

Emperia Holding



CONDENSED CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE FIRST HALF OF 2015

PREPARED IN ACCORDANCE WITH IFRS
AS ENDORSED BY THE EU
(DATA IN PLN 000s)

LUBLIN, 28 AUGUST 2015

Emperia Group means:



- *credibility and prioritising shareholder interests*



- *customer-centric culture*

- *growth and openness*

- *working together*



- *effectiveness*



- *reliability and engagement*

Credibility and prioritising shareholder interests

- Emperia, winner of **multiple awards and leading Polish retailer**, has been an active player on Poland's retail market for the past 25 years
- Our **aim** is to **create value** for shareholders
- Emperia is **financially stable** and has been listed on the **Warsaw Stock Exchange** for 14 years
- **Credibility** in the eyes of our shareholders is our top priority
- Emperia operates **transparently and openly**, while emphasising **corporate governance** and **ethics in business**.

Customer-centric



- **Our top priority** in everyday work is building positive and lasting **relations with clients**
- We are fully aware of the fact that **customer satisfaction** ultimately has decisive meaning for our success

Growth and openness



- We value people who want to **develop** while sharing **knowledge** across the organisation
- We appreciate the **achievements** of our external environment, and the **experience** of others is always an opportunity for us to learn something new
- In our work, we use **modern technologies** because we know that with them we can grow in the long-term
- We communicate openly

Working together



- We know that only **together** can we **achieve** our **goals**
- We prioritise **work atmosphere**, team relations and **high standards** in managing people
- We build long-term commercial **partnerships**, guided by the principles of **reliability and integrity**
- In relations with our business partners, we place emphasis on **transparency** and observance of **business ethics** principles

Reliability and engagement

- We are ***honest*** with our employees, business partners and clients



We are ***socially involved***. We run an employee-based Foundation and get involved in employee volunteer activities

Loyalty and engagement are the prerequisites of each and every member of our team

Effectiveness



- Progress towards our targets is the most important indicator of our ***effectiveness***
- We value ***courage in acting*** and decision-making. We accept the risk of wrong decisions but not failure to act
- We aim for ***high effectiveness*** at low cost
- We like simple structures and solutions, believing that they can help us in ***acting quickly and effectively***
- A ***high-calibre*** management team

Welcome!

Contents

1. Selected financial data	7
2. Statement by the Management Board	8
3. Report of an independent statutory auditor on review of the H1 2015 condensed consolidated semi-annual financial statements	9
4. Consolidated statement of financial position	10
5. Consolidated statement of profit and loss and consolidated statement of comprehensive income	12
6. Consolidated statement of changes in equity	14
7. Consolidated statement of cash flows	17
8. Description of key accounting principles	19
8.1 Statement on compliance and basis for preparing the financial statements	19
8.2 Functional currency	19
8.3 Discontinued operations	19
8.4 Application of standards and interpretations effective from 1 January 2015	19
8.5 Key accounting principles	20
8.6 Segment reporting	20
8.7 Mergers, share purchases or disposals, capital increases	22
9. Other significant information and events	24
9.1 Uniformity of accounting principles and calculation methods used in preparing interim financial statements and the previous annual financial statements	24
9.2 Production seasonality and cyclicity	24
9.3 Type and amount of non-typical items having an impact on assets, liabilities, equity, net financial result or cash flows, such as are non-typical due to their type, value or impact	24
9.4 Type and amount of changes in estimated that which were published in previous interim periods of the present year or changes in estimated amounts published in previous financial years, if those had a substantial impact on the present interim period	25
9.5 Issue, redemption and repayment of debt and equity securities	25
9.6 Paid out and proposed dividends	28
9.7 Revenue and profit by operating segment	28
9.8 Changes in off-balance sheet liabilities	29
9.9 Impairment of property, plant and equipment, intangible assets, inventories and other assets, and reversal thereof	30
9.10 Reversal of cost restructuring provisions	31
9.11 Deferred income tax	31
9.12 Financial and operating leasing	32
9.13 Liabilities incurred in connection with purchase of property, plant and equipment	33
9.14 Correction of prior-period errors	33
9.15 Non-repayment or infringement of credit facility agreements and lack of restructuring activities	33
9.16 Other significant events	33
9.17 Significant events after the end of the reporting period	37
10. Semi-annual management report on Group operations	40
10.1 Description of Group structure	40
10.2 Effects of changes in group structure	43
10.3 Management's position regarding previously published forecasts	43
10.4 Shareholders with at least 5% of votes at the general meeting, at report publication date	44
10.5 Changes in shareholding by Management Board and Supervisory Board members	44
10.6 Information regarding on-going judicial proceedings	45
10.7 Significant related-party transactions	45
10.8 Credit facilities, loans, sureties and guarantees	45

10.9	Other information of consequence to the Group's HR situation, asset position and financial performance.....	46
10.10	Factors having an impact on the results to be achieved over the perspective of at least the next half-year	57
10.11	Risk factors.....	57
10.12	Charitable work at Emperia Group	59

1. Selected financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 30 Jun 2015	For the period from 1 Jan 2014 to 30 Jun 2014	For the period from 1 Jan 2015 to 30 Jun 2015	For the period from 1 Jan 2014 to 30 Jun 2014
I.	Net revenue from sale of products, goods and materials	982 431	981 803	237 641	234 971
II.	Operating profit (loss)	33 288	21 593	8 052	5 168
III.	Profit (loss) before tax	32 402	22 155	7 838	5 302
IV.	Profit (loss) for the period	29 072	17 355	7 032	4 154
V.	Net cash flows from operating activities	1 972	(10 578)	477	(2 532)
VI.	Net cash flows from investing activities	(6 730)	(20 463)	(1 628)	(4 897)
VII.	Net cash flows from financing activities	(51 167)	(39 338)	(12 377)	(9 415)
VIII.	Total net cash flows	(55 925)	(70 379)	(13 528)	(16 844)
IX.	Total assets	899 550	952 228	214 465	223 407
X.	Liabilities and liability provisions	314 076	345 229	74 880	80 996
XI.	Non-current liabilities	22 947	26 220	5 471	6 152
XII.	Current liabilities	291 129	319 009	69 409	74 844
XIII.	Equity	585 474	606 999	139 585	142 411
XIV.	Share capital	13 192	15 180	3 145	3 561
XV.	Number of shares	13 192 018	15 179 589	13 192 018	15 179 589
XVI.	Weighted average number of shares	12 684 364	13 659 000	12 684 364	13 659 000
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	3.33	0.48	0.81	0.11
XVIII.	Diluted profit (loss) per ordinary share, annualised** (in PLN/EUR)	3.32	0.48	0.80	0.11
XIX.	Book value per share* (in PLN/EUR)	46.16	45.12	11.01	10.59
XX.	Diluted book value per share** (in PLN/EUR)	46.04	45.08	10.98	10.58
XXI.	Paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

comparative data in the statement of financial position as at 31 December 2014

* calculated using the weighted average number of the Issuer's shares

** calculated using the weighted average diluted number of the Issuer's shares

Weighted average number of shares:

– for H1 2015 (January-June): 12 684 364

– for H1 2014 (January-June): 13 659 000

Selected financial data have been translated into EUR in the following manner:

- 1 Items in the statement of profit and loss and statement of cash flows were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for H1 2015 was EURPLN 4.1341 and for H1 2014: EURPLN 4.1784.
- 2 Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 30 June 2015: EURPLN 4.1944; 31 December 2014: EURPLN 4.2623.
- 3 Dividend paid out was translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 19 June 2015 was EURPLN 4.1715 and as at 30 June 2014 EURPLN 4.1609.

2. Statement by the Management Board

The Management Board of Emperia Holding S.A. declares that, to the best of its knowledge, these condensed consolidated semi-annual financial statements and comparative data were drawn up in accordance with International Financial Reporting Standards and interpretations, published in the form of Commission Regulations, and that they correctly, reliably and clearly reflect the Group's financial and asset position together with its financial performance, and that the semi-annual report on Group operations contains a true depiction of the development, achievements and situation of the Group, including a description of key threats and risks.

The Management Board of Emperia Holding S.A. declares that the entity authorised to audit financial statements which audited the Group's condensed consolidated semi-annual financial statements was selected in accordance with the provisions of law and that such entity and the statutory auditors conducting the audit fulfilled the conditions for issue of an impartial and independent report on audit of the condensed consolidated semi-annual financial statements in accordance with binding regulations and professional standards.

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

3. Report of an independent statutory auditor on review of the H1 2015 condensed consolidated semi-annual financial statements

The report of an independent statutory auditor on review of the condensed consolidated semi-annual financial statements for the period from 1 January 2015 to 30 June 2015 can be found in the attached file "Raport z przeglądu śródrocznego skonsolidowanego sprawozdania finansowego Grupy Kapitałowej Emperia Holding I półrocze 2015.pdf".

4. Consolidated statement of financial position

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Non-current assets	581 729	579 119	583 230
Property, plant and equipment	498 344	495 910	496 868
Investment properties	-	-	-
Intangible assets	3 118	3 487	3 988
Goodwill	52 044	52 044	52 044
Interests in equity-accounted entities	-	-	-
Financial assets	92	92	92
Non-current loans	-	-	-
Non-current receivables	5 421	5 206	4 822
Deferred income tax assets	19 287	18 272	20 525
Other non-current prepayments	3 423	4 108	4 891
Non-current assets classified as held-for-sale	-	-	-
Current assets	317 821	373 109	377 548
Inventories	171 416	165 104	179 560
Receivables	49 299	45 254	63 868
Income tax receivables	-	1 218	1 087
Short-term securities	30 467	30 764	-
Prepayments	7 877	4 041	8 259
Cash and cash equivalents	58 510	114 435	124 774
Other financial assets	252	-	-
Assets classified as held for sale	-	12 293	-
Total assets	899 550	952 228	960 778
Equity	585 474	606 999	623 832
Share capital	13 192	15 180	15 115
Share premium	469 374	551 988	549 559
Supplementary capital	97 558	100 084	100 084
Management options provision	3 517	5 206	5 010
Reserve capital	47 661	110 593	110 593
Buy-back provision	-	-	-
Own shares	(46 535)	(164 553)	(133 292)
Retained earnings	707	(11 499)	(23 237)
Total equity attributable to owners of the parent	585 474	606 999	623 832
Non-controlling interests	-	-	-
Non-current liabilities	22 947	26 220	30 450
Credit facilities, loans and debt instruments	2 195	2 647	3 154
Non-current liabilities	969	1 050	1 139
Provisions	17 157	19 842	23 365
Deferred income tax provision	2 626	2 681	2 792
Current liabilities	291 129	319 009	306 496
Credit facilities, loans and debt instruments	973	903	877
Current liabilities	262 915	293 901	276 910
Income tax liabilities	773	3 152	1 926
Provisions	18 430	15 551	20 201
Deferred revenue	8 038	5 502	6 582
Liabilities assigned to assets classified as held-for-sale	-	-	-
Total equity and liabilities	899 550	952 228	960 778

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Book value	585 474	606 999	623 832
Number of shares	13 192 018	15 179 589	15 115 161
Diluted number of shares	12 716 468	13 465 487	13 752 601
Book value per share (in PLN)*	46.16	45.12	45.67
Diluted book value per share (in PLN)**	46.04	45.08	45.36

