articles of Association.
11. Adopting resolutions to granting authorization for acquisition of Company's own shares and creation reserve capital for this purpose.
12. Any other business.
13. Closing the Ordinary General Meeting.

l) Granting by Ordinary General Meeting of Emperia Holding S.A authorization to purchase of own shares of the Company and established of a reserve for this purpose.

By resolution No.21 of 23 June 2010 Ordinary General Meeting of Emperia Holding S.A. grants the Company authority to purchase its own shares. The subject of purchase may its own shares in an amount not greater than 20% of the Company's share capital.. The authorization of the Company to purchase own shares shall cover the period five years , but not longer than until the exhaustion of funds in a reserve established in their acquisition. The minimum amount payable for the purchased shares must not be lower than their nominal amount and is 1 gold per share. The maximum amount payable for the purchased shares, plus the cost of their purchase does not exceed the amount set up a reserve for its purchase. The amount set up a reserve to finance the acquisition of shares is PLN 40 000 000.
Ordinary General Meeting of Emperia Holding S.A. authorized Board of Directors to make any factual and legal actions relating to the acquisition of own shares, and their eventual disposal, in particular, the final number, the method of purchase, price, terms and conditions of acquiring and sale of shares.

m) Introduction to trading on the Warsaw Stock Exchange of Ł Series Shares of Emperia Holding S.A.

The Management Board of Emperia Holding S.A. is pleased to inform that on 31 May 2010 was filed application for introduction to trading on Stock Exchange in Warsaw 140.388 Ł Series Shares. Nominal value of each is PLN 1, shares are marked PLELDRD00017.
By Resolution 540/2010 of 8 June 2010 the Management Board of Giełda Papierów Wartosciowych w Warszawie S.A. decided to admit to trading in the main market 140.388 Ł Series Shares of Company on nominal value PLN 1 each, marked PLELDRD00017.
The Management Board of Giełda Papierów Wartosciowych w Warszawie S.A. decided to admit to trading as of 14 June 2010 in the main market under standard procedure above-mentioned shares provided an registration by National Securities Depository S.A. on 14 June 2010 of this shares and marked PLELDRD00017.

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

On 13 April 2010, the Supervisory Board Emperia Holding SA, through its Resolution No. 12/2010 made the following nominations in Company's Management Board:

1. Mr. Dariusz Kalinowski, previous Member of Management Board of Company, was appointed as a Vice President of Management Board - responsible for financial area,
2. Mr. Grzegorz Wawerski, previous Member of Management Board of Company, was appointed as a Vice President of Management Board - responsible for developer activity area,
3. Mr. Marek Wesołowski, previous Member of Management Board of Company, was appointed as a Vice President Management Board - responsible for retail business area.

The resolution came into force on 24 June 2010, ie from the date of their registration by the District Court XI Commercial Division of the National Court.

o) Execution of annexe to Credit Facility Agreement concluded between Tradis Sp. z o.o. and Ambra Sp. z o.o.

On 1 April 2010 was signed annex to loan agreement of 24 June 2009 between Tradis Sp z o.o. (lender) and Ambra Sp z o.o. (borrower). The subject of amendments is to increase the amount of the loan by PLN 2 700 000 . Borrower agrees to pay commission to the lender in amount of PLN 1 550 for the increase in amount of loan. Other terms and conditions remain unchanged. Total liabilities under granted loans by Tradis (including a loan granted on May 26, 2009 in amount PLN 7 000 000) is PLN 9 700 000.

p) Loan granted by subsidiary Company for natural person

On 1 April 2010 was signed loan agreement between subsidiary company Tradis Sp. z o.o. (lender) for natural person amount of PLN 2 000 000. The loan has been granted for the period to 31 December 2010 . The interest rate

on the loan is variable, based on the basis of WIBOR 1M plus lender's margin. Loan (with interest and other receivables) is secured by blank bills of exchange with promissory note declaration.

q) Tradis Sp. z o.o. – launch of a Cash & Carry outlet in Częstochowa– 7 March 2010.

