



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST HALF OF 2015

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

(DATA IN PLN 000s)

LUBLIN, AUGUST 2015

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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 for resale and materials	7 898	6 865	1 910	1 643
II.	Operating profit	2 628	2 382	636	570
III.	Profit before tax	22 966	13 298	5 555	3 183
IV.	Profit for the period	22 242	11 983	5 380	2 868
V.	Net cash flows from operating activities	(3 666)	13 822	-887	3 308
VI.	Net cash flows from investing activities	(19 484)	(49 008)	(4 713)	(11 729)
VII.	Net cash flows from financing activities	(16 514)	(12 097)	(3 995)	(2 895)
VIII.	Total net cash flows	(39 664)	(47 283)	(9 594)	(11 316)
IX.	Total assets	597 758	595 384	142 513	139 686
X.	Liabilities and liability provisions	97 070	100 423	23 143	23 561
XI.	Non-current liabilities	609	786	145	184
XII.	Current liabilities	96 461	99 637	22 998	23 376
XIII.	Equity	500 688	494 961	119 371	116 125
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 per ordinary share, annualised (in PLN/EUR)*	2.14	1.06	0.52	0.25
XVIII.	Diluted earnings per ordinary share, annualised (in PLN/EUR)**	2.13	1.05	0.52	0.25
XIX.	Book value per share (in PLN/EUR)*	39.47	36.83	9.41	8.64
XX.	Diluted book value per share (in PLN/EUR)**	39.37	36.76	9.39	8.62
XXI.	Paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

* calculated using the weighted average number of shares in the Company

** calculated using the weighted average diluted number of shares in the Company

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 of financial position

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Non-current assets	484 005	372 467	389 725
Property, plant and equipment	56 636	34 580	51 589
Investment properties	-	-	-
Intangible assets	1 266	1 588	2 025
Financial assets	426 014	336 204	336 041
Non-current receivables	-	-	-
Deferred income tax assets	87	94	69
Other prepayments	2	1	1
Current assets	113 753	222 917	194 954
Inventories	-	-	-
Receivables	24 162	1 232	1 581
Short-term securities	83 810	163 997	150 952
Prepayments	138	88	149
Cash and cash equivalents	5 643	45 307	42 272
Other financial assets	-	-	-
Assets classified as held for sale	-	12 293	-
Total assets	597 758	595 384	584 679
Equity	500 688	494 961	580 577
Share capital	13 192	15 180	15 115
Share premium	463 265	551 988	549 559
Supplementary capital	-	2 526	2 526
Management options provision	1 652	3 341	3 145
Reserve capital	337	63 268	63 269
Buy-back provision	-	-	-
Own shares	-	(158 208)	(65 020)
Retained earnings	22 242	16 865	11 983
Non-current liabilities	609	786	672
Credit facilities, loans and debt instruments	-	-	-
Non-current liabilities	60	90	110
Provisions	26	26	21
Deferred income tax provision	523	670	541
Current liabilities	96 461	99 637	3 430
Credit facilities, loans and debt instruments	0	0	1
Current liabilities	94 304	97 308	1 817
Income tax liabilities	116	1 399	884
Provisions	758	848	707
Deferred revenue	1 283	82	21
Total equity and liabilities	597 758	595 384	584 679
Book value	500 688	494 961	580 577
Number of shares	13 192 018	15 179 589	15 115 161
Book value per share (in PLN)	39. 47	36.83	42.51
Weighted average diluted number of ordinary shares	12 716 468	13 465 487	13 752 601
Diluted book value per share (in PLN)	39. 37	36.76	42.22

Signatures of all Management Board members:

2015-08-07 Dariusz Kalinowski President of the Management Board

.....
Signature

2015-08-07 Cezary Baran Vice-President of the Management Board

.....
Signature

Signatures of persons responsible for book-keeping

2015-08-07 Elżbieta Świniarska Economic Director

.....
Signature

2015-08-07 Tomasz Koszczan Head of Accounting

.....
Signature

3 Statement of profit and loss and statement of comprehensive income

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Revenue from sales	7 898	6 865
- from subsidiaries	5 579	4 427
Revenue from sale of services	7 881	6 853
Revenue from sale of goods	17	12
Cost of sales	(3 915)	(3 489)
- from subsidiaries	(3 371)	(2 824)
Cost of manufacture of services sold	(3 915)	(3 489)
Cost of manufacture of products sold	-	-
Profit on sales	3 983	3 376
Other operating revenue	375	1 721
Selling costs	-	-
Administrative expenses	(1 720)	(2 044)
Other operating expenses	(10)	(671)
Operating profit	2 628	2 382
Finance income	20 940	11 338
Finance costs	(602)	(422)
Profit before tax	22 966	13 298
Income tax	(724)	(1 315)
- current	(865)	(1 364)
- deferred	141	49
Profit for the period	22 242	11 983
Annualised profit	27 124	14 491
Weighted average number of ordinary shares	12 684 364	13 659 000
Profit per ordinary share, annualised (in PLN)	2.14	1.06