* calculated using the weighted average number of the Issuer's shares

** calculated using the weighted average diluted number of the Issuer's shares

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

5. Consolidated statement of profit and loss and consolidated statement of comprehensive income

Statement of profit and loss	Three months ended 30 Jun 2015	Six months ended 30 Jun 2015	Three months ended 30 Jun 2014	Six months ended 30 Jun 2014
Revenue from sales	496 089	982 431	502 360	981 803
- from subsidiaries	2	4	1	3
Revenue from sale of products and services	32 152	60 872	35 657	64 328
Revenue from sale of goods and materials	463 937	921 559	466 703	917 475
Cost of sales	(351 524)	(697 636)	(357 048)	(699 438)
- to subsidiaries	-	(1)	(1)	(3)
Cost of manufacture of products sold	(6 367)	(12 301)	(5 780)	(11 730)
Value of goods and materials sold	(345 157)	(685 335)	(351 268)	(687 708)
Profit on sales	144 565	284 795	145 312	282 365
Other operating revenue	1 096	11 698	63	2 898
Selling costs	(112 851)	(225 522)	(107 969)	(222 217)
Administrative expenses	(16 765)	(33 117)	(18 602)	(36 640)
Other operating expenses	(2 652)	(4 566)	(2 779)	(4 813)
Operating profit	13 393	33 288	16 025	21 593
Finance income	187	545	614	1 454
Finance costs	(1 134)	(1 431)	(426)	(892)
Profit before tax	12 446	32 402	16 213	22 155
Income tax	(2 185)	(3 330)	(2 087)	(4 800)
Current	(1 434)	(3 736)	(1 430)	(4 045)
Deferred	(751)	406	(657)	(755)
Share of the profit of equity-accounted investees	-	-	-	-
Profit for the period	10 261	29 072	14 126	17 355
Profit for the period attributable to owners of the parent	10 261	29 072	14 126	17 355
Profit for the period attributable to non-controlling interests	-	-	-	-

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Profit (loss) for the period (annualised)	42 218	6 559
Weighted average number of ordinary shares	12 684 364	13 659 000
Weighted average diluted number of ordinary shares*	12 716 468	13 752 601
Profit (loss) per ordinary share, annualised (in PLN)	3.33	0.48
Diluted profit (loss) per ordinary share, annualised (in PLN)*	3.32	0.48

* Weighted average diluted number of ordinary shares:

- for H1 2015 (January-June): 12 716 468, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.
- for H1 2014 (January-June): 13 752 601, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

Statement of comprehensive income	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Profit for the period	29 072	17 355
Other comprehensive income	-	-
Comprehensive income for the period	29 072	17 355
Comprehensive income attributable to shareholders of the parent	29 072	17 355
Comprehensive income attributable to non-controlling interests	-	-

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

6. Consolidated statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2015	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999
Correction of fundamental errors 2014	-	-	-	-	-	-	-	-
1 Jan 2015, adjusted	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999
Comprehensive income for the six months ended 30 June 2015	-	-	-	-	-	-	29 072	29 072
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2014 profit distribution - transfer to equity	-	-	-	-	337	-	(337)	-
Bond issuance - incentive scheme	-	-	-	13	-	-	-	13
Share issuance - incentive scheme	44	1 658	-	(1 702)	-	-	-	-
Purchase of own shares	-	-	-	-	-	(34 082)	-	(34 082)
Redemption of own shares	(2 032)	(84 273)	(2 526)	-	(63 268)	152 099	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-
Dividend from 2014 profit	-	-	-	-	-	-	(16 528)	(16 528)
30 Jun 2015	13 192	469 374	97 558	3 517	47 661	(46 535)	707	585 474

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2014	15 115	549 559	100 084	5 010	110 525	(106 616)	(26 973)	646 704
Correction of fundamental errors 2013	-	-	-	-	-	-	(1 442)	(1 442)
1 January 2014, adjusted	15 115	549 559	100 084	5 010	110 525	(106 616)	(28 415)	645 262
Comprehensive income for the six months ended 30 June 2014	-	-	-	-	-	-	17 355	17 355
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2013 profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(26 676)	-	(26 676)
Redemption of own shares	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	(12 109)	(12 109)
30 Jun 2014	15 115	549 559	100 084	5 010	110 593	(133 292)	(23 237)	623 832

	Share capital	Share premium	Supplement ary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2014	15 115	549 559	100 084	5 010	110 525	(106 616)	(26 973)	646 704
Correction of 2013 error	-	-	-	-	-	-	(2 742)	(2 742)
1 January 2014, adjusted	15 115	549 559	100 084	5 010	110 525	(106 616)	(29 715)	643 962
Comprehensive income for the 12 months ended 31 December 2014	-	-	-	-	-	-	30 501	30 501
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2013 profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Equity-settled employee considerations	-	-	-	-	-	-	(107)	(107)
Bond issuance - incentive scheme	-	-	-	2 691	-	-	-	2 691
Share issuance - incentive scheme	65	2 429	-	(2 494)	-	-	-	-
Purchase of own shares	-	-	-	-	-	(57 937)	-	(57 937)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	(12 109)	(12 109)
31 Dec 2014	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
------------	--------------------	-----------------------------------	--------------------

2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature
------------	--------------	--	--------------------

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

7. Consolidated statement of cash flows

Operating activities	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Profit (loss) for the period	29 072	17 355
Adjusted by:	(27 100)	(27 933)
Share of the net profit (loss) of equity-accounted entities	-	-
Depreciation / amortisation	21 935	23 402
(Profit) loss on exchange differences	52	182
Interest and shares of profit (dividends)	433	155
Income tax	3 330	4 800
Profit (loss) on investing activities	(7 636)	965
Change in provisions	193	(9 490)
Change in inventories	(6 312)	(2 211)
Change in receivables	(4 348)	37 800
Change in prepayments	(614)	(2 908)
Change in liabilities	(28 572)	(81 769)
Other adjustments	-	5 726
Income tax paid	(5 561)	(4 585)
Net cash from operating activities	1 972	(10 578)

Investing activities	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Inflows	14 308	6 429
Disposal of property, plant and equipment and intangible assets	14 308	6 429
Disposal of financial assets	-	-
Sale of subsidiaries	-	-
Dividends received	-	-
Interest received	-	-
Repayment of loans issued	-	-
Cash of entities acquired, at acquisition date	-	-
Proceeds from investment properties	-	-
Other inflows	-	-
Outflows	(21 038)	(26 892)
Purchase of property, plant and equipment and intangible assets	(20 786)	(26 892)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	-	-
Borrowings granted	(252)	-
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	(6 730)	(20 463)

Financing activities	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Inflows	27	1
Proceeds from credit facilities and loans	14	-
Issue of short-term debt instruments	-	1
Proceeds from equity issuance	13	-
Other inflows	-	-
Outflows	(51 194)	(39 339)
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	(448)	(410)
Interest and fees paid	(136)	(155)
Dividends paid	(16 528)	(12 098)
Purchase of own shares	(34 082)	(26 676)
Other outflows	-	-
Net cash from financing activities	(51 167)	(39 338)
Change in cash and cash equivalents	(55 925)	(70 379)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	114 435	195 153
Cash and cash equivalents at the end of period	58 510	124 774

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

8. Description of key accounting principles

8.1 Statement on compliance and basis for preparing the financial statements

These consolidated financial statements of Emperia Holding S.A. were prepared in accordance with International Accounting Standards (IAS 34 - Interim Financial Reporting) and the related interpretations concerning interim financial reporting published in the form of Commission Regulations and endorsed by the European Union.

The consolidated financial statements reliably present the Group's financial situation, financial performance and cash flows.

The consolidated financial statements were prepared in accordance with the Ordinance of the Minister of Finance dated 19 October 2005 on current and periodic information disclosed by issuers of securities.

These condensed consolidated financial statements were prepared under the historical cost convention, except for financial assets measured at fair value.

Emperia Holding S.A.'s Management Board approved the consolidated financial statements on the date on which they are signed.

8.2 Functional currency

Items in the consolidated financial statements are measured in the currency of the economic environment in which the Group operates, which is the Group's functional currency.

The functional and presentation currency of all items in the consolidated financial statements is PLN. Data in the consolidated financial statements and all explanatory data is presented in PLN 000s (unless stated otherwise).

Drafting consolidated financial statements in PLN 000s necessitates rounding up, which may result in a situation where the sum totals presented may not exactly equal the sum totals for individual analytical items.

8.3 Discontinued operations

The Group did not recognise any discontinued operations in the consolidated financial statements.

8.4 Application of standards and interpretations effective from 1 January 2015

The interim consolidated financial statements and interim separate financial statements for the first quarter of 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) effective as of the reporting date, i.e. 30 June 2015, with the application of the same accounting principles to all periods.

The adopted changes do not have a material effect on data presentation and measurement in these interim consolidated financial statements.

In preparing these consolidated financial statements, the Group decided against the earlier application of any standards published but not yet effective.

8.5 Key accounting principles

The accounting policy applied in preparing these consolidated financial statements for the first half of 2015 was the same as that used by the Group in preparing the consolidated financial statements for 2014.

A detailed description of the accounting policy is presented in the consolidated financial statements for 2014 (Notes from 10.2.10 to 10.2.30).

8.6 Segment reporting

Segment reporting identifies operating segments, which are a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available.

The chief decision maker to make decisions about resources to be allocated and assess segment performance is the Management Board of Emperia Holding. As a result of analysing the means of exercising supervision over the Company's business, its organisational structure, internal reporting system and current management model, and taking into consideration the aggregations criteria and quantitative thresholds set out in IFRS 8, Emperia Group's operating activities have been grouped into three operating segments, defined as follows:

- 1 **Retail** (retail segment), covering all operations of the following subsidiary: Stokrotka Sp. z o.o., alongside revenue transferred from the central management segment (from Emperia Holding S.A.) concerning retail agency agreements, including statistically assigned and accounted costs relating to this revenue,
- 2 **Property** (property segment), covering Emperia Group's property assets, including the following companies: Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., Ekon Sp. z o.o., P5 EKON Sp. z o.o. S.K.A., EMP Investment Limited, IPOPEMA 55 FIZAN; Elpro Development S.A. and the property segment carved out of Emperia Holding S.A.
- 3 **Central Management** (central management segment), covering the management functions, holding services and advisory within the Group. The segment comprises the following companies: Emperia Holding S.A., Eldorado Sp. z o.o.
- 4 **IT** (IT segment), covering the operations of Infinite Sp. z o.o. - an IT services provider.

The Group applies uniform accounting principles for all segments. Inter-segment transactions are done on market terms. These transactions are subject to exclusion from consolidated financial statements, and in information about segment results they are presented in the column "consolidation exclusions."

Segment information for H1 2015:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	957 226	35 917	887	18 929	30 528	982 431
External revenue	957 214	11 594	31	13 591	-	982 431
Inter-segment revenue	12	24 323	856	5 338	30 528	-
Total segment costs	(949 799)	(20 589)	(2 317)	(14 960)	(31 390)	(956 275)
Profit on sales	7 427	15 328	(1 430)	3 969	(862)	26 156
Result on other operating activities	(414)	7 465	593	(16)	496	7 132
Result on financing activities	(1 882)	(865)	10 535	136	8 810	(886)
Gross result	5 131	21 928	9 698	4 089	8 444	32 402
Tax	(513)	(2 092)	(30)	(801)	(106)	(3 330)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	4 618	19 836	9 668	3 288	8 338	29 072

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	411 025	1 281 431	549 412	26 403	1 368 721	899 550
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(14 734)	(6 087)	-	(465)	(500)	(20 786)
Depreciation / amortisation	(15 996)	(5 981)	(350)	(475)	(867)	(21 935)

Group external revenue by geographic area

The Group generates its revenue from sales within Poland (location of end customers).

Key customers

Emperia Group's customer base is fragmented. None of the Group's customers have a dominant position or accounts for more than 10% share of revenue.

Segment information for H1 2014:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	959 257	34 964	1 278	18 226	31 923	981 803
External revenue	957 657	12 751	12	11 383	-	981 803
Inter-segment revenue	59	23 755	1 266	6 843	31 923	-
Total segment costs	(952 105)	(20 950)	(2 956)	(13 584)	(31 299)	(958 295)
Profit on sales	7 153	14 014	(1 677)	4 642	624	23 508
Result on other operating activities	(2 585)	466	415	(11)	200	(1 915)
Result on financing activities	(2 733)	(603)	11 087	215	7 404	562
Gross result	1 835	13 877	9 824	4 846	8 228	22 155
Tax	(1 648)	(2 095)	(613)	(938)	(495)	(4 800)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	187	11 782	9 211	3 908	7 733	17 355

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	445 420	1 400 491	537 075	18 767	1 440 975	960 778
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(22 250)	(2 869)	(1 372)	(679)	(278)	(26 892)
Depreciation / amortisation	(15 450)	(6 095)	(568)	(595)	694	(23 402)

8.7 Mergers, share purchases or disposals, capital increases

a) Introduction of Emperia Holding S.A.'s shares to trading and change in share capital structure

On 16 January 2015, the Management Board of Emperia Holding S.A. announced the introduction to stock-market trading of 43 976 ordinary bearer shares series P, with nominal value of PLN 1 each. Introducing the series P shares to trading was part of Emperia Holding S.A.'s Management Options Programme. The Company announced via current reports the terms and deadlines for registering the series P shares by the KDPW, as well as admission and introduction of the series P shares to stock-market trading.