In March, was launched a new Cash&Carry division in Częstochowa. This is result of an agreement between PSS „Jedność" and Tradis under which Tradis took over from Cooperatives hall with over 2,000 square meters of sales area. The building was converted to a modern hall type Cash & Carry has in its offer five thousand indexes. Hall also works as a cross-dock - place of transshipment of goods before shipping them to the downstream.
Acquired facility previously served for PSS Czestochowa as a base to supply their outlets. Since January for distributing goods to outlets as a key supplier is responsible Tradis.
Launching a new branch allowed to expansion of new group of clients, operating costs and streamlining the logistics chain.

9.2.17 Material events after the period of the financial statements

a) Appointment of Entity Authorised to Audit 2010 Financial Statements

On 2 July 2010 pursuant to Article 14(2)(o) of the Company's Articles of Association, Supervisory Board appointed a Polish limited liability company, ECA Seredyński i Partnerzy having its registered office in Krakow, Poland, ul. Praska 6/5, to audit the stand-alone and consolidated financial statements of Emperia Holding S.A. for 2010 and review the interim semi-annual stand-alone and consolidated financial statements of Emperia Holding S.A.
ECA Seredyński i Partnerzy Sp. z o.o. is an entity licensed to audit financial statements no. 3115. The Company did not relied on the services of the above auditor yet.

b) Tradis Sp. z o.o. – launch of a Cash & Carry outlet in Wieluń– 5 July 2010.

New Cash&Carry hall of Tradis at Przemysłowa street in Wieluń has 2.000 square meters of sales area. It offers about 4,000 assortment items, and the number of indices will be continuously extended. In addition to the main hall there is refrigerator and alcoholic stand. Object in Wieluń start up in new building, Tradis moved there from the current location, also located at ul. Przemysłowej. Parameters of the hall made it impossible to provide services at an appropriately high level. The new object is modern and fully functional.

c) Społem Kielce joined to PSD – 12 July 2010.

In July 2010, after a period of several months of attempts, started full cooperation between Partnerski Serwis Detalicznym and PSS Społem Kielce. PSD support PSS Kielce in commercial activities, operational and marketing, and by the distribution company – Tradis, will implement delivery of goods to the 32 stores of Cooperatives located in Kielce. Access to the full cooperation has been staggered over a period of three months, and first joint Newsletter planned is in September.
PSS Społem Kielce is one of the largest Cooperatives in the country. Since 1919, operates mainly in Świętokrzyskie. It has 32 retail outlets. In addition to trade in foodstuffs Cooperative Społem also operate in production of bakery, pastry and catering business. The Cooperative has about 2000 members. It is the largest Polish trade company in the Świętokrzyskie. It employs 800 workers. Annual revenues reach PLN 140 000 000.

d) Stokrotka Sp. z o.o has signed a lease in the Galleria Katowice – 26 July 2010.

Stokrotka Sp. z o.o. has signed a lease for more than 1 800 square meters in Galeria Katowice – modern facility which arises as a part of reconstruction of the railway station in Katowice and be ready in 2012..
Currently, in Silesia, works nine supermarkets Stokrotka, but so far there was no facility in Katowice. Galeria Katowice its range will cover more than 1.5 million inhabitants of Silesia.

10. Semi-annual report of activities of Capital Group of issuer.

10.1 Description of the Capital Group organization

Name, seat and objects of business of the dominant entity

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

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

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

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

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

The consolidated financial statements have been prepared for the period from 1 January 2010 to 30 June 2010, with comparable data for the period from 1 January 2009 to 30 June 2009. The consolidated financial statements contain no combined data, the subsidiaries do not operate any internal units that prepare independent financial statements.

