

Emperia Grupa Kapitałowa

Q2 2015

Significant events in Q2 2015

- Results in line with expectations
- Significant impact of deflation on retail sales
- Agreement concerning acquisition of 19 FRAC stores
- Store openings in line with expectations
- Payout of PLN 16.5 million dividend for 2014
- PLN 19.3 million spent on buy-back programme
- Share cancellation process completed

Emperia Group – operating structure

Retail

Stokrotka

Supermarkets

Property segment

Elpro Development S.A.
and other companies

Property management
and development

IT segment

Infinite

B2B communications
ERP systems for retail

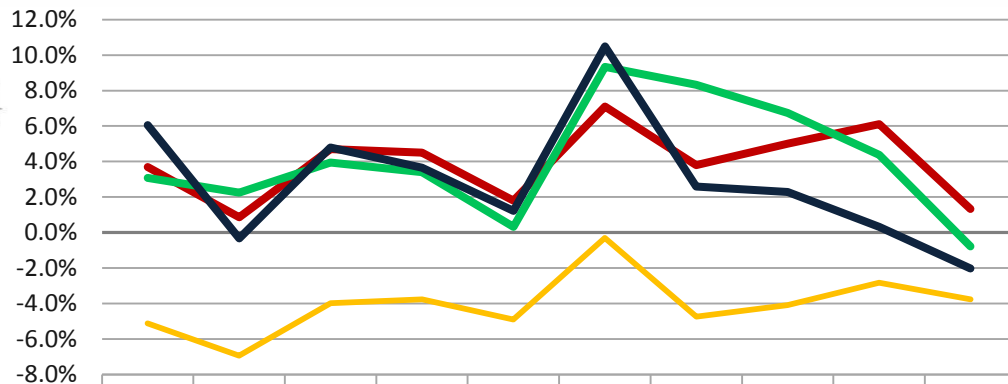
Retail

Grupa Kapitałowa Emperia

Poland's retail market 2013-2015

Quarterly change in sales value y/y

nielsen



	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015
Retail sales*	3.7%	0.9%	4.7%	4.5%	1.8%	7.1%	3.8%	5.0%	6.1%	1.3%
Stokrotka	3.1%	2.2%	3.9%	3.4%	0.3%	9.3%	8.3%	6.7%	4.4%	-0.8%
Supermarkets**	6.1%	-0.3%	4.8%	3.6%	1.2%	10.5%	2.6%	2.3%	0.3%	-2.0%
Hipermarkets**	-5.1%	-6.9%	-4.0%	-3.8%	-4.9%	-0.3%	-4.7%	-4.1%	-2.8%	-3.8%

* Retail sales (food, beverages and tobacco products) year to year, GUS data

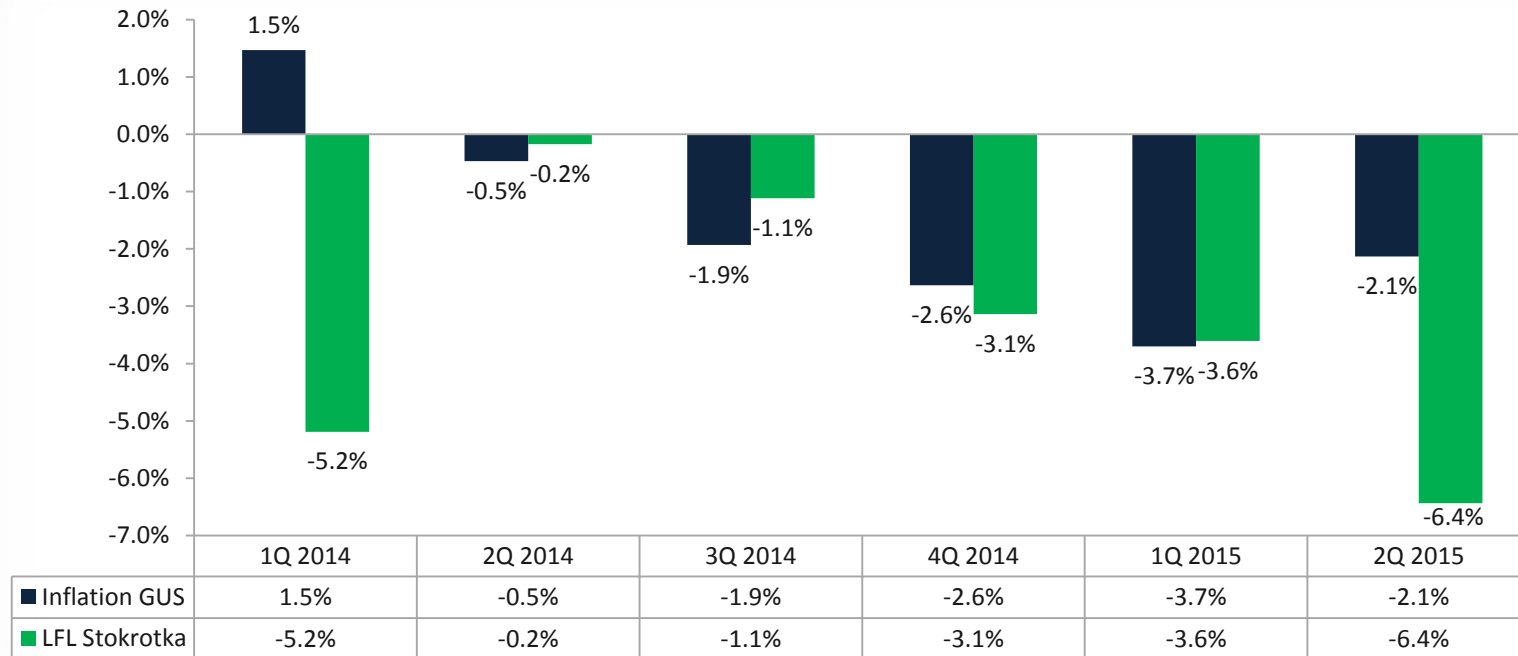
** Nielsen data - overall sales (Hypermarkets: Real, Auchan, Tesco>2500sqm, Carrefour>2500sqm, E. Leclerc>2500sqm,

Supermarkets: Carrefour<2500sqm, Carrefour Market, Simply Market, E.Leclerc <2500sqm, Intermarkete, Netto, Polomarket, Tesco <2500sqm)

- According to GUS, retail sales in Q2 2015 increased by 1.3% compared with the previous year.
- According to Nielsen, second-quarter sales at Stokrotka declined by 0.8% from the year before, while the Supermarkets segment saw a 2.0% decrease y/y, and the Hypermarkets segment fell by 3.8%, compared to the previous year.