From 16 January 2015, the Issuer's share capital amounts to PLN 15 223 565 and is divided into 15 223 565 ordinary bearer shares, with nominal value of PLN 1 each. The total number of voting rights carried by all of the Issuer's outstanding shares is 15 223 565.

The above share capital increase was registered in court on 10 March 2015.

b) Share capital decrease at subsidiary Stokrotka Sp. z o.o.

On 10 April 2015, an Extraordinary General Meeting of subsidiary Stokrotka Sp. z o.o. passed a resolution pursuant to which Stokrotka's share capital was decreased from PLN 64 828 000 to PLN 62 737 500 through the cancellation of 4 181 shares with nominal value of PLN 500 each, which were owned by Stokrotka Sp. z o.o. The above share capital increase: was registered in court on 11 March 2015.

c) Share capital increase at subsidiary Stokrotka Sp. z o.o.

On 10 April 2015, an Extraordinary General Meeting of subsidiary Stokrotka Sp. z o.o. passed a resolution pursuant to which Stokrotka's share capital was increased to PLN 72 737 500 through the issue of 20 000 new shares with nominal value of PLN 500 each. All of the 20 000 newly-issued shares will be acquired by Emperia Holding S.A., who will pay for them with a cash consideration of PLN 90 000 000 by 30 April 2015. Excess of the cash consideration over the nominal value of the shares, i.e. PLN 80 000 000, will be transferred to supplementary capital. Emperia Holding S.A. directly holds 100% of shares and votes at the General Meeting of Stokrotka. The above share capital increase: was registered in court on 11 March 2015.

d) Registration of share capital reduction at Emperia Holding S.A.

On 28 April 2015, the Management Board of Emperia Holding S.A. announced that it had received information on the registration by the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, of a reduction in the share capital of Emperia Holding S.A. The capital reduction resulted from having cancelled 2 031 547 own shares bought back, which carried rights to 2 031 547 votes (13.345%) at the General Meeting and represented 13.345% of Emperia Holding S.A.'s share capital. Following the registration of changes, share capital amounted to PLN 13 192 018 and was divided into 13 192 018 ordinary bearer shares, which entitled to 13 192 018 votes at Emperia Holding S.A.'s General Meeting.

On 17 June 2015, the Management Board of Emperia Holding S.A. received Resolution 383/15 from the Board of Krajowy Depozyt Papierów Wartościowych S.A., dated 17 June 2015, pursuant to which the Board confirmed that 13 192 018 ordinary bearer shares of Emperia Holding S.A. are marked with code PLELDRD00017 from 22 June 2015.

e) Share capital increase at EMP Investment Limited

On 11 June 2015, a General Meeting of subsidiary EMP Investment Limited passed a resolution pursuant to which the subsidiary's share capital was increased by 1 new share, which was acquired by subsidiary Elpro Development S.A. The share was paid for with a cash consideration of PLN 50 000, of which PLN 49 999 will be transferred to supplementary capital.

Mergers, share purchases or disposals, capital increases - after the end of the reporting period

a) Merger of subsidiaries EKON Sp. z o.o. and P2 EKON Sp. z o.o. S.K.A., capital increase at EKON Sp. z o.o.

On 7 June 2015, the District Court in Lublin-Wschód, based in Świdnik, 6th Commercial Division of the National Court Register, registered the merger of subsidiaries EKON Sp. z o.o. and P2 EKON Sp. z o.o. S.K.A. The merger was effected by EKON Sp. z o.o. acquiring all of the assets of EKON Sp. z o.o. S.K.A. In exchange for shares in the acquired companies with total nominal value of PLN 50 000 and book value of PLN 7 637.67, the acquired company's shareholder - Emperia Holding S.A. - received 76 new shares in the acquiring company, with total value of PLN 7 600, together with a cash contribution of PLN 37.67. Given the fact that the general partner who made a contribution to a different capital than share capital of the acquired company is the acquiring company, then

following the merger this shareholder will not be issued shares in the increased share capital of the acquiring company.

As a result of a merger on 10 April 2015, an Extraordinary General Meeting of EKON Sp. z o.o. passed a resolution pursuant to which Ekon Sp. z o.o.'s share capital was increased from PLN 400 000 to PLN 407 600 through the issue of 76 new shares with nominal value of PLN 100, which were given to the shareholder of P2 EKON Sp. z o.o. S.K.A., i.e. Emperia Holding S.A., in exchange for shares in the acquired company, P2 EKON Sp. z o.o. S.K.A.

9. Other significant information and events

9.1 Uniformity of accounting principles and calculation methods used in preparing interim financial statements and the previous annual financial statements

These financial statements were prepared in accordance with the Group's accounting principles, applied consistently since 1 January 2005, as described in detail in the 2014 consolidated annual financial statements.

9.2 Production seasonality and cyclicity

The Group's business is not subject to any significant seasonality or cyclicity.

9.3 Type and amount of non-typical items having an impact on assets, liabilities, equity, net financial result or cash flows, such as are non-typical due to their type, value or impact

Presented below are net one-off results generated on property disposal transactions:

	Q2 2015	Q2 2014	H1 2015	H1 2014
Proceeds from disposal of properties	-	3 614	13 764	3 644
Costs of disposal of properties	-	(2 977)	(14 746)	(3 001)
Reversal of consolidation adjustments	-	-	8 732	
Gross profit	-	637	7 750	643
Current tax	-	(121)	-	(122)
Deferred tax	-	-	-	-
Net result	-	516	7 750	521

9.4 Type and amount of changes in estimated that which were published in previous interim periods of the present year or changes in estimated amounts published in previous financial years, if those had a substantial impact on the present interim period

Employee benefit provisions	Change in H1 2015	Change in 2014
Non-current		
As at the beginning of period	796	1 159
<i>Increases / decreases during the period</i>	-	(363)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	796	796
Current		
As at the beginning of period	5 878	7 200
<i>Increases / decreases during the period</i>	1 430	(1 322)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	7 308	5 878

Other provisions	Change in H1 2015	Change in 2014
Non-current		
As at the beginning of period	19 046	30 432
<i>Increases / decreases during the period</i>	(2 685)	(11 386)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	16 361	19 046
Current		
As at the beginning of period	9 673	11 849
<i>Increases / decreases during the period</i>	1 449	(2 176)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	11 122	9 673

9.5 Issue, redemption and repayment of debt and equity securities

Bonds issued

a) ELPRO EKON Sp. z o.o. S.K.A.

Subsidiary ELPRO EKON Sp. z o.o. S.K.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by ELPRO EKON Sp. z o.o. S.K.A. in H1 2015 and in 2014:

Issue and buy-back of bonds in H1 2015	Total	Emperia Holding S.A.	Infinite Sp. z o.o.	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	33 500	33 500	-	-
<i>Issue of bonds</i>	<i>201 000</i>	<i>201 000</i>	-	-
<i>Buy-back of bonds</i>	<i>(201 000)</i>	<i>(201 000)</i>	-	-
As at the end of period	33 500	33 500	-	-

Issue and buy-back of bonds in 2014	Total	Emperia Holding S.A.	Infinite Sp. z o.o.	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	20 000	3 500	11 000	5 500
<i>Issue of bonds</i>	<i>403 500</i>	<i>403 500</i>	-	-
<i>Buy-back of bonds</i>	<i>(390 000)</i>	<i>(373 500)</i>	<i>(11 000)</i>	<i>(5 500)</i>
As at the end of period	33 500	33 500	-	-

b) Stokrotka Sp. z o.o.

Subsidiary Stokrotka Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by Stokrotka Sp. z o.o. in H1 2015 and in 2014:

Issue and buy-back of bonds in H1 2015	Total	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	100 000	100 000	-	-
<i>Issue of bonds</i>	<i>414 887</i>	<i>414 887</i>	-	-
<i>Buy-back of bonds</i>	<i>(494 887)</i>	<i>(494 887)</i>	-	-
As at the end of period	20 000	20 000	-	-

Issue and buy-back of bonds in 2014	Total	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	128 000	128 000	-	-
<i>Issue of bonds</i>	<i>1 299 400</i>	<i>1 279 900</i>	<i>13 500</i>	<i>6 000</i>
<i>Buy-back of bonds</i>	<i>(1 327 400)</i>	<i>(1 307 900)</i>	<i>(13 500)</i>	<i>(6 000)</i>
As at the end of period	100 000	100 000	-	-

c) Elpro Development S.A.

Subsidiary Elpro Development S.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 250 000 000. Issue and buy-back of bonds (presented at par values) by Elpro Development S.A. in H1 2015 and in 2014:

Issue and buy-back of bonds in H1 2015	Total	Emperia Holding S.A.	P5 EKON Sp. z o.o. S.K.A.	P3 EKON Sp. z o.o. S.K.A.	Infinite Sp. z o.o.	Elpro Ekon Sp. z o.o. S.K.A.
As at the beginning of period	180 500	-	58 000	111 500	11 000	-
Issue of bonds	1 148 100	-	351 600	678 000	82 500	36 000
Buy-back of bonds	(1 114 300)	-	(350 800)	(675 500)	(78 000)	(10 000)
As at the end of period	214 300	-	58 800	114 000	15 500	26 000

Issue and buy-back of bonds in 2014	Total	Emperia Holding S.A.	P5 EKON Sp. z o.o. S.K.A.	P3 EKON Sp. z o.o. S.K.A.	Infinite Sp. z o.o.	Elpro Ekon Sp. z o.o. S.K.A.
As at the beginning of period	172 000	21 000	49 000	102 000	-	-
Issue of bonds	1 812 500	-	618 000	1 092 500	102 000	-
Buy-back of bonds	(1 804 000)	(21 000)	(609 000)	(1 083 000)	(91 000)	-
As at the end of period	180 500	-	58 000	111 500	11 000	-

On 12 June 2014, the Management Board of Emperia Holding S.A. adopted a resolution on issue by the Company of 114 564 series A bonds convertible to series P shares.

On 15 June 2015, the Management Board of Emperia Holding S.A. adopted a resolution on issue by the Company of 44 068 series B bonds convertible to series P shares.

A proposal to purchase bonds was submitted to Millennium Dom Maklerski S.A. In the course of 2014 and 2015, Emperia Holding S.A. bought back 133 931 series A and B bonds.

Debt instrument liabilities as at 30 June 2015

Issuer	Series	Par value (in PLN 000s)	Maturity date	As at 30 June 2015
Stokrotka Sp. z o.o.	0139*	20 000	2015-08-07	
Elpro Ekon Sp. z o.o. S.K.A.	0161*	33 500	2015-08-07	
Elpro Development S.A.	0036*	15 500	2015-08-07	
Elpro Development S.A.	0036*	58 800	2015-08-07	
Elpro Development S.A.	0036*	114 000	2015-08-07	
Elpro Development S.A.	0029*	3 000	2015-07-17	
Elpro Development S.A.	0030*	10 000	2015-07-17	
Elpro Development S.A.	0032*	2 000	2015-07-17	
Elpro Development S.A.	0033*	4 000	2015-07-17	
Elpro Development S.A.	0034*	5 000	2015-07-17	
Elpro Development S.A.	0037*	2 000	2015-10-23	
All bond issuance by the Group				-
Other				-
Total debt instrument liabilities				-

short-term

Non-current

* The bonds were purchased by Group companies that are subject to consolidation and as such are excluded in these financial statements.