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

Consolidation details:

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

As at 30 June 2009, Emperia Holding S.A. and fifteen subsidiaries, operating as limited liability companies (Sp. z o.o.) or joint-stock companies (S.A.), are subject to consolidation:

Stokrotka Sp. z o.o., Infinite Sp. z o.o., Detal Koncept Sp. z o.o., Elpro Sp. z o.o., Tradis Sp. z o.o., DEF Sp. z o.o., Ambra Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy Sp. z o.o., Euro Sklep S.A., Emperia Info Sp. z o.o., Projekt Elpro 1 Sp. z o.o. and PSD S.A.*.

In first half of 2010 the composition of the Emperia Holding Group (compared to the end of 2009) changed.
The composition of the consolidated companies was increased by Lewiatan Śląsk Sp. z o.o. (the company previously excluded from consolidation).

* At 30.06.2010 due to the limited access to financial data, Emperia Holding S.A. valued shares of Partnerski Serwis Detaliczny S.A subsidiary using the equity method.

The data presented in this Report as at 30 June 2010 includes stand-alone results of the following subsidiaries subject to consolidation in financial statements

	Subsidiary name	Logo	Registered address	Main objects of business	Court of registration	Relation to parent	Consolidation method	Date of acquiring control / Date of material impact	Interest held	Voting power at general meeting
1	„Stokrotka" Sp. z o.o. (1)	Stokrotka	20-952 Lublin, Mełgiewska 7-9	Food product retailing	16977, District Court in Lublin, XI Commercial Division of National Court Register ("NCR")	Subsidiary	Full	1999-01-27	100,00%	100,00%
2	„Infinite" Sp. z o.o.	infinite	20-150 Lublin, Ceramiczna 8	IT services	16222, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	1997-03-11	100,00%	100,00%
3	"Detal Koncept" Sp. z o.o.	Detal Koncept	20-952 Lublin, Mełgiewska 7-9	Retail franchising	40575, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	1995-04-25	100,00%	100,00%
4	„Elpro" Sp. z o.o.	elpro Sp. z o. o.	20-952 Lublin, Mełgiewska 7-9	Developer activity	946, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	2001-02-15	100,00%	100,00%
5	„Tradis" Sp. z o.o.	Tradis	20-952 Lublin, Mełgiewska 7-9	Food product wholesaling	272382, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2007-01-23	100,00%	100,00%
6	"DEF" Sp. z o.o. (2)	DEF	15-399 Białystok, Handlowa 6	Food product wholesaling	48125, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
7	"Lewiatan Podlasie" Sp. z o.o. (2)	LEWIATAN PODLASIE	15-399 Białystok, Sokólska 9	Food product retailing	33766, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
8	„Społem Tychy" Sp. z o.o. (3)	„SPOŁEM" TYCHY Spółka z o.o.	43-100 Tychy, Damrota 72	Food product retailing	164604, District Court in Katowice, VIII Commercial Division of NCR	Subsidiary	Full	2007-07-06	99,22%	99,22%

9	„Maro-Markety” Sp. z o.o.	MARO MARKETY	61-615 Poznań, Skwierzyńska 20	Food product retailing	102596, District Court in Poznań, XX Commercial Division of NCR	Subsidiary	Full	2007-09-12	100,00%	100,00%
10	"Euro Sklep" S.A.	euro SKLEP	43-309 Bielsko-Biała Bystrzańska 94a	Retail franchising	12291, District Court in Bielsko Biała, VIII Commercial Division of NCR	Subsidiary	Full	2007-10-24	100,00%	100,00%
11	„Emperia Info” Sp. z o.o.	Emperia Info	20-952 Lublin Mełgiewska 7-9	IT services	314260, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2008-09-12	100,00%	100,00%
12	„Ambra” Sp. z o.o.(2)	AMBRA	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.)	psd Partnerski Serwis Detaliczny	02-739 Warszawa, ul. Grażyny 15	Franchise chain management	280288, District Court for the Capital City of Warsaw in Warsaw , XIII Commercial Division of NCR	Subsidiary	Equity method	2007-12-20	100,00%	100,00%
14	„Projekt Elpro 1” Sp. z o.o. (4)		42-202 Częstochowa, ul. Bór 66 F	Property development	71049, District Court in Wrocław, VI Commercial Division of NCR	Subsidiary	Full	2007-11-29	100,00%	100,00%
15	"Lewiatan Śląsk" Sp. z o.o. (5)	LEWIATAN ŚLĄSK sp. z o.o.	41-219 Sosnowiec, Lenartowicza 39	Retail franchising	175768, District Court Katowice-Wschód in Katowicach, VIII Commercial Division of NCR	Subsidiary	Full	2007-01-01	100,00%	100,00%

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

(2) indirectly by „Tradis” Sp. z o.o.