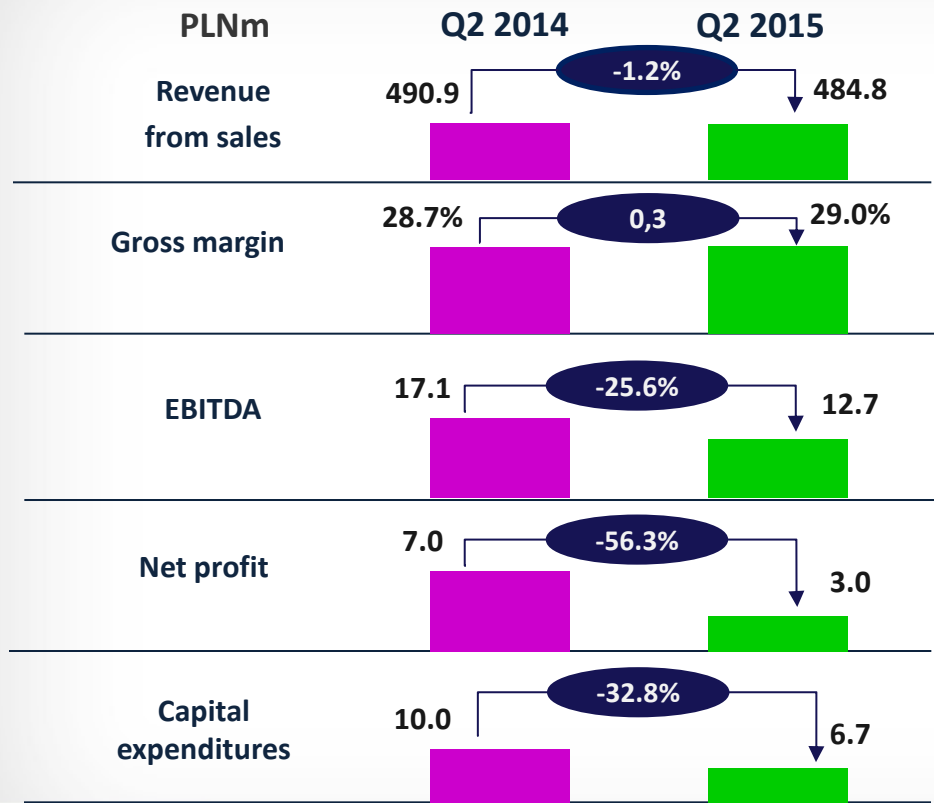
LFL sales – Stokrotka

Year-on-year change in sales, on same-store basis



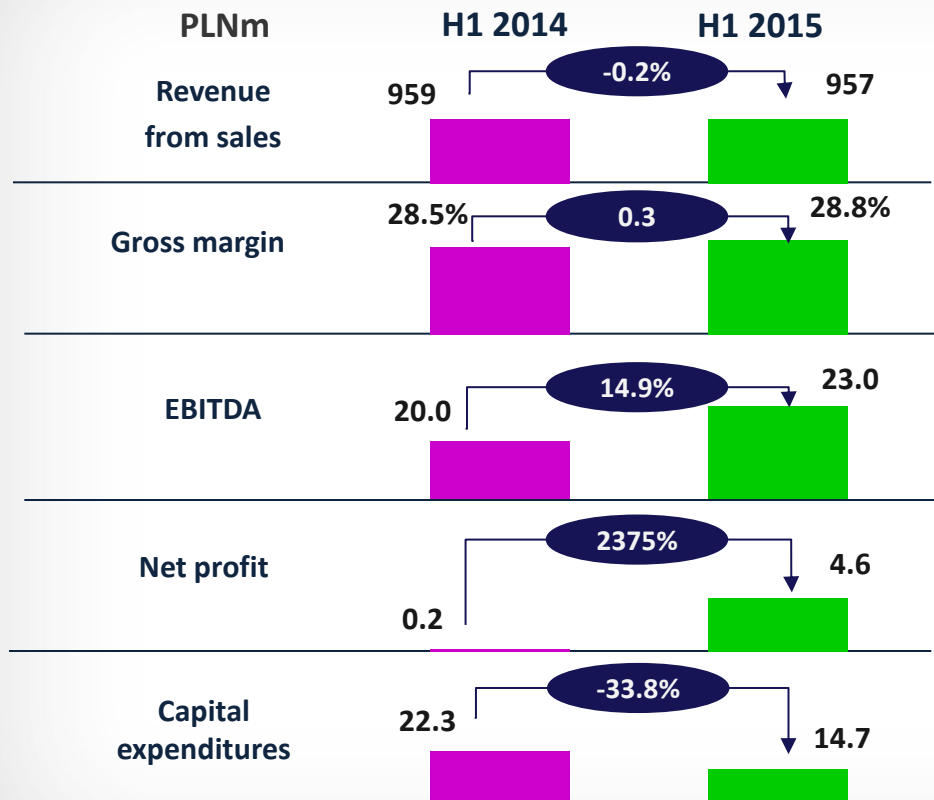
GUS inflation data for the food and non-alcoholic beverage category