Debt liabilities as at 31 December 2014

Issuer	Series	Par value (in PLN 000s)	Maturity date	As at 31 Dec 2014
Stokrotka Sp. z o.o.	0132*	100 000	2015-01-23	
Elpro Ekon Sp. z o.o. S.K.A.	0155*	33 500	2015-01-23	
Elpro Development S.A.	0023*	11 000	2015-01-23	
Elpro Development S.A.	0023*	58 000	2015-01-23	
Elpro Development S.A.	0023*	111 500	2015-01-23	
All bond issuance by the Group				-
Other				-
Total debt instrument liabilities				-
short-term				-
Non-current				-

* The bonds were purchased by Group companies that are subject to consolidation and as such are excluded in these financial statements.

9.6 Paid out and proposed dividends

Dividends paid:

On 27 May 2015, Emperia Holding S.A.'s General Meeting adopted a resolution on distribution of the net profit generated by Emperia Holding in 2014. PLN 16 527 963.20 was earmarked for payment of dividend, corresponding to PLN 1.33 per share.

Entitled to the dividend were shareholders who held shares on 5 June 2014 (ex-dividend date). The dividend payment date was 19 June 2015.

Dividends received:

The management board of subsidiary Infinite Sp. z o.o. passed a resolution on the payment of a dividend of PLN 9 million to Emperia Holding S.A. Furthermore, Elpro Development S.A.'s General Meeting passed a resolution on the payment of PLN 10 million in dividend to Emperia Holding S.A.

The general meeting of ELPRO EKON Sp. z o.o. S.K.A. passed a resolution on the payment of a dividend to IPOPEMA 55 FIZAN in the amount of PLN 501 000 and to subsidiary EKON Sp. z o.o. in the amount of PLN 6.

The dividend was paid within the Group's consolidated companies, thus is subject to exclusion from these financial statements.

9.7 Revenue and profit by operating segment

Revenue and profit by operating segment are presented in point 8.6.

9.8 Changes in off-balance sheet liabilities

Off-balance sheet liabilities concern collateral for credit facilities and bank guarantees provided to the Group, as well as security interests.

H1 2015	Credit facilities	Bank guarantees	Security interests
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	15 000	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	15 000	-
Guarantees			
As at the beginning of period	-	47 500	23 246
<i>Increases during the period</i>	-	-	2 000
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	47 500	25 246

2014	Credit facilities	Bank guarantees	Security interests
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	19 939	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	(4 939)	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	15 000	-
Guarantees			
As at the beginning of period	-	43 000	17 096
<i>Increases during the period</i>	-	4 500	13 150
<i>Decreases during the period</i>	-	-	(7 000)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	47 500	23 246

9.9 Impairment of property, plant and equipment, intangible assets, inventories and other assets, and reversal thereof

The means for recognising and reversing impairment losses on property, plant and equipment, inventory and receivables did not change in relation to those applied in the annual consolidated financial statements.

	Change in H1 2015
Impairment of property, plant and equipment	
As at the beginning of period	8 864
Recognition	129
Reversal	(1 267)
Changes as a result of acquisitions / disposals	-
As at the end of period	7 726
Impairment of receivables	
As at the beginning of period	11 236
Recognition	1 061
Reversal	(916)
Changes as a result of acquisitions / disposals	-
Derecognised from statement of profit and loss*	(679)
As at the end of period	10 702
Impairment of inventories	
As at the beginning of period	15 774
Recognition	8 659
Reversal	(7 747)
Changes as a result of acquisitions / disposals	-
As at the end of period	16 686
including: Impairment losses on inventory control	
As at the beginning of period	4 754
Recognition	7 469
Reversal	(7 747)
Changes as a result of acquisitions / disposals	-
As at the end of period	4 476
including: Impairment losses on bonuses	
As at the beginning of period	10 880
Recognition	1 190
Reversal	-
Changes as a result of acquisitions / disposals	-
As at the end of period	12 070
including: Impairment of slow-moving inventories	
As at the beginning of period	141
Recognition	-
Reversal	-
Changes as a result of acquisitions / disposals	-
As at the end of period	141

* Receivables are derecognised where an impairment loss had been previously created and their unrecoverable status has been documented.

	Change in 2014
Impairment of property, plant and equipment	
As at the beginning of period	9 427
Recognition	2 240
Reversal	(2 852)
Changes as a result of acquisitions / disposals	-
As at the end of period	8 815
Impairment of receivables	
As at the beginning of period	9 944
Recognition	2 630
Reversal	(1 160)
Changes as a result of acquisitions / disposals	-
Derecognised from statement of profit and loss*	(1 620)
As at the end of period	9 794
Impairment of inventories	
As at the beginning of period	10 031
Recognition	13 744
Reversal	(8 001)
Changes as a result of acquisitions / disposals	-
As at the end of period	15 774

* Receivables are derecognised where an impairment loss had been previously created and their unrecoverable status has been documented.

9.10 Reversal of cost restructuring provisions

Did not occur at the Group during H1 2015.

9.11 Deferred income tax

Deferred income tax assets	Change in H1 2015	Change in FY 2014
As at the beginning of period	18 272	20 053
Increase	1 941	2 822
Decrease	(926)	(3 696)
Change as a result of acquisition	-	-
As at the end of period	19 287	18 272

Deferred income tax provision	Change in H1 2015	Change in FY 2014
As at the beginning of period	2 681	2 229
Recognition	298	2 496
Reversal	(353)	(2 044)
Change as a result of acquisition	-	-
As at the end of period	2 626	2 681

9.12 Financial and operating leasing

a) Finance lease liabilities

Finance lease liabilities	30 Jun 2015	
	Minimum payments	Present value of minimum payments
<i>Within 1 year</i>	1 203	959
<i>Within 1 to 5 years</i>	2 407	2 195
<i>Within more than 5 years</i>	-	-
Total	3 610	3 154

Finance lease liabilities	31 Dec 2014	
	Minimum payments	Present value of minimum payments
<i>Within 1 year</i>	1 282	903
<i>Within 1 to 5 years</i>	2 930	2 647
<i>Within more than 5 years</i>	-	-
Total	4 212	3 550

b) Operating leasing

Did not occur in H1 2015 or in the comparative period.

c) Arrangements containing a lease component in accordance with IFRIC 4

H1 2015

Asset	Term of agreement	As at 30 Jun 2015	As at 30 Jun 2016	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	43 928	87 069	347 035	433 684
	unspecified	1 376	2 604	10 416	13 020
Technical equipment and machinery	specified	1 257	2 505	10 022	12 527
	unspecified	48	104	417	521
Means of transport	specified	2 209	4 417	17 670	22 087
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

A 10-year period has been adopted for agreements with an undefined term.

2014

Asset	Term of agreement	As at 31 Dec 2014	As at 31 Dec 2015	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	82 673	118 394	471 797	589 510
	unspecified	2 753	2 854	11 414	14 268
Technical equipment and machinery	specified	16	4	-	-
	unspecified	94	94	377	471
Means of transport	specified	6 824	6 334	25 337	31 672
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

A 10-year period has been adopted for agreements with an undefined term.

9.13 Liabilities incurred in connection with purchase of property, plant and equipment

Liabilities in connection with purchase of property, plant and equipment were not recorded in H1 2015.

9.14 Correction of prior-period errors

Did not occur at the Group during H1 2015.

9.15 Non-repayment or infringement of credit facility agreements and lack of restructuring activities

Did not occur at the Group during H1 2015.

9.16 Other significant events

a) Purchase of shares in Emperia Holding S.A. by subsidiary Elpro Development under Emperia Holding S.A.'s buy-back programme

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2014 of Emperia Holding S.A.'s Supervisory Board of 8 April 2014, subsidiary Elpro Development S.A. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
13 January 2015	10 730	PLN 1	49.90	10 730	0.071%
29 January 2015	25 231	PLN 1	50.05	25 231	0.166%
9 February 2015	21 785	PLN 1	54.18	21 785	0.143%
18 February 2015	31 495	PLN 1	53.87	31 495	0.207%
24 February 2015	21 652	PLN 1	54.37	21 652	0.142%
4 March 2015	30 990	PLN 1	54.56	30 990	0.204%
10 March 2015	23 050	PLN 1	58.12	23 050	0.151%
17 March 2015	24 601	PLN 1	61.92	24 601	0.162%
20 March 2015	22 231	PLN 1	63.60	22 231	0.146%
26 March 2015	22 750	PLN 1	63.42	22 750	0.149%
31 Mar 2015	23 455	PLN 1	63.84	23 455	0.154%
8 April 2015	23 850	PLN 1	63.60	23 850	0.157%
16 April 2015	26 420	PLN 1	62.59	26 420	0.174%
24 April 2015	21 128	PLN 1	60.56	21 128	0.139%
30 April 2015	25 100	PLN 1	60.49	25 100	0.190%
6 May 2015	18 500	PLN 1	62.90	18 500	0.140%
8 May 2015	26 525	PLN 1	64.48	26 525	0.201%
13 May 2015	30 000	PLN 1	65.01	30 000	0.227%
18 May 2015	24 818	PLN 1	64.94	24 818	0.188%
20 May 2015	22 500	PLN 1	65.94	22 500	0.171%
28 May 2015	27 759	PLN 1	69.89	27 759	0.210%
3 June 2015	10 350	PLN 1	71.56	10 350	0,078%
16 June 2015	20 802	PLN 1	69.73	20 802	0.158%
25 June 2015	18 450	PLN 1	68.11	18 450	0,140%

Following the transaction, the Issuer held 804 230 own shares, entitling to 804 230 (6.096%) votes at the Issuer's general meeting and constituting 6.096% of the Issuer's share capital.

On 28 April 2015, Emperia Holding S.A. cancelled 2 031 547 of its own shares. Following registration of the cancellation, share capital is divided into 13 192 018 ordinary bearer shares (detailed information can be found in point 6.2.11 d).

Purchase of shares in Emperia Holding S.A. by a member of Emperia Holding S.A.'s Supervisory Board

On 16 January, the Management Board of Emperia Holding S.A. announced that it received notification from a person on Emperia Holding S.A.'s Supervisory Board regarding registration in his securities accounts of a total of 15 000 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.82 each.

b) Intra-group bond issuance and redemption

On 23 January 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds maturing on 27 February 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 336 million.

On 27 February 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds maturing on 27 March 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 331 million.

On 27 March 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds maturing on 30 April 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 316.5 million.

On 30 April 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds that were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 249.9 million.

On 29 May 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds maturing on 26 June 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 241.4 million.

On 26 June 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds that were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 243.8 million.

c) Resolution by Emperia Holding S.A.'s Management Board regarding amendment of "Emperia Holding S.A.'s buyback programme by Elpro Development S.A., based in Lublin"

On 29 January 2015, Emperia Holding S.A.'s Management Board announced that it had adopted resolutions regarding amendment of "Emperia Holding S.A.'s buyback programme by Elpro Development S.A., based in Lublin. Pursuant to the resolutions, the amount earmarked for own share purchases was increased to PLN 70 million, and the buyback period was extended until 31 December 2015.

d) Execution of a contingent agreement by a subsidiary

On 2 April 2015, the Management Board of Emperia Holding S.A. announced that Lublin-based subsidiary Stokrotka Sp. z o.o. had executed a conditional agreement with FRAC Handel Sp. z o.o. S.K.A., based in Rzeszów ("Frac Handel"), and FRAC Handel Sp. z o.o. Detal S.K.A., based in Rzeszów ("Frac Handel Detal"). The subject of the agreement is acquisition by Stokrotka of 19 locations in southern Poland, belonging to Frac Handel and Frac Handel Detal, together with the assets belonging to these locations as of the acquisition date. The value of the agreement is PLN 20.5 million. The agreement has been executed on conditions precedent, the main being receipt by Stokrotka of UOKiK's approval for concentration.

e) Decrease in Emperia Holding S.A. voting rights held

On 14 April 2015, the Management Board of Emperia Holding S.A. received notification from ALTUS TFI S.A. that as a result of having settled on 9 April 2015 a transaction to sell 4 764 shares of Emperia Holding S.A., its stake in total votes of Emperia Holding S.A. decreased by more than 2% in comparison with ALTUS TFI S.A.'s notification from 1 July 2013. Following the settlement of the above transaction, ALTUS 29 FIZ, managed by ALTUS TFI S.A., held 1 653 629 shares of the Company, which constituted 10.86% in the Company's total number of votes and share capital.

f) Notification from ALTUS TFI S.A. on decrease in votes at Emperia Holding S.A.'s general meeting

On 30 April 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from ALTUS TFI S.A. ("ALTUS") that, as a result of settlement of a share sale transaction on the regulated market, ALTUS 29 FIZ, managed by ALTUS, decreased its stake in the total number of votes in Emperia Holding S.A. The change in the stake in total votes resulted from settlement on 28 April 2015 of a regulated-market sale of 90 000 shares of the Company.

