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Re:

Projected Financial Results

Update:

The Management Board of Emperia Holding S.A ("Company") is pleased to announce the projected financial results of the Emperia Holding S.A. Group for 2011-2012 for the continued business (excluding the results of the retail companies slated for divestment).

Consolidated Projections of Financial Results of Emperia Holding S.A. Group for Continued Business in PLN million	**For Period from 1 January 2011 to 31 December 2011**	**For Period from 1 January 2012 to 31 December 2012**
Sales revenues, including:	**5 309.6**	**4 893.5**
- to retail subsidiaries slated for sale	773.8	0.0
- to other clients	4 535.8	4 893.5
EBITDA	**170.5**	**186.2**
EBIT	**128.5**	**141.4**
Gross result	**113.8**	**948.8**
Net result	**92.3**	**926.0**

The announcement of the projected financial results is motivated by the desire to present to the Company's shareholders the expected tangible results of the reorganisation and rationalisation processes at the Emperia Holding S.A. Group.

The Company's Management Board has recently embarked on intensive efforts aimed at a long-term improvement of the Group's value. The Company has decided to disclose the underlying assumptions for its strategy to enable the Company's shareholders to make an adequate assessment of the fair value and the price of shares in Emperia Holding S.A.

The projection is based on the following underlying assumptions:

Underlying Assumptions	The projection covers the results of the continued business. This means that is excludes the results of the companies, interests in which, held by Emperia Holding S.A., have been earmarked for sale, namely Stokrotka Sp. z o.o., Maro-Markety Sp. z o.o., and Społem Tychy S.A. The projection for 2012 also rests on an assumption that the Emperia Holding S.A. Group will not sell to the retail subsidiaries slated for divestment. The value of such sales included in the projection for 2011 totals PLN 773.8 million. This means that in 2011, the value of total sales revenues less sales to the retail subsidiaries would stand at PLN 4,535.8 million. While this is a conservative assumption, given the uncertainty as to whether or not these sales will continue in 2012, the Management Board decided to exclude these sales figures and adjust the projected financial results accordingly.
Macroeconomic Situation in Poland	The projection rests on the following assumptions as to the key economic indicators in 2012: 1. inflation: 3.0% 2. GDP growth: 2.7% 3. increase in retail sales of consumer goods: 5.2% 4. reference interest rate: 4.25%.

Company's Strategy Focus on Development of Wholesale Business

The strategy of Emperia Holding focuses on the development of the wholesale (distribution) business, to be achieved by:

1. intensifying collaboration with the current and new clients (eliminating conflict of interest between the clients of the wholesale and the retail business, loyalty programme, increased sales to current buyers by new product launches);
2. strengthening the dominant position in the service-assisted wholesale market;
3. launching new Cash & Carry locations;
4. becoming the leader in the chain segment (colportage, service stations);
5. development of the existing and new franchise concepts, e.g. the *Minutka* project – increasing the number of outlets to 120 by the end of 2011 and to 600 by the end of 2012;
6. reinforcing the position of a strategic partner in the cooperative retail segment in Poland; the *Gama* project – increasing the number of outlets from 10 to 20 by the end of 2011 and to 100 by the end of 2012; additionally, in 2012, the number of Społem outlets partnering with PSD Sp. z o.o. is projected to go up to 700;
7. distribution network expansion by M&A;
8. improved operational and cost effectiveness, in particular in terms of costs of logistics, where the Company's Management Board expects to save some 20 million PLN, and general overhead, to see economies of some 6 million PLN.

Retail Subsidiary Divestment Process

The projection rests on an assumption that the sale of shares in the retail subsidiaries should be completed in Q1 2012. The Management Board expects the retail subsidiary divestment to proceed according to the following timetable:

1. due diligence by potential investors completed and binding bids filed by 7 November 2011;
2. the investment agreement signed with the selected investor by the end of 2011;
3. deal closed in Q1 2012.

Based on the preliminary non-binding bids received and the negotiations with potential investors under way, the Management Board expects the sale to generate a price of no less than 900 million PLN (assuming that the subsidiaries are sold with zero cash on hand and at bank and without any debt).

Reorganisation and Rationalisation of the Real Estate Business

In Q1 2012, the Company's Management Board expects to commence the process of divestment of the real properties held. Since the prudence principle was applied to developing the projection, the financial projection for 2012 does not include any financial outcome of that process.