Retail segment – Q2 2015 results



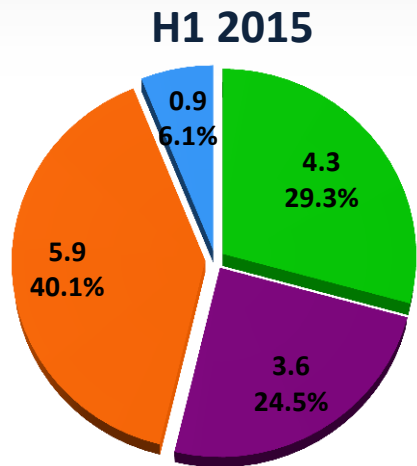
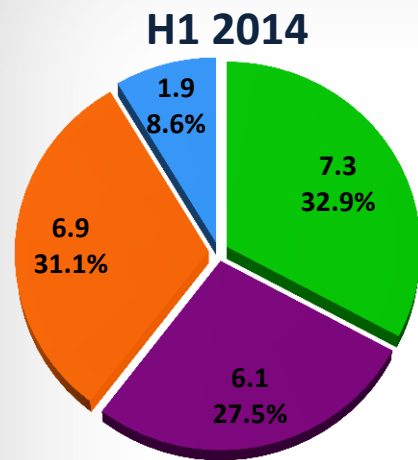
- Strong impact of deflation on revenue (-2.1%)
- Easter holiday effect in Q2 2014
- Release of Delima cost provision in Q1 2014 (PLN 6.4m)
- Cost discipline
- Improved logistics parameters
- Costs of store closures in Q2 2015: PLN 0.8m, Q2 2014: PLN 1.8m
- Compensation and penalties paid in Q2 2015: PLN 2m

Retail segment – H1 2015 results



- Strong impact of deflation on revenue (-2.9%)
- Release of Delima cost provision in H1 2014 (PLN 6.4m)
- Cost discipline
- Improved logistics parameters
- Cost of store closures in H1 2015: PLN 1.7m, H1 2014: PLN 2.8m
- Compensation and penalties paid in H1 2015: PLN 2.2m, H1 2014: PLN 1.0m
- Retail company merger costs in H1 2014: PLN 1m

Retail segment – CAPEX

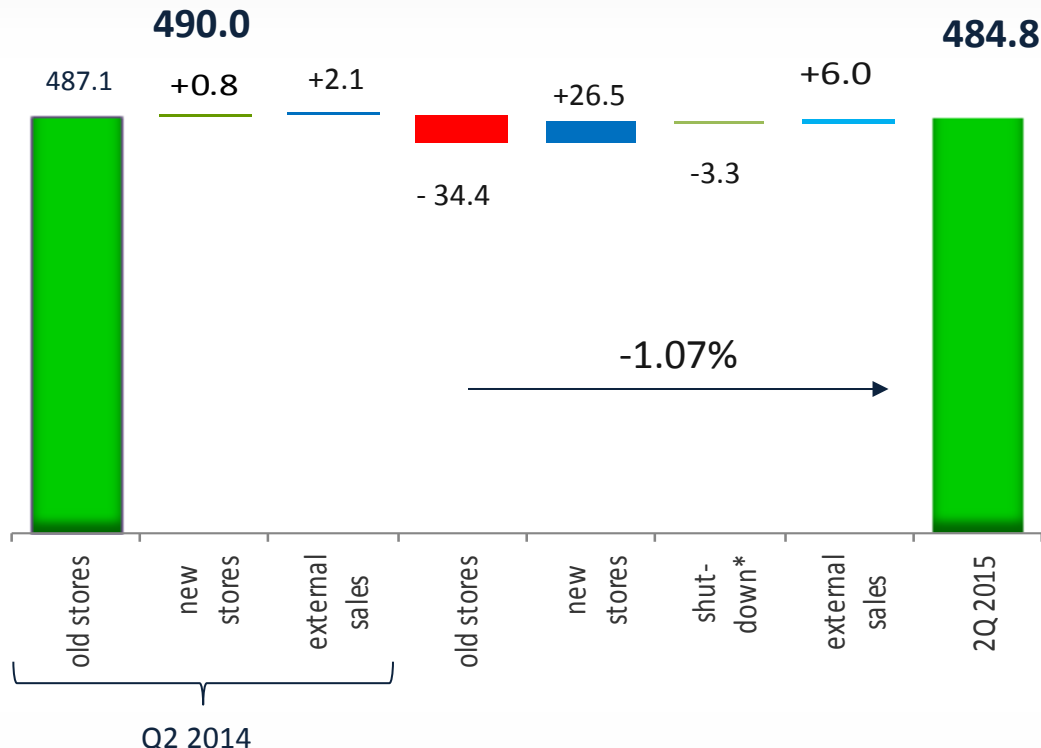


- Site renovations
- Store fittings
- IT equipment and systems
- Motor vehicles



Retail segment – sales drivers in Q2 2015

Change, in PLNm



older sites - stores open as of the end of Q1 2015, newer sites - opened since Q2 2015

Retail – Stokrotka

Number of stores

Number of stores at the end of Q1 2015	259
Stores opened in Q2 2015	7
Stores closed in Q2 2015	2
Number of stores at the end of Q2 2015	264

Average monthly sales per sqm (in PLN)

	Q2 2014	Q2 2015	change
Supermarkets	1 339	1 253	-6.4%
Stokrotka	1 281	1 216	-5.1%

-Nielsen data - all Supermarkets: Carrefour<2500m2, Carrefour Market, Simply Market, E.Leclerc <2500m2, Intermarche, Netto, Polomarket, Tesco <2500m2)
- amounts inclusive of VAT

Stores by format

	Number of stores	Revenue from sales*
own supermarkets	223	447.2
own markets	34	28.4
franchise stores	7	4.3
stores shut-down	2	1.1