Following the settlement of the above transaction, ALTUS 29 FIZ, managed by ALTUS TFI S.A., held 1 487 262 shares of the Company, which constituted 11.27% in the Company's total number of votes and share capital. ALTUS's other funds do not hold any shares in the Company.

g) Ordinary General Meeting of Emperia Holding S.A.

An Ordinary General Meeting of Emperia Holding S.A. was held on 27 May 2015. The subject of the meeting was evaluation and approval of the management report on the Company's operations as well as its financial statements, including consolidated financial statements, for the previous financial year; adoption of a resolution concerning profit distribution or loss coverage, approval of Supervisory Board and Management Board members, adoption of resolutions on appointment of Supervisory Board members, adoption of a resolution on Supervisory Board member remuneration, adoption of resolutions on amendment of resolutions regarding consent to purchase Emperia Holding S.A.'s shares by Subsidiaries for cancellation, consent for executing agreements to purchase shares from Subsidiaries and consent for a bond issue, as well as adoption of a resolution on amendment of the Company's articles of association.

h) Notice from Aviva OFE Aviva BZ WBK on having exceeded 5% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from Aviva OFE Aviva BZ WBK ("Aviva OFE") that, as a result of a transactions to sell shares in Emperia Holding S.A. ("Company") executed on 24 April 2015 and in connection with a reduction in the Company's share capital being registered by court, Aviva OFE Aviva BZ WBK had increased its share in the Company's voting rights to more than 5%.

After executing and settling the above-mentioned transactions, as of 28 April 2015 Aviva OFE held 834 991 shares in the Company, constituting 6.33% of share capital (issued shares) and entitling to 834 991 votes at the General Meeting, which represented 6.33% of total votes.

i) Notification from IPOPEMA 72 FIZAN on having exceeded 10% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from IPOPEMA TFI S.A. that, in connection with the registration of a reduction in Emperia Holding S.A.'s share capital, the stake held by IPOPEMA 72 FIZ AN ("Fund") and the stakes of investment funds being managed by IPOPEMA TFI S.A. together exceeded 10% of the Company's total votes.

Following the above event and having bought shares in the Company on the regulated market, investment funds managed by IPOPEMA TFI S.A. together held 1 458 583 shares in the Company, which represents 11.06% of the Company's share capital and carries 1 458 583 votes, i.e. 11.06% of total votes at the Company's general meeting.

j) Negotiations regarding trade cooperation between Polomarket and Stokrotka

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that subsidiary Stokrotka Sp. z o.o. and Polomarket Sp. z o.o. executed on 4 May 2015 a memorandum of understanding with regard to commencing trade cooperation by establishing Polskie Supermarkety Sp. z o.o., which will include a trade division responsible for coordinating product procurement policies of both of the chains, developing a joint own-name brand and organising direct imports of selected products.

On 7 July 2015, the Management Board of Emperia Holding S.A. announced that the Office for Competition and Consumer Protection (UOKiK) had issued approval for subsidiary Stokrotka Sp. z o.o. and Polomarket Sp. z o.o. to establish a joint venture under the name Polskie Supermarkety Sp. z o.o.

On 28 August 2015, the Management Board of Emperia Holding S.A. announced that the management board of subsidiary Stokrotka Sp. z o.o. had made a decision to terminate the memorandum executed on 4 May 2015. In the course of negotiations pertaining to the business model, the parties were not able to work out a mutually satisfactory solution.

Terminating the memorandum will not have an impact on Stokrotka's growth strategy. The company continues to improve its supermarket and market models, focusing on both organic growth and mergers and acquisitions.

k) Notice from ING OFE on having exceeded 5% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from ING OFE that, in connection with a reduction in Emperia Holding S.A.'s share capital being registered by court, the Fund's stake exceeded 5% of votes at the Company's general meeting. On 5 May 2015, the Fund held 755 713 shares in the Company, which constituted 5.73% of the Company's share capital. These shares carried the right to 755 713 votes at the Company's general meeting, or 5.73% of total votes.

l) Entity authorised to audit financial statements for 2015

On 27 May 2015, the Management Board of Emperia Holding S.A. announced that the Supervisory Board had passed a resolution on the appoint of ECA Seredyński i Wspólnicy Sp. z o.o. Sp. k., based in Kraków, ul. Moniuszki 50, as auditor for Emperia Holding S.A.'s 2015 separate and consolidated financial statements and to review Emperia Holding S.A.'s interim separate and consolidated financial statements.

ECA Seredyński i Wspólnicy Sp. z o.o. sp. k. is entered onto the list of entities authorised to audit financial statements, under number 3115. The Company retained the above statutory auditor to audit financial statements for 2010-2014.

m) KDPW resolution on change in number of Emperia Holding S.A.'s registered shares

On 17 June 2015, the Management Board of Emperia Holding S.A. announced that it had received Resolution 383/15 from the Board of Krajowy Depozyt Papierów Wartościowych S.A., dated 17 June 2015, pursuant to which the Board confirmed that 13 192 018 ordinary bearer shares of Emperia Holding S.A. are marked with code PLELDRD00017 from 22 June 2015.

9.17 Significant events after the end of the reporting period

a) Purchase of shares in Emperia Holding S.A. by subsidiary Elpro Development under Emperia Holding S.A.'s buy-back programme

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2014 of Emperia Holding S.A.'s Supervisory Board of 8 April 2014, subsidiary Elpro Development S.A. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
3 June 2015	10 350	PLN 1	71.56	10 350	0.078%
16 June 2015	20 802	PLN 1	69.73	20 802	0.158%
25 June 2015	18 450	PLN 1	68.11	18 450	0.140%
6 July 2015	18 923	PLN 1	67.41	18 923	0.143%
17 July 2015	22 500	PLN 1	66.94	22 500	0.171%
6 August 2015	9 619	PLN 1	68.23	9 619	0.073%

Following the transaction, Elpro Development S.A. held 855 272 of the Issuer's shares, entitling to 855 272 (6.483%) votes at the Issuer's general meeting and constituting 6.483% of the Issuer's share capital.

b) Buyback and redemption of series A and B bonds under the Incentive Programme

On 14 July 2015, Emperia Holding S.A.'s Management Board announced that it had received information from Millennium DM S.A. on the buyback of 420 series A bonds and 9 199 series B bonds with pre-emptive rights to series P Shares. Buyback and redemption of the Bonds by the Company from the Authorised Persons was part of the Incentive Programme.

On 10 August 2015, Emperia Holding S.A.'s Management Board announced that it had received information from Millennium DM S.A. on the buyback of 15 368 series B bonds with pre-emptive rights to series P Shares. Buyback and redemption of the Bonds by the Company from the Authorised Persons was part of the Incentive Programme.

c) Intra-group bond issuance and redemption

On 7 August, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds that were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 257.5 million.

d) Extraordinary General Meeting of Emperia Holding S.A.

An Extraordinary General Meeting of Emperia Holding S.A. was held on 25 August 2015, the subject of which was adoption of resolutions concerning appointment of a new member of the Supervisory Board and resolutions concerning amendment of the Company's articles of association.

e) Notice from NN Investment Partners TFI S.A. of decrease in share of total votes at Emperia Holding S.A.'s General Meeting

On 28 August 2015, the Management Board of Emperia Holding S.A. received notification from NN Investment Partners TFI S.A. ("NN") that the stake in Emperia Holding S.A. held by all the funds managed by NN had decreased to less than 5% of votes at the General Meeting of Emperia Holding S.A. The reason for this decrease in the total number of votes at the General Meeting of Emperia Holding S.A. was the sale on 25 August 2015 of the company's share by NN Parasol FIO.

Prior to the change in stake, funds managed by NN held a total of 700 931 shares of Emperia Holding S.A., which constituted 5.31% of the Company's share capital and entitled to 700 931 (5.31%) votes at the General Meeting of Emperia Holding S.A.

Following the change in stake, funds managed by NN held a total of 656 907 shares of Emperia Holding S.A., which constituted 4.98% of the Company's share capital and entitled to 656 907 (4.98%) votes at the General Meeting of Emperia Holding S.A.

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
------------	--------------------	-----------------------------------	--------------------

2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature
------------	--------------	--	--------------------

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------

10. Semi-annual management report on Group operations

10.1 Description of Group structure

Name, registered office and economic activities of the parent entity

The parent uses the trading name Emperia Holding S.A. (previous name Eldorado S.A.), which was registered under KRS no. 0000034566 by the District Court in Lublin, 11th Commercial Division of the National Court Register.

The parent's registered office is located in Lublin, ul. Projektowa 1.

Since 1 April 2007, the principal object of Emperia Holding S.A. is activities of holding companies (PKD 70.10.Z). The company is a VAT payer, with NIP no. 712-10-07-105.

The Parent's shares have been listed on the Warsaw Stock Exchange since 2001.

The financial year for Group companies is the calendar year. Group companies have been established for an indefinite period of time.

The consolidated financial statements are prepared for the period from 1 January 2015 to 30 June 2015, and the comparative financial data covers the period from 1 January 2014 to 30 June 2014. The consolidated financial statements do not contain combined data, and the companies do not have integral organisational entities that draft financial statements on their own.

The consolidated financial statements were drawn up on the assumption that the business will continue as a going concern and that there are no circumstances such as would pose a threat to the continuing operations of Group companies in the future.

Information on consolidation

Emperia Holding S.A. is the Group's parent and prepares the Group's consolidated financial statements.

As at 30 June 2015, consolidation includes Emperia Holding S.A. and 10 subsidiaries: Stokrotka Sp. z o.o., Infinite Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., EMP Investment Limited, Ekon Sp. z o.o., IPOPEMA 55 FIZAN, Elpro Development S.A., Eldorado Sp. z o.o., P5 EKON Sp. z o.o. S.K.A.

During H1 2015, Emperia Group's structure was not subject to changes (compared to the 2014 year-end).