Statement of comprehensive income	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Profit for the period	22 242	11 983
Other comprehensive income	-	-
Comprehensive income for the period	22 242	11 983

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4 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	2 526	3 341	63 268	(158 208)	16 865	494 961
Change in accounting standards and policies	-	-	-	-	-	-	-	-
1 Jan 2015, adjusted	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961
Profit for the period	-	-	-	-	-	-	22 242	22 242
Share issuance - incentive scheme	44	1 658	-	(1 702)	-	-	-	-
Redemption of own shares	(2 032)	(90 381)	(2 526)	-	(63 268)	158 208	-	-
Measurement of management options	-	-	-	13	-	-	-	13
Allocation of previous year's profit - increase of equity	-	-	-	-	337	-	(337)	-
Allocation of previous year's profit - dividend	-	-	-	-	-	-	(16 528)	(16 528)
Purchase of own shares	-	-	-	-	-	-	-	-
30 Jun 2015	13 192	463 265	-	1 652	337	-	22 242	500 688

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
As at the beginning of period: 1 January 2014	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Change in accounting standards and policies	-	-	-	-	-	-	-	-
As at the beginning of period, adjusted	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Profit for the period	-	-	-	-	-	-	16 865	16 865
Prior-year profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Share issuance - incentive scheme	65	2 429	-	-	-	-	-	2 494
Actuarial gains (losses)	-	-	-	-	-	-	(1)	(1)
Dividend from prior-year profit	-	-	-	-	-	-	(12 109)	(12 109)
Purchase of own shares	-	-	-	-	-	(93 188)	-	(93 188)
Management options provision	-	-	-	196	-	-	-	196
31 Dec 2014	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2014	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Change in accounting standards and policies	-	-	-	-	-	-	-	-
1 January 2014, adjusted	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Profit for the period	-	-	-	-	-	-	11 983	11 983
Allocation of previous year's profit - increase of equity	-	-	-	-	69	-	(69)	0
Allocation of previous year's profit - dividend	-	-	-	-	-	-	(12 108)	(12 108)
Purchase of own shares	-	-	-	-	-	-	-	-
30 Jun 2014	15 115	549 559	2 526	3 145	63 269	(65 020)	11 983	580 577

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2015-08-07 Tomasz Koszczan Head of Accounting

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Signature

5 Statement of cash flows

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
Profit (loss) for the period	22 242	11 983
Adjusted by:	(25 908)	1 839
Depreciation / amortisation	951	1 226
Interest and shares of profit (dividends)	(1 150)	(10 382)
Income tax	724	1 315
Profit (loss) on investing activities	(464)	553
Change in provisions	(89)	(202)
Change in inventories	-	-
Change in receivables	(22 986)	9 408
Change in prepayments	1 150	(59)
Change in current liabilities	(1 895)	659
Income tax paid	(2 148)	(679)
Net cash from operating activities	(3 666)	13 822
Inflows	708 657	769 039
Disposal of non-financial assets	12 771	4 275
Disposal of financial assets	695 886	749 463
Dividends received	-	7 566
Proceeds from redeemed shares	-	-
Interest received	-	39
Repayment of loans issued	-	7 696
Proceeds from correction of price for purchased shares	-	-
Outflows	(728 141)	(818 047)
Purchase of property, plant and equipment and intangible assets	(23 781)	(1 371)
Purchase of subsidiaries and associates	(90 000)	(69 970)
Purchase of financial assets	(614 360)	(745 506)
Borrowings granted	-	(1 200)
Expenditures on maintenance of investment properties	-	-
Costs of disposal of property, plant and equipment	-	-
Net cash from investing activities	(19 484)	(49 008)
Inflows	14	1
Issue of short-term debt instruments	-	1
Proceeds from equity issuance	14	-
Outflows	(16 528)	(12 098)
Dividends paid	(16 528)	(12 098)
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Purchase of own shares	-	-
Net cash from financing activities	(16 514)	(12 097)
Change in cash and cash equivalents	(39 664)	(47 283)
Cash and cash equivalents at the beginning of period	45 307	89 555
Cash and cash equivalents at the end of period	5 643	42 272

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6 Additional information

6.1 Information about the Company

Company name, registered office and economic activities

The Company uses the trading name Emperia Holding S.A., which was registered under KRS no. 0000034566 by the District Court in Lublin, 6th Commercial Division of the National Court Register.

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

The principal object of Emperia Holding S.A. is activities of holding companies (PKD 70.10.Z).