* / in PLNm /

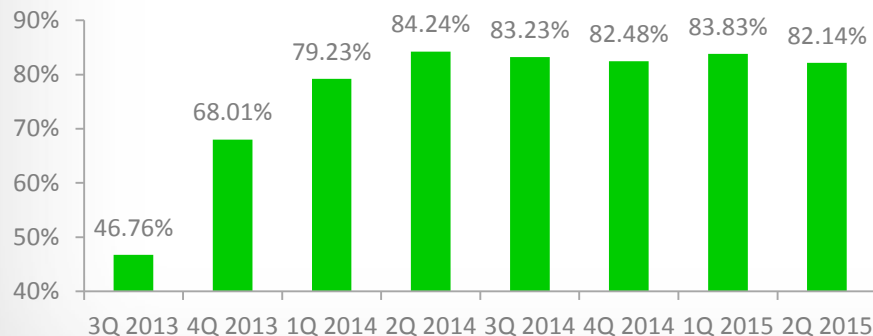
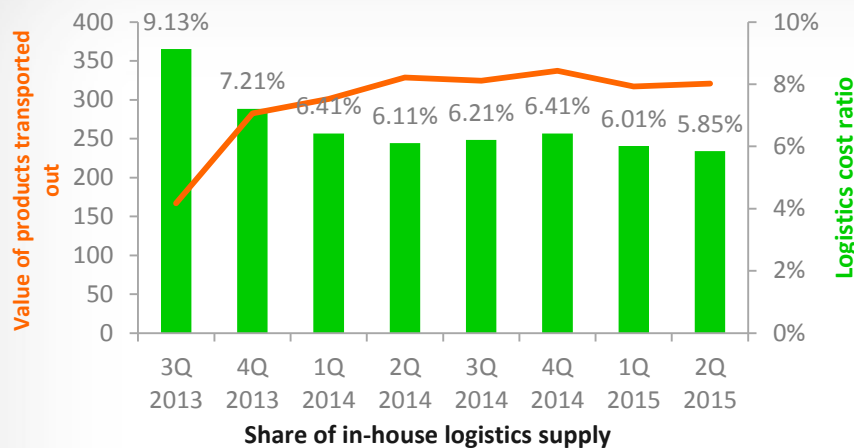
- 2 supermarkets, 2 markets and 3 franchise store opened
- 1 supermarket and 1 market closed
- Total floor area of stores opened in Q2 2015: 3 336 sqm.
- CAPEX per new own store: PLN 0.9m

Retail segment – working capital turnover

	Q2 2014	Q4 2014	Q1 2015	Q2 2015
Inventory turnover	46.6	42.0	45.2	45.1
Receivables turnover	6.7	4.1	4.4	4.6
Payables turnover	62.7	63.4	63.2	59.0
Cash conversion cycle	-9.4	-17.2	-13.6	-9.3

Turnover ratios presented in days

Retail segment – in-house logistics



- Improved logistics parameters
- Potential for further improvement
- Launch of Lublin distribution centre, with area of approx. 6 000 sqm in January 2016
- Logistics costs as % of revenue in Q2 2015: 4.65%



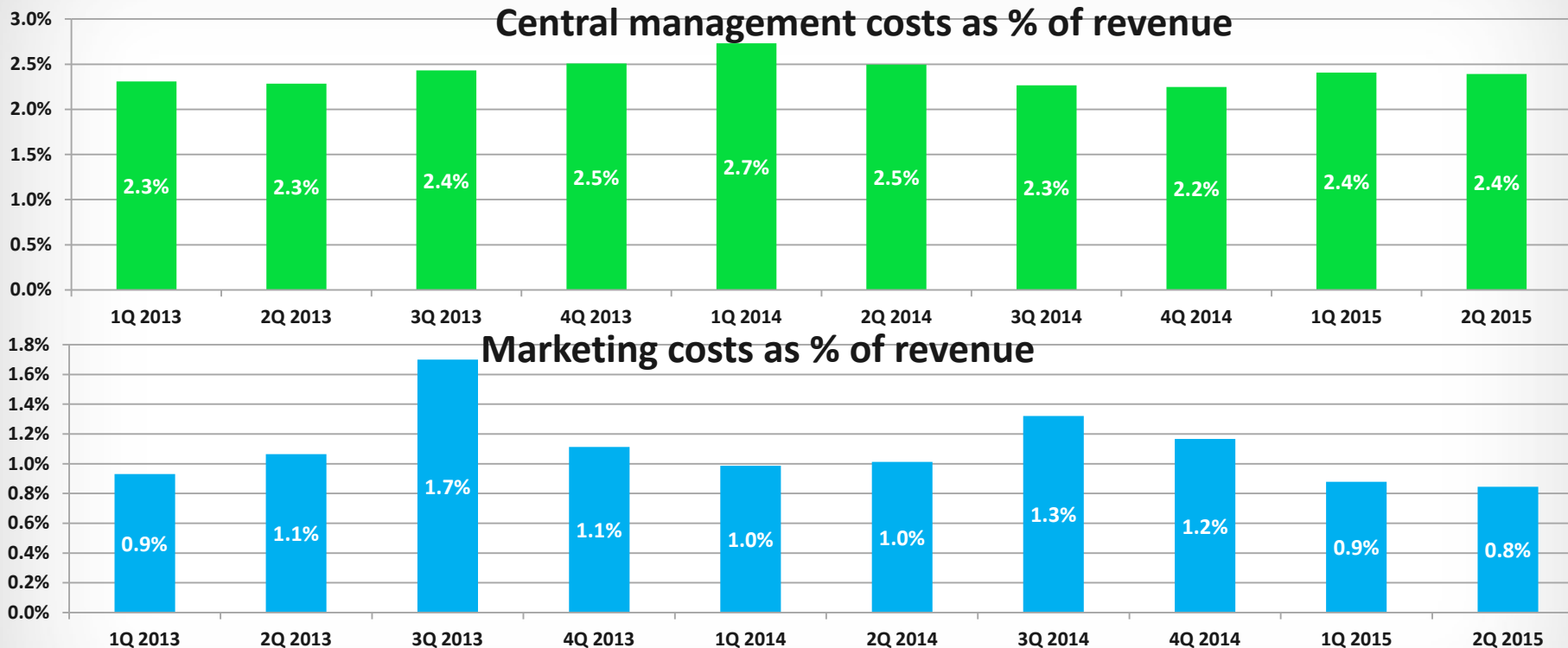
Stokrotka – store profitability*

	H1 2014	H1 2015
Revenue from product sales	900.9	856.5
Store operating costs	208.6	199.1
<i>Operating costs as % of revenue</i>	<i>23.2%</i>	<i>23.2%</i>
EBITDA	48.1	56.0
<i>% EBITDA</i>	<i>5.3%</i>	<i>6.5%</i>