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

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

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

List of subsidiaries at the balance sheet date 30 June 2010 excluded from consolidation in financial statements with indication of legal grounds

Entity name	Registered address	Legal grounds for exclusion	Emperia Group interest in share capital (% at balance sheet date)	Emperia Group voting power (% at balance sheet date)
"Lider" Sp. z o.o. in liquidation (1)	70-660 Szczecin, Gdańska 3C	The financial data of these entities is immaterial to the extent of the obligation to present a reliable and clear picture of the Group's assets, financial standing and financial result	100,00%	100,00%
"Lewiatan Orbita" Sp. z o.o.(4)	10-680 Olsztyn, Lubelska 33		100,00%	100,00%
"Lewiatan Kujawy" Sp. z o.o. (3)	87-800 Włocławek, Komunalna 6		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)	00-718 Warszawa, Czerniakowska 71 lokal 99		38,20%	38,20%
„Piccolo" Sp. z o.o. (5)	43-100 Tychy, ul. Grota Roweckiego 60		50,00%	50,00%
„Lewiatan Wielkopolska" Sp. z o.o. (6)	60-665 Poznań, ul.Osiedle Winiary 54		70,00%	70,00%
„Lewiatan Opole" Sp. z o.o. (6a)	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. (7)	87-800 Włocławek, Zielony Rynek 5		*56,81	*63,25
„Lewiatan Północ" Sp. z o.o.	Gdańsk, ul. Bysewska 30		100,00%	100,00%

* indirectly weighted share

(1) indirectly by Stokrotka Sp. z o.o.
(2) indirectly by Tradis Sp. z o.o.
(3) indirectly by Tradis Sp. z o.o. (50,00% shares) and directly by Emperia Holding S.A. (50,00% shares)
(4) indirectly by Tradis Sp. z o.o. (59,11% shares) and directly by Emperia Holding S.A. (40,89% shares)
(5) indirectly by Społem Tychy Sp. z o.o.
(6) directly by Emperia Holding (7 shares, 10,0%), indirectly by Maro-Markety Sp. z o.o.(42 shares 60,00%)
(6a) indirectly by Maro-Markety Sp. z o.o. (901 shares, 89,21%)
(7) directly by Emperia Holding S.A. and indirectly by Lewiatan: Kujawy, Podlasie, Śląsk, Orbita, Opole, Wielkopolska, Zachód

List of entities other than subsidiaries entities in which associated entities hold less than 20% of shares as at 30 June 2010

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

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

10.2 Indicate impact of changes in structure of the enterprise.

All changes in structure of the Capital Group are described in detail in note 8.7.

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

The Management Board of Emperia Holding SA, after assessing feasibility of published forecasts, passed on 31 August 2010 correction of Projection of Financial Results for 2010, (Current report No. 36). The content of the this report is as follows:
„The Management Board of Emperia Holding S.A. hereby discloses an adjustment to the projection of selected consolidated financial results of the Emperia Group for 2010:

Sales revenues PLN 6,000,000,000. (sustaining projections)
Investment expenditures PLN 160,000,000 (down on PLN 200 000 000)

In connection with extension of the term of realization investment in real estate area, related with prevailing weather conditions in the first half of this year, the Management Board revise the projection of capital expenditure from amount of PLN 200 000 000 to the amount of PLN 160 000 000.