No.	Entity name	Registered office	Main economic activity	Registration authority	Type of control	Means of consolidation	Acquisition date / date from which significant control is exerted	% of share capital held	Share of the total number of votes at general meeting
1	Stokrotka Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Retail sale of food, beverages and tobacco	16977, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	1999-01-27	100.00%	100.00%
2	Infinite Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	IT operations	16222, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	1997-03-11	100.00%	100.00%
3	ELPRO EKON Sp. z o.o. S.K.A. (1)	20-209 Lublin, ul. Projektowa 1	Property development	392753, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2001-02-15	100.00%	100.00%
4	P3 EKON Sp. z o.o. S.K.A. (2)	20-209 Lublin, ul. Projektowa 1	Property management	407301, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2007-11-29	100.00%	100.00%
5	Elpro Development S.A.	20-209 Lublin, ul. Projektowa 1	Renting and operating of own or leased real estate	509157, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%
6	EKON Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Property management	367597, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%

7	EMP Investment Ltd. (3)	Themistokli Dervi 3, JULIA HOUSE, P.C. 1066; Nicosia, Cyprus	Investments in property	HE 272278, Ministry of Commerce, Industry and Tourism, Company Registration Department Nicosia, Cyprus	Subsidiary	Full	2010-09-03	100.00%	100.00%
8	Ipopema 55 FIZAN (4)	00-850 Warsaw, Waliców 11	Trusts, funds and similar financial instruments	RFI 591, Investment Fund Register maintained by the District Court in Warsaw	Subsidiary	Full	2010-12-09	100.00%	100.00%
9	Eldorado Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Activities of head offices; management consultancy activities	400637, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	03-10-2011	100.00%	100.00%
10	P5 EKON Sp. z o.o. S.K.A. (5)	20-209 Lublin, ul. Projektowa 1	Renting and operating of own or leased real estate	425738, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	24-11-2011	100.00%	100.00%

- (1) indirectly by IPOPEMA 55 FIZAN (80 825 shares), EKON Sp. z o.o. (contribution)
(2) indirectly by IPOPEMA 55 FIZAN (138 427 shares), EKON Sp. z o.o. (contribution)
(3) indirectly through Elpro Development S.A.
(4) indirectly by EMP Investment Limited
(5) indirectly by: IPOPEMA 55 FIZAN (56 047 shares), EKON Sp. z o.o. (contribution)

Subsidiaries excluded from the consolidated financial statements as at 30 June 2015, together with legal basis for exclusion

Entity name	Registered office	Legal basis for exclusion	Emperia's share in capital (% as at the end of the reporting period)	Emperia's share of voting rights (% as at the end of the reporting period)
1. P2 EKON Sp. z o.o. S.K.A.	20-209 Lublin, ul. Projektowa 1	The financial data of these entities is insignificant from the viewpoint of the requirement to present the Group's asset position, financial situation and performance in a reliable and transparent manner.	100.00%	100.00%

Entities other than subsidiaries, associates and jointly controlled entities, with indication of name and registered office, in which related parties hold more than 20% of shares as at 30 June 2015

Entity name	Registered office	Share capital (in PLN 000s)	Emperia's share in capital (% as at the end of the reporting period)	Emperia's share of voting rights (% as at the end of the reporting period)
1 "Podlaskie Centrum Rolno-Towarowe" S.A. (1)	Białystok ul. Gen. Wł. Andersa 40	11 115	0.30%	0.60%

(1) indirectly by P3 EKON Sp. z o.o. S.K.A

10.2 Effects of changes in group structure

All changes in the Group's structure are presented in detail in point 8.7

10.3 Management's position regarding previously published forecasts

The Management Board of Emperia Holding S.A. did not publish forecasts for 2015.

10.4 Shareholders with at least 5% of votes at the general meeting, at report publication date

Shareholders	Shares held, as at report publication date	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published	Number of votes at general meeting, as at report publication date	% of votes at general meeting at report publication date
Ipopema TFI	1 458 583	11.06%	1.75%	1 433 437	9.42%	1 458 583	11.82%
Altus TFI	1 449 528	10.99%	(12.34%)	1 653 629	10.86%	1 449 528	11.75%
AXA OFE	977 481	7.41%	9.58%	891 992	5.86%	977 481	7.92%
Aviva OFE	834 991	6.33%	9.88%	759 910	4.99%	834 991	6.77%
NN OFE	755 713	5.73%	-	755 713	4.96%	755 713	6.13%

On 30 June 2015, subsidiary Elpro Development S.A. held a total of 804 230 shares in Emperia Holding S.A.

On 16 January 2015, the Issuer introduced to stock-market trading 43 976 ordinary bearer shares series P. Detailed information on this subject is presented in point 8.7 a).a)

On 28 April 2015, a reduction in the share capital of Emperia Holding S.A. was registered in connection with cancellation of 2 031 547 own shares. Detailed information on this subject is presented in point 8.7 d)

10.5 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 30 June 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Dariusz Kalinowski	19 647	0.149%	-	19 647	0.129%
Cezary Baran	420	0.003%	-	420	0.003%

Supervisory Board members	Shares held, as at 30 June 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Jarosław Wawerski	15 000	0.114%	-	15 000	0.099%

10.6 Information regarding on-going judicial proceedings

On 9 May 2012, the Management Board of Emperia Holding S.A. filed a suit with the Court of Arbitration at the Polish Chamber of Commerce against Ernst & Young Audit Sp. z o.o., having its registered office in Warsaw, for payment of PLN 431 053 618.65 as compensation for damages suffered by the Company as a result of the non-performance of an agreement between Emperia Holding S.A. and Eurocash S.A. and Ernst & Young Audit Sp. z o.o. The Company suffered damages due to the fact that Ernst & Young Audit Sp. z o.o. did not draft a report which was to constitute the basis for establishing a price for the shares being sold to Eurocash S.A. As a result of this non-performance of obligations by Ernst & Young Audit Sp. z o.o., a dispute arose between the Company and Eurocash S.A. regarding the share price. An arbitration proceeding was consequently initiated, which ended in an arrangement consisting of the sale of shares for a price lower than that resulting from the investment agreement between the Company and Eurocash S.A.

On 2 January 2013, the Company received a decision of the Court of Arbitration at the Polish Chamber of Commerce of 11 December 2013, ruling that Ernst & Young Audit Sp. z o.o. pay the Company the following: PLN 795 000 with statutory interest from 6 April 2012 to payment date in damages for non-performance of an agreement executed between Emperia Holding S.A. and Eurocash S.A. and Ernst & Young Audit Sp. z o.o., along with PLN 839 180 for refund of the costs of the proceeding. The remaining part of the dispute was rejected.

On 17 February 2014, Ernst & Young Audit Sp. z o.o. paid PLN 795 000 in damages, PLN 109 108.77 in interest and PLN 839 180 in refund of the costs of proceedings, bringing the total to PLN 1 827 288.77. The transaction was recognised in the accounts in Q1 2014.

On 2 April 2014, the Management Board of Emperia Holding S.A. filed an appeal with the District Court in Warsaw, 20th Commercial Division, seeking for the ruling in court of Arbitration at the Polish Chamber of Commerce of 11 December 2013 to be overturned. In Emperia's opinion, the Court of Arbitration issued its ruling in violation of the principle legal regulations in Poland, including the principles concerning full compensation and absolute liability for damages. The Issuer believes that the ruling did not take into consideration some of the evidence, violated equal treatment rules and did not meet the requirements concerning composition of an arbitration body. The value of the dispute being appealed is PLN 430 258 619.

10.7 Significant related-party transactions

In H1 2015, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the ordinary course of business on market terms.

All intra-group mergers in H1 2015 are presented in point 8.7

Short-term bonds were issued as part of the Group's cash flow management, as described in note 9.5

10.8 Credit facilities, loans, sureties and guarantees

In H1 2015, the parent, Emperia Holding S.A., did not issue new credit guarantees for subsidiaries such as would exceed 10% of the Issuer's equity. A detailed description of the guarantees is presented in point 9.8.

10.9 Other information of consequence to the Group's HR situation, asset position and financial performance

10.9.1 Financial highlights and operational performance of the Group

The Management Board sees a positive assessment of Emperia Group's financial results in Q2 and H1 2015. All business segments delivered satisfactory positive results and are continuing on their growth paths so far in 2015. The Group's significantly higher net profit generated so far in 2015 resulted from much stronger results in the retail segment.

Changes in key items from the statement of profit and loss

Item	Q2 2015	Q2 2014	%
Revenue from sales	496 089	502 360	-1.25%
Profit on sales	144 565	145 312	-0.51%
EBITDA	24 280	27 763	-12.55%
Operating profit	13 393	16 025	-16.42%
Profit before tax	12 446	16 213	-23.23%
Profit for the period	10 261	14 126	-27.36%

Revenue in the second quarter of 2015 went down by 1.25%, as compared with the same period last year. Revenue was considerably affected by deflation in food prices (according to GUS for Q2 2015 food and non-alcoholic beverages: -2.1%) and stiff pricing competition in the retail segment.

Net profit in Q2 2015 was PLN 10 261 000, down 27.36% from the previous year. However, a provision for onerous contracts in the retail segment was reversed in the second quarter of 2014, which together with the tax effect increased the bottom-line by PLN 5 160 000.

One-off events having material impact on Group results in both of the reporting periods:

- In Q2 2015, the Group generated PLN 947 000 in gross loss on financing activities, compared with gross profit of PLN 188 000 in Q2 2014,
- In Q2 2015, no gross profit on property sales were recognised, while in Q2 2014 gross profit was PLN 637 000,
- In Q2 2015, the retail segment incurred one-off costs connected with store closures of PLN 811 000, versus PLN 1 757 000 in Q2 2014,
- In Q2 2015, PLN 2 032 000 in costs connected with the payment of contractual penalties and compensation was incurred, compared to PLN 12 000 in Q2 2014,
- In Q2 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset.

Item	H1 2015	H1 2014	%
Revenue from sales	982 431	981 803	0.06%
Profit on sales	284 795	282 365	0.86%
EBITDA	55 223	44 995	22.73%
Operating profit	33 288	21 593	54.16%
Profit before tax	32 402	22 155	46.25%
Profit for the period	29 072	17 355	67.51%

In the first half of 2015, the Group maintained revenue at a level similar to the previous year (up by 0.06%). Given the difficult market conditions in retail - competition and deflation (according to GUS data for the first half of 2015, food and non-alcoholic beverage prices went down by 2.9%), this is a satisfactory result.

Overall net profit for H1 2015 was PLN 29 072 000, up 67.51% from the comparative period. Results in the first half of 2015 were considerably affected by a property sale transaction (gain of PLN 7 750 000) and a strong improvement in Retail Segment results (gain of PLN 4 816 000).

One-off events having substantial impact on H1 2015 results:

- In H1 2015, the Group generated PLN 886 000 in gross loss on financing activities, compared with gross profit of PLN 562 000 in H1 2014,
- In H1 2015, a gross profit of PLN 7 750 000 on a property disposal transaction was recognised, compared to PLN 643 000 in gross profit in H1 2014,
- In H1 2015, the retail segment incurred one-off costs connected with store closures of PLN 1 716 000, and PLN 2 798 000 in H1 2014,
- In H1 2015, PLN 2 185 000 in costs connected with the payment of contractual penalties and compensation was incurred, compared to PLN 1 012 000 in H1 2014,
- In H1 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset.
- In H1 2014, Emperia Holding was awarded PLN 1 634 000 in a court dispute with Ernst & Young Sp. z o.o.
- In H1 2014, the retail segment incurred retail company merger costs of PLN 1 033 000.

Changes in key balance sheet items

Item	H1 2015	H1 2014	%
Total assets	899 550	960 778	-6.37%
Non-current assets	581 729	583 230	-0.26%
Current assets	317 821	377 548	-15.82%
Cash and cash equivalents	58 510	124 774	-53.11%
Liabilities and liability provisions	314 076	336 946	-6.79%
Total current liabilities	291 129	306 496	-5.01%
Net assets	585 474	623 832	-6.15%
Share capital (PLN)	13 192 018	15 115 161	-12.72%
Current-period earnings per share, annualised (in PLN)	3.33	0.48	5938%

Operational performance and ability to meet liabilities

Item	H1 2015	H1 2014
Return on invested capital <i>(profit for the period / equity at the end of the period) in %</i>	4.97%	2.78%
Return on assets <i>(profit for the period / assets at the end of the period) in %</i>	3.23%	1.81%
Sales margin <i>(profit from sales for the period / revenue from sales for the period) in %</i>	28.99%	28.76%
EBITDA margin <i>(EBITDA / revenue from sales for the period) in %</i>	5.62%	4.58%
Operating margin <i>(operating profit for the period / revenue from sales for the period) in %</i>	3.39%	2.20%
Gross margin <i>(profit before tax for the period / revenue from sales for the period) in %</i>	3.30%	2.26%
Net margin <i>(profit for the period / revenue from sales for the period) in %</i>	2.96%	1.77%

Turnover cycles for key components of working capital

Methodology	H1 2015	H1 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*182)</i>	45.5	47.5
Receivables turnover days <i>(current receivables / revenue from sales*182)</i>	9.1	11.8
Payables turnover days <i>[(current liabilities - current borrowings) / value of goods for resale and materials sold*182]</i>	77.1	80.9
Asset productivity <i>(revenue from sales / total assets)</i>	1.1	1.0
Non-current asset productivity <i>(revenue from sales / non-current assets)</i>	1.7	1.7

In the first half of 2015, inventory turnover ratio decreased by two days, receivables turnover by 2.7 days, and payables turnover by 3.8 days. Changes in the above turnover ratios resulted in an extension of the cash conversion cycle in H1 2015 by 0.9 days, but had no effect on asset turnover.