/PLNm/

* 232 Stokrotka stores operating at the end of 2013

Retail – central office



* 2013 data includes the acquired Maro Markety and Społem Tychy

Retail segment – developments

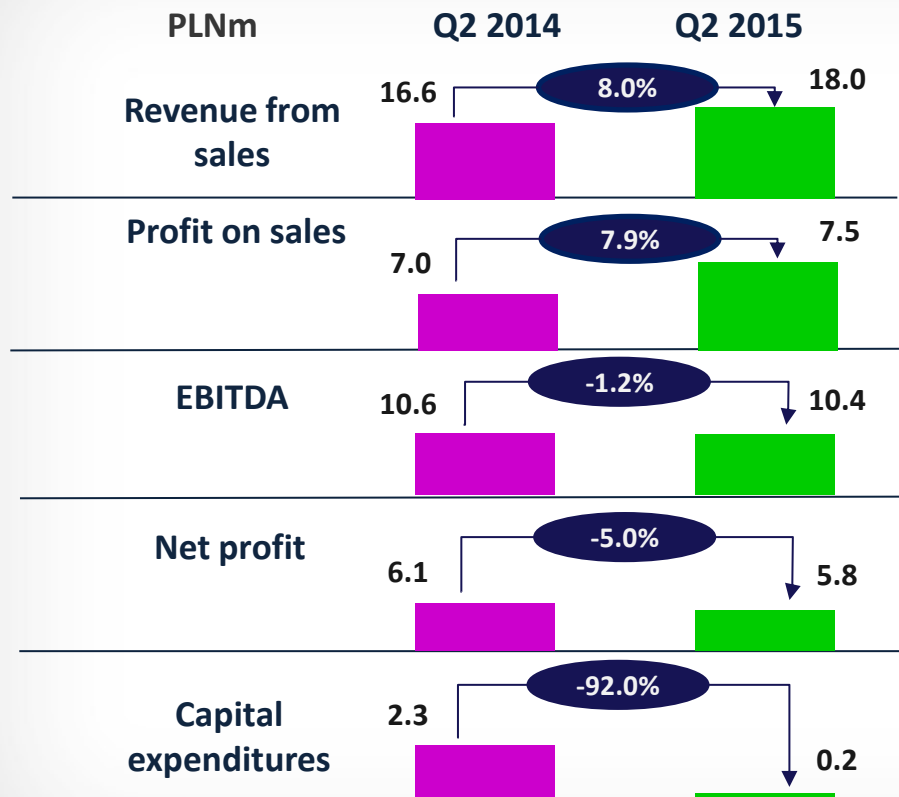
- Acquisition of 19 FRAC stores until mid-September (16 stores currently open)
- Intensification of new store openings; 26 stores already launched in Q3 2015
- Testing new pricing scenarios
- Launch of new customer loyalty programmes
- Higher marketing activity
- Introduction of new sales standards for fresh products (bread, cold cuts, meats)