If Management Board of Emperia Holding S.A. become aware at any time of reasonable grounds for a potential difference with respect to any of the items of at least 10 percent compared to the projected figure, it will disclose it to the public in a current report.

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

Shareholders	Shares at the date of the report	Percentage of share capital	Change %	31.12.2009.	Percentage of share capital at 31.12.2009.	Votes at the OGMS at the date of the report	Percentage of votes at the OGMS at the date of the report
Aviva OFE Aviva BZ WBK	1 518 210	10,04%	0,04%	1 517 654	10,04%	1 518 210	10,04%
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%	1 000 086	6,62%
PZU Asset Management	757 653	5,01%	0,35%	755 015	4,99%	757.653	5,01%

10.5 Changes in the holding of shares by members of the Management Board and Supervisory Board.

Members of Management Board	Shares at 30.06.2010.	Percentage of share capital	Change %	Shares at 31.12.2009.	Percentage of share capital at 31.12.2009.
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%
Grzegorz Wawerski	353 738	2,34%	0,00%	353 738	2,34%
Dariusz Kalinowski	15 000	0,10%	0,00%	15 000	0,10%
Marek Wesołowski	12 520	0,08%	0,00%	12 520	0,08%

Members of Supervisory Board	Shares at 30.06.2010.	Percentage of share capital	Change %	Shares at 31.12.2009.*	Percentage of share capital at 31.12.2009.*
Piotr Laskowski	386 125	2,55%	0,00%	386 125	2,55%
Artur Laskowski*	346 330	2,29%	0,00%	346 330	2,29%

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

10.6 Information on pending litigation.

In first half of 2010 the Group's subsidiaries were not a party to proceedings before courts or other bodies relating to liabilities or receivables of the aggregate value of at least 10% of equity.

10.7 Material transactions of the Issuer with associated entities.

In first half of 2010, Emperia Holding SA did not enter into any material transactions with associated entities, otherwise than in the ordinary course of business on an arm's length basis.
The intra-Group mergers effected in 2010 are described in Note 8.7.
As part of the Group's cash flow management, short-term bonds were issued, described in detail in Note. 9.2.5.

10.8 Credit facilities, loans and guarantees.

In first quarter of 2010, parent company Emperia Holding SA did not grant new loan guarantees to its subsidiaries exceeding 10% of equity of the Issuer. Information about granted guarantees contains note 9.2.16 f)

10.9 Other information that in Issuer's opinion are important to assess the staffing, and financial situation of the Company.

10.9.1 Basic financial data and efficiency of economic activity of Capital Group.

Financial Highlights

Description	First half of 2010	First half of 2009	First half of 2009 without a transaction*	Change %	Change % without a transaction *
Sales revenues	2 832 162	2 684 376	2 684 376	5,5%	5,5%
EBIDTA	80 783	88 048	71 507	-8,3%	13,0%
Profit on operations	47 044	57 343	40 802	-18,0%	15,3%
Profit before tax	39 468	44 105	31 753	-10,5%	24,3%
Profit for period	32 435	31 608	22 399	2,6%	44,8%
Total assets	1 978 513	1 862 395	1 862 395	6,2%	6,2%
Liabilities and provisions against liabilities	1 152 489	1 094 757	1 094 757	5,3%	5,3%
Short-term liabilities	1 000 245	911 899	911 899	9,7%	9,7%
Net assets	826 024	767 638	767 638	7,6%	7,6%
Share capital	15 115 161	15 115 161	15 115 161	0,0%	0,0%
Annualised profit per share in the period	4,64	3,65	3,04	27,1%	52,5%

* In first half of 2009 took place one-off events - sale of property by a subsidiary Elpro Sp. z o.o. and disposal of 100% shares in subsidiary Arsenal Sp. z o.o.

Group's activity and payment capacity.