Retail segment



	Q2 2015	Q2 2014	%
Segment revenue	484 791	490 046	-1.07%
Profit on sales	139 238	140 931	-1.20%
EBITDA	12 736	17 126	-25.63%
Operating result	4 802	8 684	-44.70%
Gross profit	3 985	7 385	-46.04%
Net segment result	3 043	6 473	-52.99%

	H1 2015	H1 2014	%
Segment revenue	957 226	959 258	-0.21%
Profit on sales	274 656	273 737	0.34%
EBITDA	23 009	21 251	8.27%
Operating result	7 013	4 568	53.52%
Gross profit	5 131	1 835	179.62%
Net segment result	4 618	187	2 369.52%

Retail-segment revenue in Q2 2015 went down by 2.22% and cumulatively for H1 2015 - slightly down, by 0.21%. The segment's revenue has so far in 2015 been considerably affected by deflation in food prices (according to GUS for Q2 2015 food and non-alcoholic beverages: -2.1%) and stiff pricing competition in the retail segment.

The Retail Segment saw a 52.99% year-on-year decline in net profit in the second quarter of 2015. However, a provision for onerous contracts in the retail segment was reversed in the second quarter of 2014, which together with the tax effect increased the bottom-line by PLN 5 160 000.

Overall, the Retail Segment's net profit for H1 2015 was PLN 4 618 000, up 2 369.52% from the comparative period.

One-off events having substantial impact on the retail segment:

- In Q2 2015, the retail segment incurred one-off costs connected with store closures of PLN 811 000, versus PLN 1 757 000 in Q2 2014, and cumulatively for H1 2015: PLN 1 716 000, versus H1 2014: PLN 2 798 000,
- In Q2 2015, PLN 2 032 000 in costs connected with the payment of contractual penalties and compensation was incurred, compared to PLN 1 012 000 in H1 2014,
- In Q2 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset.
- In H1 2014, the retail segment incurred retail company merger costs of PLN 1 033 000.

In Q2 2015, Stokrotka Sp. z o.o. continued processes aimed at optimising its in-house logistics system. Key information on logistics performance:

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014 */	Q1 2015	Q2 2015
Total Stokrotka store deliveries during the period	352 878	406 919	374 197	388 154	386 554	403 626	371 832	381 262
Stokrotka store deliveries using in-house logistics during the period	165 010	276 759	296 490	326 974	321 745	332 915	311 708	313 165
% of Stokrotka store supply going through in-house logistics (supply of Stokrotka stores with products through in-house logistics / overall product supply for Stokrotka stores)	46.76%	68.01%	79.23%	84.24%	83.23%	82.48%	83.83%	82.14%
Total value of products delivered to the Group's store via in-house logistics	166 710	282 381	300 932	328 409	324 328	337 082	317 019	320 902
Logistics costs*	15 219	20 384	19 411	20 296	20 550	23 640	21 621	22 527
Logistics revenue	3	35	119	236	420	1 978	2 559	3 752
Net logistics costs	15 216	20 349	19 292	20 060	20 130	21 662	19 062	18 775
including: - cost of warehouse maintenance	1 983	2 363	2 293	2 601	2 545	2 626	2 726	2 657
- cost of product handling logistics	6 104	8 057	8 128	8 726	8 493	9 818	8 084	7 778
- cost of transport	6 820	9 544	8 687	8 555	8 886	9 011	8 086	8 145
- general costs	309	385	184	178	206	208	166	195
Logistics cost ratio (logistics costs / value of products delivered by in-house logistics)	9.13%	7.21%	6.41%	6.11%	6.21%	6.43%	6.01%	5.85%
Revenue from sales	473 018	470 774	468 347	489 368	473 248	500 409	471 718	484 261
Cost of sales	356 732	350 568	336 406	349 114	343 674	360 829	337 017	344 306
Gross sales margin	116 286	120 206	131 941	140 254	129 574	139 580	134 701	139 955
Gross sales margin (in %) (result on sales / revenue from sales)	24.58%	25.53%	28.17%	28.66%	27.38%	27.89%	28.56%	28.90%

*/ without taking into consideration one-off logistics costs incurred in Q4 2014.



Logistics cost ratio increased by 5.85% in Q2 2015 and was down 0.26% from the second quarter last year.

The Company intends to continue improving logistics effectiveness in subsequent periods through:

- improved productivity of logistics staff,
- allocation of overhead to a larger volume of distributed products,
- improved transport effectiveness,
- limiting product losses,
- launching a 6 000 sqm distribution centre in Lublin at the end of 2015 / start of 2016,

Gross sales margin from the moment implementation of in-house logistics began significantly improved, reaching 28.90% in Q2 2015, up 0.24% on Q2 2014.

Cash conversion cycle in the retail segment

	H1 2015	H1 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*182)</i>	45.1	46.6
Receivables turnover days <i>(trade receivables / revenue from sales*182)</i>	4.6	6.7
Payables turnover days <i>(trade payables / value of goods for resale and materials sold*182)</i>	59.0	62.7
Cash conversion cycle <i>(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)</i>	-9.3	-9.4

In the first half of 2015, inventory turnover ratio decreased by 1.5 days, receivables turnover by 2.1 days, and payables turnover by 3.7 days. The change in turnover ratios resulted in a decrease in the retail segment's cash conversion cycle in H1 2015 by two days.

Stokrotka supermarkets



	H1 2015	H1 2014
Number of stores at the beginning of period	252	211
- stores opened	16	2
- stores shut-down*/	4	8
- stores acquired by Stokrotka through the merger of retail companies		36
Number of stores at the end of period, including:	264	241
- own supermarkets	223	217
- own markets	34	23
- franchise stores	7	1
Average total store surface - stores opened (in sqm)	443	779
Capex on own stores opened	9 360	2 512

*/ Six stores acquired by Stokrotka Sp. z o.o. as a result of the merger of retail companies, with sales floor of less than 150 sqm, were shut down in Q1 2014.

As at the end of H1 2015, the retail segment comprised 264 retail stores, vs. 241 as at H1 2014. In the second quarter of 2015, seven new stores were launched and two were closed. In 2015 YTD, Stokrotka has opened 16 and closed four stores.

In 2015, the Retail Segment has been focusing on expanding its retail chain. By the time these financial statements were published, another 25 stores had been opened.

Stokrotka store results (on a like-for-like basis)

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

Data - 232 Stokrotka stores operating at the end of 2013

Stokrotka headquarters

	H1 2015	H1 2014
<i>central management costs as % of revenue from sales</i>	<i>2.4%</i>	<i>2.6%</i>
<i>marketing costs as % of revenue from sales</i>	<i>0.9%</i>	<i>1.0%</i>

Property segment

	Q2 2015	Q2 2014	%
Segment revenue	17 977	16 646	8.00%
EBITDA	10 448	10 577	-1.22%
Operating result	7 495	7 560	-0.86%
Gross profit	6 809	7 255	-6.15%
Net segment result	5 768	6 072	-5.01%



	H1 2015	H1 2014	%
Segment revenue	35 917	34 964	2.73%
EBITDA	28 774	20 575	39.85%
Operating result	22 793	14 480	57.41%
Gross profit	21 928	13 877	58.02%
Net segment result	19 836	11 782	68.36%



In the second quarter of 2015, the property segment showed 8.00% growth in revenue from sales, and 2.73% for H1 2015, from the same periods last year.

The segment's net result in Q2 2015 came to PLN 5 768 000 and was 5.01% lower than in the comparative period, while in H1 2015 it was PLN 19 836 000, i.e. 68.36% higher than in the same period last year. The segment's first-half results were significantly impacted by property disposal transactions. Property disposals generated PLN 7 750 000 in profit for the segment in H1 2015, as compared with PLN 521 000 in H1 2014 (the transaction is described in detail in point 9.3).

	H1 2015	H1 2014
Number of properties at the end of period	92	94
including: properties in progress	8	12
operating properties	84	82
including: retail properties	78	77
other properties	6	5
average monthly net operating income from leasable facilities*	3 564	3 444
including: retail properties	3 266	3 371
leasable area of retail facilities (sqm)	87 897	91 813
including: related tenants	54 197	56 367
other tenants	33 700	35 446
average lease rate (PLN per sqm)	41.8	41.9
including: related tenants	43.4	43.4
other tenants	39.2	39.5

* NOI (net operating income) for a property is defined as the difference between its average monthly operating revenue and average monthly operating costs, less depreciation

IT segment



	Q2 2015	Q2 2014	%
Segment revenue	7 958	9 891	-19.54%
EBITDA	1 793	2 785	-35.62%
Operating result	1 551	2 488	-37.66%
Gross profit	1 643	2 595	-36.69%
Net segment result	1 317	2 094	-37.11%



	H1 2015	H1 2014	%
Segment revenue	18 929	18 226	3.86%
EBITDA	4 428	5 226	-15.27%
Operating result	3 953	4 631	-14.64%
Gross profit	4 089	4 846	-15.62%
Net segment result	3 288	3 908	-15.86%

	Q2 2015	Q2 2014	%
Revenue from sale of services	6 520	6 622	-1.54%
<i>including: external</i>	4 601	4 463	3.09%
Revenue from sale of goods and materials	1 438	3 269	-56.01%
<i>including: external</i>	884	2 203	-59.87%
Total revenue	7 958	9 891	-19.54%
<i>including: external</i>	5 485	6 666	-17.72%

	H1 2015	H1 2014	%
Revenue from sale of services	13 668	13 139	4.03%
<i>including: external</i>	9 510	8 959	6.15%
Revenue from sale of goods and materials	5 261	5 087	3.42%
<i>including: external</i>	4 081	2 424	68.36%
Total revenue	18 929	18 226	3.86%
<i>including: external</i>	13 591	11 383	19.40%

The segment posted a 19.54% decline in revenue from sales in the second quarter of 2015 and a 3.86% growth in revenue in the first half of 2015. These differences in revenue stem from a different distribution of product sales revenue in the first and second quarter of this and previous year.

In Q2 2015, segment revenue to external customers constituted 68.92% of total revenue from sales, while in Q2 2014 it accounted for 67.39%. In H1 2015, external revenue constituted 71.80% of total revenue, and in H1 2014: 62.45%.

The segment's profit in the second quarter of 2015 was 37.11% lower, and 17.72% lower in H1 2015, both compared to the respective periods in the year prior. The decline in profit resulted from higher employee costs in 2015 connected with stronger market demand for IT professionals.

Central management segment

	Q2 2015	Q2 2014	%
Segment revenue	418	768	-45.57%
EBITDA	(633)	(2 679)	-
Operating result	(790)	(2 338)	-
Gross profit	8 484	6 912	22.74%
Net segment result	8 615	6 900	24.86%

	H1 2015	H1 2014	%
Segment revenue	887	1 278	-30.59%
EBITDA	(487)	(1 927)	-
Operating result	(837)	(1 262)	-
Gross profit	9 698	9 824	-1.28%
Net segment result	9 668	9 211	4.96%

After transferring the trade intermediation business to the retail segment and the property business to the property segment in 2014, this segment's activities were substantially curtailed.

The segment's key profit items in both periods were interest and dividend income. Interest income in H1 2015 was PLN 1 758 000, compared with PLN 3 773 000 in H1 2014. Dividend income in H1 2015 was PLN 9 000 000, compared with PLN 7 566 000 in H1 2014. In addition, the H1 2014 result was substantially impacted by the PLN 1 827 000 in amounts awarded in a court dispute with E&Y.

10.9.2 Extraordinary events having an impact on annual performance

The event is described in point 9.3.

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

Management Board

In H1 2015, the composition of the Management Board of Emperia Holding S.A. remained unchanged.