Property segment

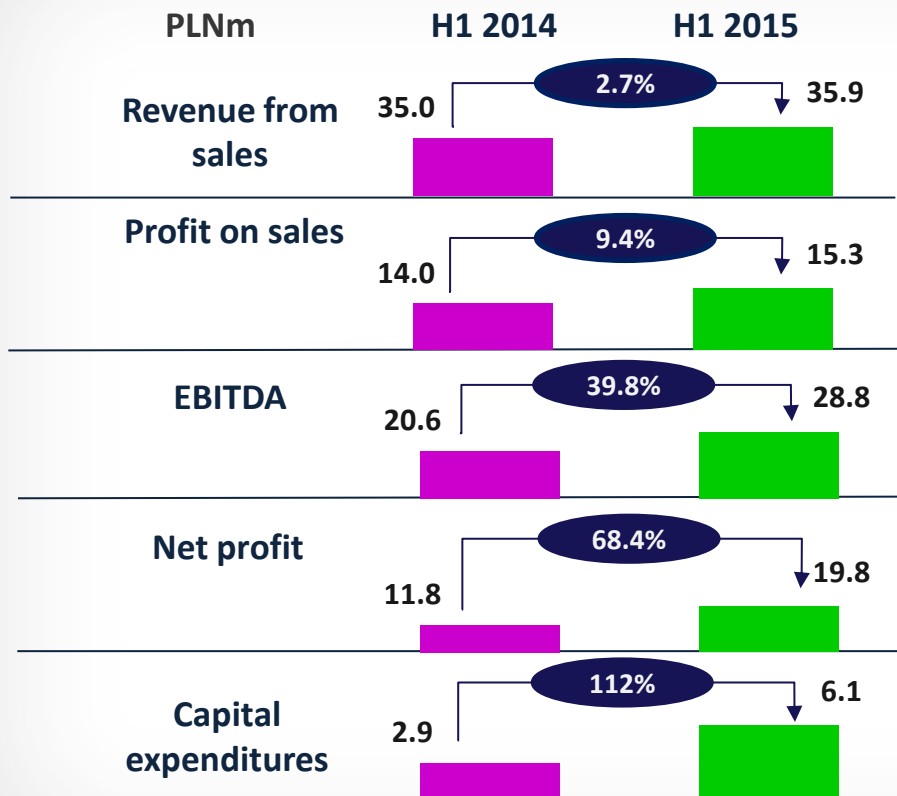
Grupa Kapitałowa Emperia

Property segment – Q2 2015 results



- Gross/net result on property disposals in Q2 2014: PLN 0.6m

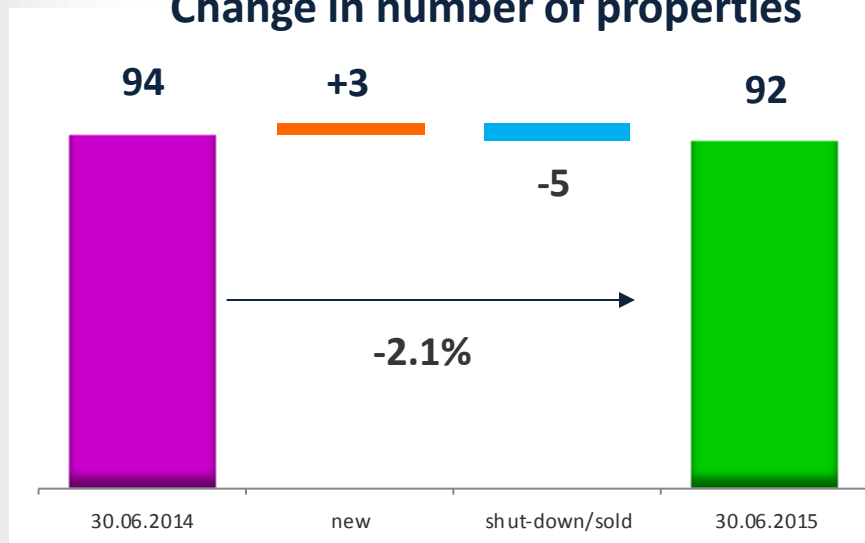
Property segment – H1 2015 results



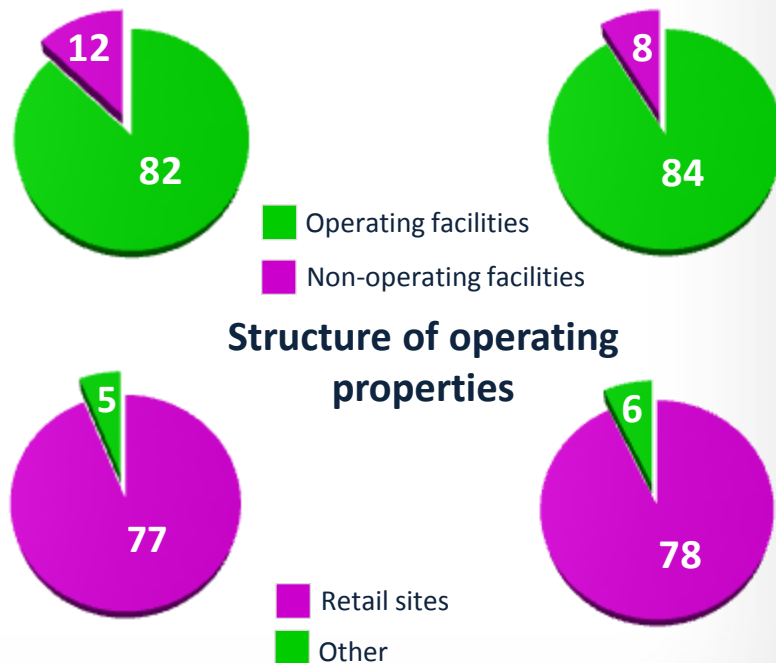
- Gross/net result on property disposals in H1 2015: PLN 7.8m, and in H1 2014: PLN 0.6m

Property segment

Change in number of properties



Q2 2014 Type of property Q2 2015



Property segment

NOI* (in PLNm)

	Number of facilities	Average monthly NOI in Q2 2015
NOI – operating facilities	84	3.5
including retail sites	78	3.3

** NOI (net operating income) is defined as the difference between a property's operating revenue and operating costs, less depreciation*

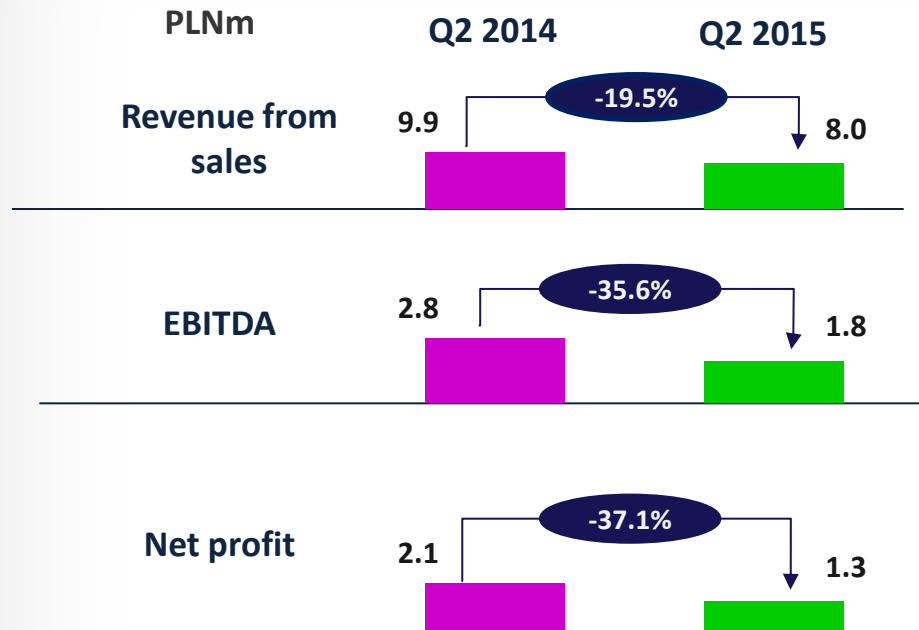
Retail sites

	Related tenants	Other tenants
Lease space [sqm 000s]	54.2	33.0
Average lease rate [PLN per sqm]	43.4	38.8

IT segment

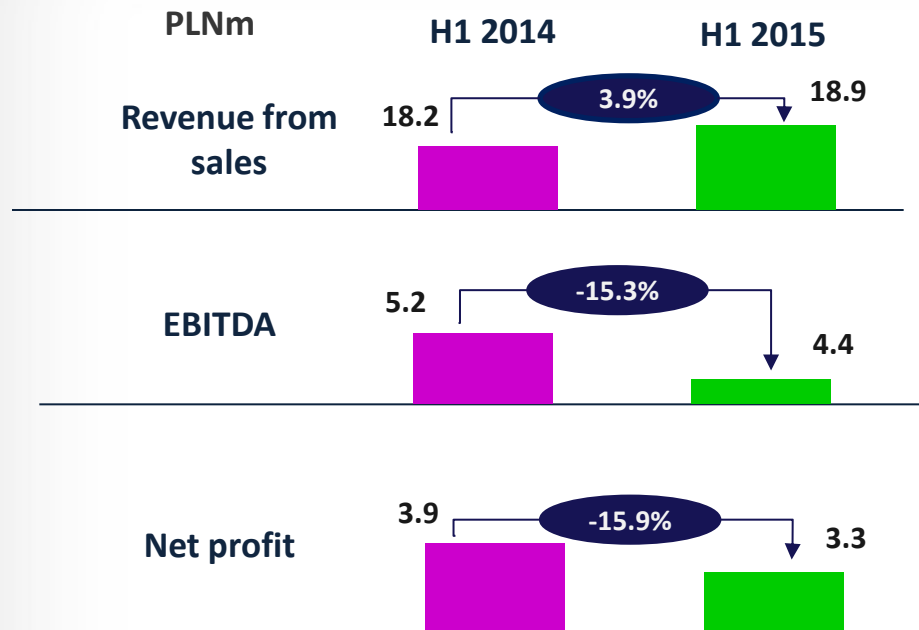
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IT segment – Q2 2015 results