Description	First half of 2010	First half of 2009	First half of 2009 without a transaction*
Return on invested capital (profit for the period under review/equity at the end of the period) in %	3,93%	4,12%	2,92%
Return on assets (profit for the period under review/total assets at the end of the period) in %	1,64%	1,70%	1,20%
Return on sales (profit for the period under review/sales revenues in the period) in %	16,11%	15,92%	15,92%
Return on EBIDTA in %	2,85%	3,28%	2,66%
Return on operations (profit on operations for the period under review/sales revenues in the period) in %	1,66%	2,14%	1,52%
Gross return (profit before tax for the period under review/sales revenues in the period) in %	1,39%	1,64%	1,18%
Net return (profit for the period under review/sales revenues in the period) in %	1,15%	1,18%	0,83%

* In first half of 2009 took place one-off events - sale of property by a subsidiary Elpro Sp. z o.o. and disposal of 100% shares in subsidiary Arsenal Sp. z o.o.

Significant impact on results achieved in first half of 2010 had the weather conditions prevailing at that time in the country. At the beginning of year the extremely low temperatures and heavy snowfall, spring floods hampered the efficient distribution of goods and contributed to increased costs, both in segment of distribution and retail. Although, results achieved in first half were a little lower than planned, taking into account above factors, should be considered satisfactory..

In first half of 2010 revenue growth of 5% compared to the same period last year. After excluding the effects of one-off transactions (disposal of property and the sale of shares in Arsenal sp. z o.o.), which took place in first half of previous year, Group achieved an increase of profitability at each level – from the margin on sale and ending at level of net profit.
On improvement in profitability greatest impact has had achieved by the distribution centers higher profitability and consistent pursuit of optimizing level of costs, both at operating units and their headquarters as well as individual companies and across the Capital Group.

10.9.2 Non-specific Event, affecting on result achieved in the financial year.

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

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

In first half of 2010 functions of Members of Management Board of Emperia Holding S.A. have changed (described in detail in note 9.2.16 n). Composition of Management Board remained unchanged.

The composition of the Management Board at 30 June 2010 is as follows:

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

On 23 June 2010 Supervisory Board of Emperia Holding SA appointed existing Board Members: Mr. Grzegorz Wawerski and Mr. Marek Wesołowski to the new cadence.

In first half of 2010 there have been changes of Supervisory Board of Emperia Holding S.A. – specific information in note 9.2.16 point a)

The composition of the Supervisory Board of Emperia Holding SA at 30 June 2010 is as follows:

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

On 23 June 2010 Ordinary General Meeting of Shareholders of Emperia Holding SA appointed existing Deputy Chairman of Supervisory Board Mr. Tomasz Krysztofiak to the new cadence, meeting the criterion of independence.

10.10 Factors that will affect on results achieved by the Group in next half of year.

External:

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

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

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

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

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

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

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

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

Interior:

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

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

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

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

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

10.11 Risk Factors

External:

Macroeconomic situation. The macroeconomic situation and the rate of economic growth in Poland are particularly important for the Group, including such external factors and the economic policy of the government, National Bank of Poland and Monetary Policy Council decisions affecting the supply of money, level of interest rates and exchange rates, GDP increase rate, inflation rate, size of the budget deficit and foreign debt and the unemployment rate.

Negative changes in the macroeconomic environment, including without limitation slowdown in income growth and increasing unemployment may adversely affect the Group's operations and business performance.

Tax system and changes in law. Accounting for tax and other regulated areas of business may be subject to inspections by administrative authorities which are entitled to impose high fines, sanctions and interest charges. The inability to rely on established legal regulations in Poland produces a lot of vagueness and incoherence in the applicable laws. Frequent changes in the regulations on tax on goods and services (VAT), corporate tax, personal income tax and social security result in the lack of a frame of reference comprised of established regulations or legal precedent. The fact that opinions on the legal interpretation of tax regulations often differ both among state authorities and between state authorities and companies produces areas of uncertainty and conflict. All these factors mean that tax risk in Poland is significantly higher than that existing in countries with a more developed tax system.