Result on Sale of Retail Subsidiaries	It was assumed that the sale of shares in retail subsidiaries companies will generate gross and net profit of PLN 805.8 million in 2012. The above profit level rests on the following assumptions: 1. price of sale (zero net debt): PLN 900 million; 2. projected cash level: PLN 69.3 million; 3. final sale price: PLN 969.3 million; 4. value of net assets: PLN 127.2 million; 5. goodwill corresponding to divested assets: PLN 36.3 million.
Distribution of Dividend and Interim Dividend	The Management Board made an assumption that the Ordinary Meeting of Shareholders of the Company will resolve to distribute dividend for 2011 at PLN 60 million and that by the end of May 2012, interim dividend of PLN 427.3 million will be distributed.
Investment Outlays	It was assumed that in 2011 investment outlays will stand at PLN 91.1 million, including: PLN 79.7 million (real estate business), PLN 6.9 million (wholesale (distribution) business), and PLN 4.5 million (support business). In 2012, investment outlays are projected to reach PLN 88.5 million, including PLN 77.3 million, PLN 10.0 million, and PLN 1.2 million, respectively.
Repurchase of Shares	The projection for 2011 assumes that the Company will have spent PLN 65 million to buy back its own shares by the end of the year. As at 24 October 2011, the repurchase expenditures totalled 40 million with which the Company managed to buy back 402,344 of its own shares. The buy-back process may be continued in 2012 to the extent to which the Company's equity allows.
Group's Debt	According to the underlying assumptions for the projection, at the end of 2011 net debt is forecast at PLN 304.2 million, and at the end of 2012, the Group's net cash are expected to total PLN 305.8 million. The above debt figures are net of the dividend and interim dividend to be distributed in 2012, capital investment programme, and the own share repurchase programme.
Management of Financial Surplus	Any financial surplus generated will be placed with banks on deposit accounts and invested in State Treasury debt securities. As assumption was made that the achievable annual real interest rate is at least 4.4% which translates into additional interest income of PLN 21 million in 2012. The calculation of interest income was based on an assumption that the actual proceeds from sale of shares in retail subsidiaries will be received by the Company at the end of Q1 2012.

Provision of Holding Services to Retail Subsidiaries Terminated	The projection for 2012 assumes that Emperia Holding S.A. will no longer provide holding services to the divested retail subsidiaries, including without limitation: accounting, financial, personnel, business agency, administrative, and other similar services. Consequently, the costs of providing these services and the corresponding income generated by Emperia Holding S.A. were reduced accordingly.
Dividend Distributed by Retail Subsidiaries in 2011	The projection for 2011 includes the dividend paid to Emperia Holding S.A. by retail subsidiaries at PLN 4.1 million. The dividend will no longer be distributed in 2012. The projection assumes that the profits of the divested retail companies for 2011 will be retained by the companies, thus affecting their net assets.
Purchase of Assets Related to Real Estate Held by Retail Subsidiaries in 2011	On 28 June 2011, Stokrotka contributed in kind to Projekt Elpro 1 Sp. z o.o. the total of 16 real properties, the market value of which stood at PLN 59.6 million. As a result, the real properties were transferred from the discontinued business to the continued business as of July 2011. This increases the continued business EBITDA by PLN 2.8 million and PLN 6.4 million in 2011 and 2012, respectively.
One-off Expenses	The projection of the result for 2011 includes one-off expenses of some PLN 4.7 million. From the beginning of the year to the end of Q3 2011, the actual expenses totalled PLN 3.3 million. The one-off expenses relate to services associated with: 1. performance of the investment agreement concluded with Eurocash S.A.; 2. dispute with Eurocash S.A. over the investment agreement; and 3. divestment process of retail subsidiaries. The expenses comprise costs of legal advice, tax advice, auditing services, and financial advice.
Dispute with Eurocash S.A.	Given the application of prudence principle to valuation, the financial projections for 2011-2012 do not take into account the potential effect of potential damages awarded against Eurocash S.A. on the grounds of rescission of the investment agreement by Emperia Holding S.A of PLN 200 million plus statutory interest.
Mergers and Acquisitions	The projection of financial results presented excludes any effects of potential acquisitions of FMCG businesses. The Management Board continuously monitors the FMCG market in Poland and it is not unlikely for consolidation to be undertaken in 2011 and 2012.

The Management Board's analysis of the attainable future financial results of the wholesale (distribution) division and the real estate division clearly demonstrates that the operational streamlining of the Emperia Group will enable reporting a fair value of shares in Emperia Holding which is much higher than the current market valuation.

The Management Board of Emperia Holding S.A. will measure the actual performance against the projection using an internal business monitoring system. The evaluation of the projected results’ achievability will be published in consolidated financial reports of the Emperia Group.

Should the Management Board of Emperia Holding S.A. become aware of reasonable grounds for a difference of at least 10% between the performance and the projection with respect to one of the items, it will disclose such information to the public without delay in the form of a current report.

Legal Basis:

Article 56(1)(2) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 in conjunction with § 5(1)(25) of the Regulation of the Minister of Finance of 19 October 2005 on current and periodical disclosures by issuers of securities and conditions for recognising as equivalent disclosures required under regulations of a non-member state.