- Different structure of revenue from product sales in Q1 and Q2 2015 and 2014
- Increase in employment expenses in Q2 2015 - market demand for IT staff
- Revenue structure Q2 2015: 81.9% services, 18.1% products; Q2 2014: 67.0% services, 33.0% products
- Share of external revenue in Q2 2015: 68.9%; in Q2 2014: 67.4%

IT segment – H1 2015 results

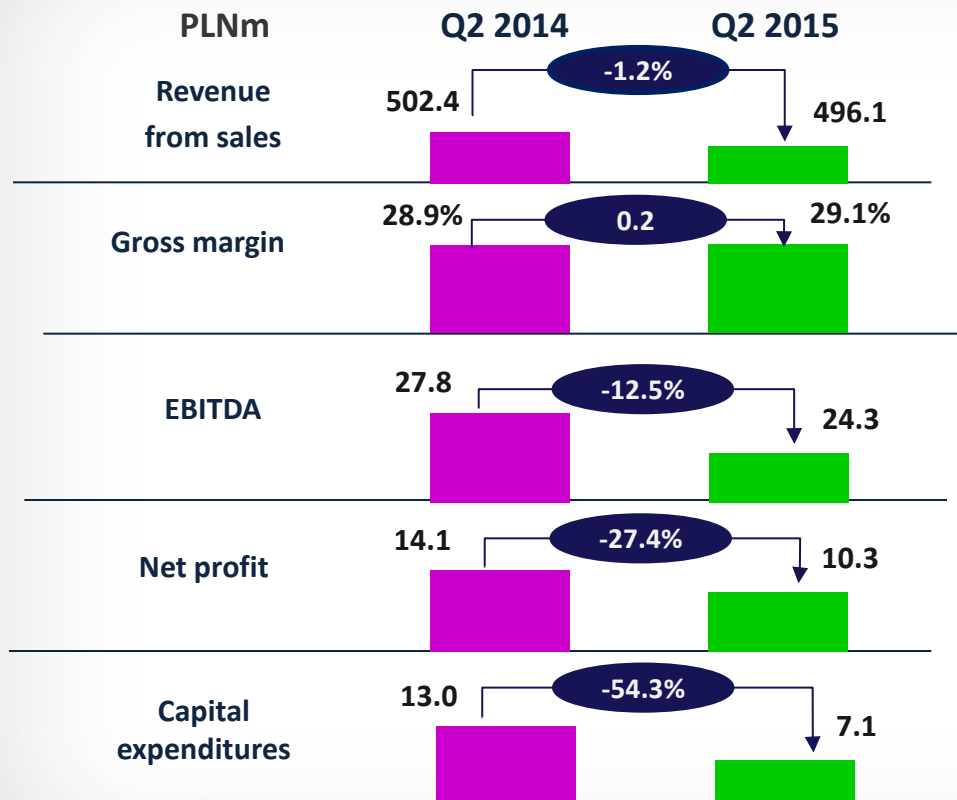


- Increase in employment expenses in H1 2015 - market demand for IT staff
- Revenue structure: H1 2015: 72.2% services, 27.8% products; H1 2014: 72.1% services, 27.9% products
- Share of external revenue in H1 2015: 71.8%; in H1 2014: 62.5%

Emperia Group

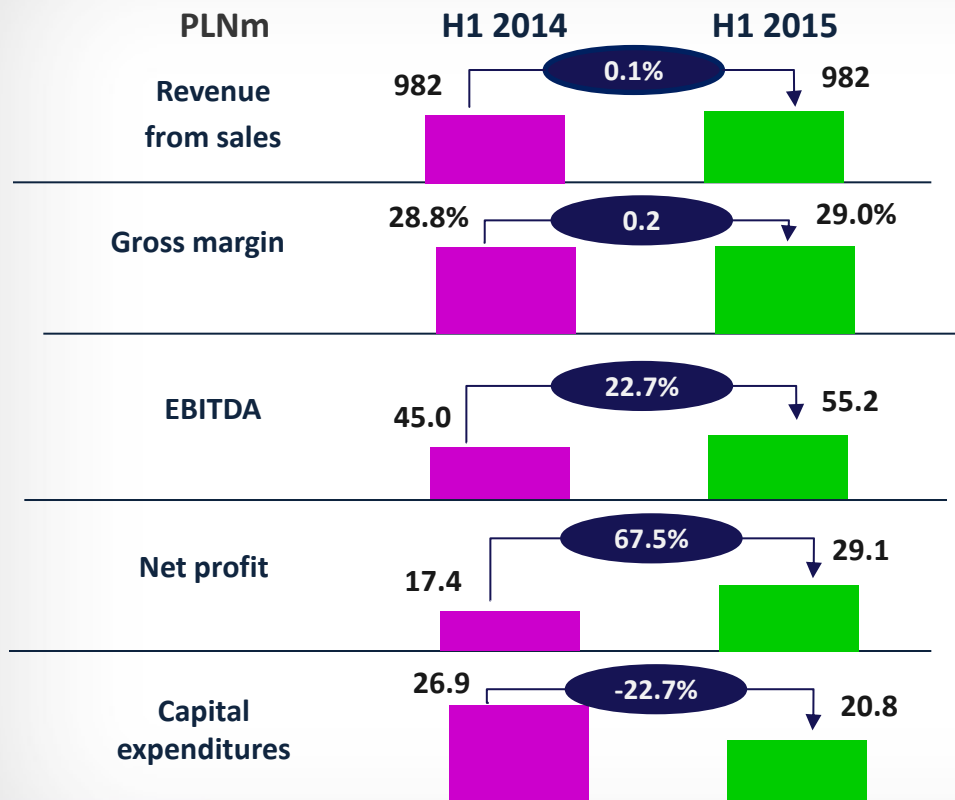
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Emperia Group – Q2 2015 results