Composition of Emperia Holding S.A.'s Management Board as at 30 June 2015:



Dariusz Kalinowski – President of the Management Board; Graduated from the University of Szczecin, Economics Faculty. MBA from the European University Centre for Management Studies in Switzerland. CEO, managing director, Emperia Holding S.A.



Cezary Baran – Vice-President of the Management Board, Finance Director; Graduate of the Marie Curie-Skłodowska University in Lublin, Economics Faculty. Investment adviser licence no. 241. Vice-president, finance director, Emperia Holding S.A.

Supervisory Board

The composition of Emperia Holding S.A.'s Supervisory Board did not change during H1 2015.

Composition of Emperia Holding S.A.'s Supervisory Board as at 30 June 2015:

1. Artur Kawa – Chairperson of the Supervisory Board
2. Michał Kowalczewski – Independent Member of the Supervisory Board
3. Andrzej Malec – Member of the Supervisory Board
4. Artur Laskowski – Member of the Supervisory Board
5. Jarosław Wawerski – Member of the Supervisory Board

On 27 May 2015, an Ordinary General Meeting of Emperia Holding S.A. re-appointed Artur Laskowski and Jarosław Wawerski for a new term.

On 28 July 2015, the Management Board of Emperia Holding S.A. received the resignation of Andrzej Malec as member of the Supervisory Board of Emperia Holding S.A., effective from 25 August 2015.

On 25 August 2015, an Ordinary General Meeting of Emperia Holding S.A. appointed Aleksander Widera to the Supervisory Board.

10.10 Factors having an impact on the results to be achieved over the perspective of at least the next half-year

External:

- a) Domestic macroeconomic situation, as measured by indicators: GDP growth, unemployment rate, net household income, inflation/deflation
- b) Changes in tax laws
- c) Changes in the FMCG market
- d) Growth in prices of products and services used by the Group, in particular fuel and electricity
- e) Policies of financial institutions with regard to the financing of businesses and consumers (interest rates, loan margins, collateral)
- f) Conditions in the job market and costs of employment
- g) Conditions in the property market, in particular the development segment

Internal:

- a) Business process optimisation (improved operating performance and higher management quality in all segments),
- b) Streamlined structure of the property segment,
- c) Internal cost control policy,
- d) Effectiveness improvements in in-house logistics within the retail segment
- e) Growth dynamic of the Stokrotka retail chain

10.11 Risk factors

External:

Macroeconomic situation - the macroeconomic conditions and GDP growth in Poland are particularly important for the Group, especially external factors such as: government's economic policy and decisions made by the National Bank of Poland and the Monetary Policy Council having an impact on money supply, interest rates, currency rates, GDP growth, inflation/deflation, budget deficit, foreign debt and the unemployment rate.

Unfavourable changes in the macroeconomic background, particularly lower GDP growth or increase in unemployment, may have a negative impact on the Group's business and financial performance.

Tax system and legislative changes - tax settlements and other areas of business that are subject to regulations may be the object of audit by administrative organs which are authorised to impose steep penalties, sanctions and interest. A lack of well-established legal regulations in Poland results in a lack of transparency and inconsistencies when it comes to interpreting the law. Frequent changes to regulations concerning VAT, corporate income tax, individual income tax and social security result in there being no reference to well-established regulations or no legal precedence. Frequent diverging opinions as regards interpreting tax laws both among tax authorities internally and between tax authorities and companies produce unclear, conflicting positions. These circumstances mean that tax risk in Poland is substantially higher than in countries with a more developed tax system.

Tax settlements may be the subject of an audit for a period of five years, counting from the end of the year in which tax was paid. As a result of future audits, the Group's previous tax settlements may be increased by additional tax liabilities.

Competition in retail - the Group's developing medium-format chain is located for the most part in medium and small cities. These areas are the subject of intense pressure from discount chains. Given the increasing saturation

in large cities, even large international retailers are stepping up their efforts in smaller towns - i.e. the Group's traditional markets. Current and planned initiatives by the Group's competitors - retail chain operators - may lead to a lower revenue growth at the Group's retail chains as well as to margin pressure, which would have a negative impact on future financial results. In addition, actions by competitors may make it more difficult and/or more expensive to procure new attractive locations.

Internal:

Segment consolidation – the Group is optimising and re-designing its operating segments: retail, IT and property. The large scale and promptness of these changes may give rise to operational risk, understood as losses due to their incompatibility or unreliability with regard to their impact on internal processes, employees and systems. This may result in temporary losses and delays in expected synergies.

IT systems and associated technical infrastructure - the application of uniform, modern and efficient IT systems is of key significance in business processes. Equally important is the associated technical infrastructure which provides fast, reliable connectivity and data processing. The Group constantly develops, standardises and upgrades IT solutions by developing its own tools and purchasing new offerings. It is possible that potential interruptions in IT system operations could lead to interruptions in business processes and result in lower quality of service.

Acquisitions - generating a higher rate of corporate growth through M&A is a significant element of the Group's strategy. There is a risk that, in the case of certain entities with which the Group is in talks on consolidation, the Group might need to abandon its investment plans because transactions initially identified as attractive may be associated with too much risk or the transaction price expected by the owners of such entities may not be economically justifiable. Also in the case of completed transactions, it may be possible that future financial performance of the acquired entities and the synergy effects will be lower than expected. As a result, the Group's consolidation activities might not translate into growth in revenue and earnings or the acquisition costs may prove too high in relation to the achieved effects.

Suppliers – operating in FMCG retail, the Group has contracts with numerous suppliers, which provide for discounts and favourable payment terms. Despite the fact that none of the Group's companies is dependent on specific suppliers, there is a risk that terminating contracts or negatively changing their terms, especially if this were to happen with a large number of contracts, may have a negative impact on the Group's financial performance.

10.12 Charitable work at Emperia Group

Charitable work plays a significant role in our Group's policy, as evidenced by the Emperia Foundation and a number of programmes focused on helping those in need.



The Emperia Foundation was established in 2010. It helps out those employees and their loved ones who are faced with difficulties.

The Foundation helps out employees and their families - children, spouses and parents - as well as former employees who are now retired. The Foundation also contributes to the development of children and youth.

The Foundation co-finances medicine purchases and doctor visits as well as covers the costs of rehabilitation and health travel. The Foundation also supports its beneficiaries in obtaining other forms of assistance.



The Stokrotka Helps competition is focused on voluntary work by our staff. In successive editions of the competition, our employees achieved fantastic results. They have so far completed 18 projects, in which over 100 volunteers from Stokrotka Sp. z o.o. participated.



The initiative consisted of preparing Christmas gifts for a selected family in need. Stokrotka volunteers came together in various groups across Poland and selected families which they wanted to help (based on detailed descriptions of the families' situation and needs). The next stage was preparing packages which were then sent to a warehouse to which a given family was assigned and subsequently sent to the recipients. The Christmas packages, which were received by nearly 12 000 families all around Poland, were worth close to PLN 20 million in total.



Blood drive

Just like every year since 2011, a blood drive for all our employees is being held at the Group's central office. A special bus equipped with mobile blood drawing equipment is brought in for the occasion, and our employees are eager to donate blood right in our car park. The blood drives are a response to the Centre's appeal to replenish drastically low levels of blood stores which are essential to saving lives.



Share-a-Meal Programme

The Stokrotka supermarket chain was a commercial partner of the Share-a-Meal programme. The programme is aimed at combating malnourishment among children and is based on the cooperation of numerous persons and organisations. So far, 10 million meals have been prepared. Aside from measurable results in the form of meals delivered to children, the programme has a social-education component. This includes: raising social awareness of malnourishment among children and activating local leaders and organisations to act towards resolving this problem. Thanks to the activities and ideas of many people, the programme is one of Poland's most popular, engaging several thousand of participants and volunteers.



Environmental protection

Environmental protection is one of the 21st century's largest challenges for humanity. Global problems can be solved only if we all take action. Stokrotka employs 7 500 people across 240 stores, 10 warehouses and its headquarters. We serve thousands of customers every day. Given such a large number of people and locations, we implement the following pro-environment initiatives:

- collecting plastic caps, which also supports charitable organisations
- gathering used batteries and delivering them for safe utilisation
- providing biodegradable bags
- saving light - thanks to energy-efficient light bulbs and through educating our employees
- waste sorting



Mammobuses

Stokrotka has joined a breast cancer prevention campaign. Mammobuses, mobile breast cancer buses that offer specialty screening services, can often be found at our supermarkets across Poland.



Feeding Hungry Animals

Our company has decided to become involved in helping animals. At many of our supermarkets, we organise cyclical food collections for dogs and cats from the animal shelters that want to work together with Stokrotka.

The campaign's motto is "Feed a Hungry One." We want to draw our clients' attention to the problems that Polish animal shelters face each day: overcrowding and underfunding. Donating food for homeless dogs and cats during daily shopping at a client's preferred location can be an excellent way of helping. This does not require much of an effort but is important for the animals that do not have the good fortune of living in a loving and caring home.

Miesięczne Praktyki Bezpłatne

Our Company values our employees' creativity, involvement and pro-active attitude, which is why we make plenty of young, inexperienced hires - often, graduates from a wide array of studies.

Stokrotka's internships for students and graduates are open all-year-round. Each month, we accept about 10 interns. We offer full-time employment for the best of them.

We've been continuously working with universities and student organisations for a number of years now. One of our key offerings for students is the internship - which allows meeting the Company and gaining first, valuable professional experience.

Benefits for interns:

- interesting, valuable professional experience,
- new skills and practical on-the-job know how,
- getting to know the Company - its standards and expectations towards future employees,
- internship as an important addition on the CV.

Letnia Szkoła Menadżera

The Summer School for Managers is a paid summer internship programme at the various departments of our company's headquarters.

What do you gain from attending the Summer School for Managers?

- remuneration
- valuable professional experience
- familiarity with one of the largest FMCG companies
- opportunity to work on business projects under professional supervision
- participation in personalised training

We later hire many of the graduates of these internships.



Open Days

Our company organises Open Days for students at our headquarters in Lublin on a regular basis. Thanks to this initiative, young people can get to know the company and the business areas that are of interest to them. Many of these visitors later apply for unpaid internships, the Summer School for Managers and specific job ads. We are glad that we continue to meet the needs of students.



Internship and Job Fair

We participate in internship and job fairs throughout Poland on a regular basis. We believe that people who actively look for work will be interested in what we have to offer. We are certain that because of our involvement in the job market we gain valuable and loyal employees, at the same time polishing our company's image as an employer.



Facebook profile for students

With a view toward reaching a wide audience online, we have created a source of information and communications - the Facebook profile "Stokrotka-sprawdź nas w praktyce". We show our potential interns and employees the company life, not necessarily just the formal one. We want to encourage them to get interested in our business.



Employee Rewards

In line with our values, we try to appreciate and recognise our employees. Store and headquarters employees are rewarded for their involvement and client-centric attitudes. Aside from rewarding solid work, we also organise numerous competitions that stimulate creativity and openness. One of such competitions is the Simple Idea - Huge Benefits event, where employees can submit their ideas for innovation during work hours.



Sponsorship

We see strong potential in the company's being socially engaged. We value local initiatives, which often draw large crowds. Supporting local events, campaigns and such also creates a marketing opportunity.



Running team

We support our employees' passions and we help to foster them. At the same time, we want to promote our company. At the initiative of our most top running aficionados, the Stokrotka Team was established. It is supported by our company in terms of marketing and funding. We are proud of our employees.



Stokrotka Passions

Our employees are active not only at work. They partake in diverse, fascinating activities in their free time. We want to support such active behaviours because we believe that a happy employee is also full of passion in his or her professional life. Therefore, we have launched the Stokrotka Passions Programme which co-finances hobbies for our employees.

Lublin, August 2015

Signatures of all Management Board members:

2015-08-28	Dariusz Kalinowski	President of the Management Board Signature
------------	--------------------	-----------------------------------	--------------------

2015-08-28	Cezary Baran	Vice-President of the Management Board, Finance Director Signature
------------	--------------	--	--------------------

Signatures of persons responsible for book-keeping

2015-08-28	Elżbieta Świniarska	Economic Director Signature
------------	---------------------	-------------------	--------------------