Accounting for tax may be subject to inspection in a period of five years, starting from the end of the year in which tax is paid. Following tax inspections, the Group's tax obligations may be increased by additional tax liabilities. It is the Group's opinion that at the moment the current business does not generate a high tax risk.

Competition in the wholesale segment. The changes in the Polish FMCG retail trade model, the increasing share of modern retail formats (hypermarkets, supermarkets, discount chains) at the expense of the traditional retail outlets, produces the risk of falling volumes in the wholesale segment offering goods mainly to the traditional retailers. For these reasons, further material erosion of the significance traditional retailing plays may result in restricting or levelling off the Group's sales volume in the wholesale business and thus adversely affect future performance of the Group. In the Management Board's opinion however, the above risk is faced above all by small and medium-sized enterprises, with logistic efficiency much inferior to the Emperia Group, higher operating costs due to the smaller scale of operations and weaker purchasing power. In the case of the Issuer this risk is minimised by the extensive scale of operations, modern and effective warehousing and logistic infrastructure, as well as the concurrent expansion of in-house retail chains.

Competition in the retail segment. The chain of medium-format outlets developed by the Group is mainly located in medium-sized and smaller towns. At the moment, discount chains are intensely developing stores in these towns. Also the large multinational retail chains, given the progressing saturation of bigger cities with large-scale retail stores, have become more active and are seeking expansion opportunities in smaller towns, that is the traditional markets of the Group. Competitive actions targeted at the Company, both already under way and announced to take place by retail chain operators may slow down the current growth of sales reported by the Group's in-house retail chains and put pressure on the margins, which can adversely affect future financial results. In addition, competitors' efforts may make new attractive locations harder to find or more expensive.

Internal:

Segment consolidation. The Group continuously optimises and revamps its structure in the core businesses segments: wholesale and retail. The large scale and pace of these changes may generate operating risks, understood as losses caused by unreliability and misalignment of internal processes, employees and systems with the changes. This may cause temporary losses and delays in achieving the expected synergies.

IT systems and related technical infrastructure. The application of uniform, modern and effective IT systems is of key significance for business processes. Equally important is the technical infrastructure which provides fast and reliable connections and data processing. The Group continuously develops, standardises and upgrades its IT solutions by developing internal solutions and purchasing modern solutions from third-party vendors. Potential failures in the operation of IT systems might interrupt business processes and compromise the level of services provided.

Acquisitions. One of the most important components of the development strategy pursued by the Group is the desire to speed up the growth of the size of operations by mergers and acquisitions. There is a risk that in the case of certain entities with which the Group is in talks about consolidation, it will eventually have to give up its investment plans as acquisitions initially identified as attractive may prove too risky or the transaction price expected by the owners of target companies may be unjustified in business terms. Also in the cases when the transaction is concluded, it may turn out that the future financial performance of some of the target companies or the expected synergies may be lower than projected. Consequently, the acquisitions may not generate the expected sales and profit increases for the Group or the costs of takeovers may prove too high compared to the effects achieved.

Suppliers. As part of its business operations consisting in FMCG wholesaling and retailing the Group has concluded a number of agreements with suppliers providing for discounts and advantageous terms of payment for the goods purchased. Despite the fact that none of the members of the Group depends heavily on any specific suppliers, there is a risk that termination of business agreements or adverse change of their material terms, especially if such cases involved a major number of the agreements concluded, could adversely affect the Group's financial performance.

Lublin, August 2010

Signatures of members of Management Board:

2010-08-31	Artur Kawa	Chairman of Management Board	..... signature
2010-08-31	Jarosław Wawerski	Vice-Chairman of Management Board	..... signature
2010-08-31	Dariusz Kalinowski	Vice-Chairman of Management Board - Financial Director	..... signature
2010-08-31	Marek Wesołowski	Vice-Chairman of Management Board – Retail Business Director	..... signature
2010-08-31	Grzegorz Wawerski	Vice-Chairman of Management Board – Retail Business Development Director	..... signature

Person responsible for accountancy:

2010-08-31	Elżbieta Świniarska	Economic Director	..... signature