- Release of Delima cost provision in Q2 2014: PLN 6.4m
- Gross/net result on property disposals in Q2 2014: PLN 0.6m
- Costs of store closures in Q2 2015: PLN 0.8m, Q2 2014: PLN 1.8m
- Compensation and penalties paid in Q2 2015: PLN 2m
- Court-awarded compensation received in Q1 2014: PLN 1.6m
- Retail company merger costs Q1 2014: PLN 2m

Emperia Group - H1 2015 results

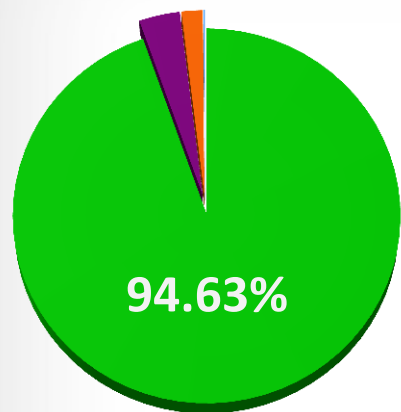


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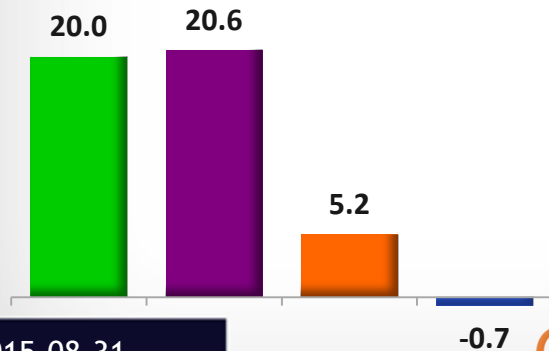
Emperia Group – results

H1 2014

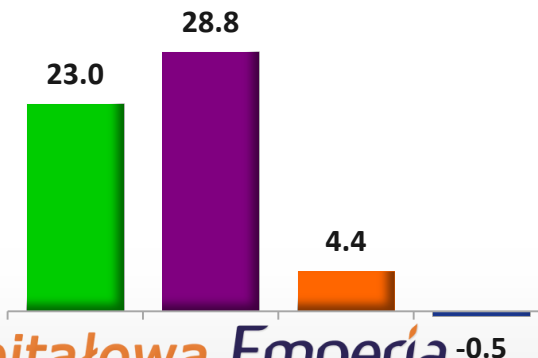
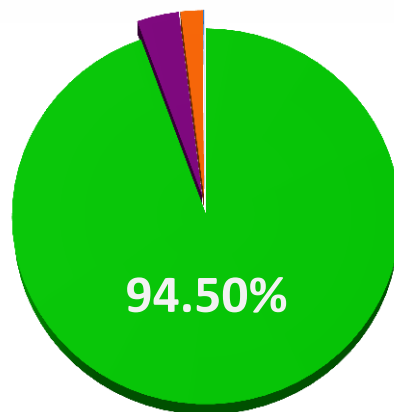
Revenue
from sales



EBITDA
(in PLNm)



H1 2015



2015-08-31

Grupa Kapitałowa *Emperia*

Emperia Group – balance sheet

PLNm	H1 2014	2014	H1 2015
Goodwill	52.0	52.0	52.0
Property, plant and equipment	496.9	509.3	498.3
Net working capital	-33.5	-80.3	-42.2
Other	-12.4	-12.9	-8.4
Invested assets	503.0	468.1	499.7
Borrowings	4.0	3.6	3.2
Cash and cash equivalents	124.8	145.2	89.0
Net debt	-120.8	-141.6	-85.8
Equity	623.8	609.7	585.5

Expenditures in H1 2015:

- Share buy-back PLN 34.1m
- Dividend PLN 16.5m
- Capital expenditures PLN 20.8m

Corporate governance

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Corporate governance 2015

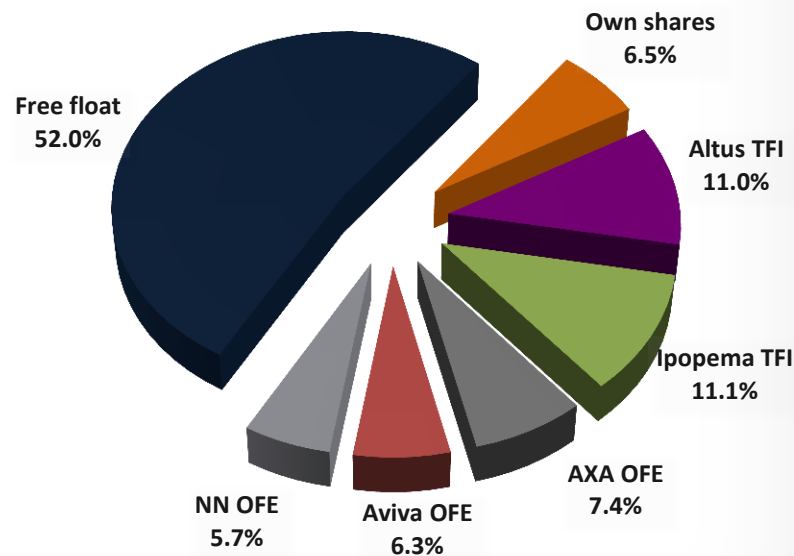
- Total number of shares purchased by Emperia Holding S.A. and Elpro Development S.A. as of 31 August 2015: **855 272 (i.e. 6.48%)**, of which 554 172 in H1 2015 for PLN 34.1m
- Cancellation of 2 031 547 shares
- Dividend payment of PLN 1.33 per share
- Appointment of Aleksander Widera as new member of the Supervisory Board
- Execution of Management Options Programme in 2015, tranche 2010: 960 shares, tranche 2011: 24 567 shares
- Management Options Programme, tranche 2010: 114 564 shares, 109 364 shares bought back, tranche 2011: 44 068 shares, 24 567 shares bought back

Number of registered shares: **13 192 018**

Number of shares publicly traded: **12 336 746**

Shareholding structure

(as per the Company's latest data)



Thank you for your attention

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