The Company has REGON number 430450457.

The Company is a VAT payer, with NIP no. 712-10-07-105.

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

The financial year for the Company is the calendar year. The Company has been established for an indefinite period of time.

These financial statements were 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. As regards items in the statement of financial position, comparative data was presented as at 31 December 2014.

The financial statements do not contain combined data, and the Company does not have internal organisational entities that draft their own financial statements.

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

Information on consolidation

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).

Emperia Holding S.A. subsidiaries subject to consolidation and included in the consolidated financial statements as at 30 June 2015

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

6.2 Description of key accounting principles

6.2.1 Basis for preparing the financial statements

The financial statements have been prepared under the historical cost concept, except for financial assets measured at fair value.

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

6.2.2 Statement of compliance

The 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, and in accordance with the Ordinance of the Minister of Finance dated 19 October 2005 on current and periodic information disclosed by issuers of securities.

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

6.2.3 Segment reporting

Segment reporting identifies Emperia's operating segments, which:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the entity'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, the Company's operating activities have been grouped into three operating segments, defined as follows:

1 **Retail sales** (retail segment) concerns retail agency agreements, including statistically assigned and accounted costs relating to this revenue,

2 **Property** (property segment) covers revenue and costs connected with managing the Company's operating properties,

3 **Central Management** (central management segment), covers the management functions, holding services and advisory within the Group.

6.2.4 Functional currency

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

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

Drafting 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.

6.2.5 Accounting policy applied to these consolidated financial statements

The accounting policy applied in preparing the financial statements of Emperia Holding S.A. for the first half of 2015 did not change in comparison with the policy applied by the Company in preparing its financial statements for 2014.

A detailed description of the accounting policy is presented in the consolidated financial statements for 2014 (Notes from 7.2.10 to 7.2.30).

6.2.6 Changes in adopted accounting principles

The Company implements new IFRS standards and interpretations such as are applicable in the respective reporting periods. The Company specifies what changes were applicable to its business and what effects these had on the financial statements and comparative data.

6.2.7 Expected changes in accounting principles

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.

6.2.8 Accounting estimates

Preparation of financial statements requires that the management use certain accounting estimates and assumptions concerning future events which may have an impact on the value of assets, liabilities, revenues and costs presented in current and future financial statements. Estimates and associated assumptions are subject to systematic verification, based on the management's best knowledge, historical experiences and expectations regarding future events such as are presently justified and rational. In certain significant issues, the management

uses independent experts' opinions. However, these may contain a margin of error, and the actual results may differ from estimates.

The main estimates may concern the following balance sheet items: tangible and intangible assets (as regards economic useful life and impairment), employee benefit provisions (bonuses, retirement pay, untaken holidays), customer loyalty programme provisions, impairment of inventory and deferred income tax assets and provisions.

6.2.9 Correction of errors

Errors may relate to the recognition, measurement and presentation of items in financial statements, or to information disclosures. Errors identified during the preparation of financial statements are adjusted in the statements being prepared.

Errors identified in subsequent reporting periods are adjusted by amending the comparative data presented in the financial statements for the period in which they were identified. The Group corrects prior-period errors using the retrospective approach and retrospective restatement of data, as long as this is practicable.

6.2.10 Mergers, acquisitions and capital increases

Acquisitions and capital increases by Emperia Holding S.A.

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 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 the Issuer, 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.

c) 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.

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.

6.3 Notes to the financial statements

6.3.1 Uniformity of accounting principles and calculation methods used in preparing the H1 2013 financial statements and the previous annual financial statements

A description of the Company's main accounting principles, applied since 1 January 2005, is presented in these financial statements under Note 6.2. The Company applies these principles retrospectively so as to reliably and credibly present its financial results.

6.3.2 Production seasonality and cyclicity

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

6.3.3 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

The payment of dividend for 2014 constituted an economic event that had a substantial impact on the Company's balance sheet total and equity. Information on this subject is presented in Note 6.3.17.

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

Rules for recognising and reversing impairment losses on property, plant and equipment, financial assets, inventories and receivables at the Company did not change in comparison with those applied in preparing the 2014 financial statements.

Item	Change in H1 2015	Change in in 2014
Impairment of receivables		
As at the beginning of period	(2 761)	(3 827)
<i>Recognition</i>	(35)	(103)
<i>Reversal</i>	411	1 169
As at the end of period	(2 385)	(2 761)
Impairment of financial assets		
As at the beginning of period	-	(151 200)
<i>Recognition</i>	-	-
<i>Reversal</i>	-	151 200
As at the end of period	-	-

6.3.5 Deferred income tax

Deferred income tax	Change in H1 2015	Change in in 2014
Deferred income tax assets		
As at the beginning of period	94	99
<i>Increase</i>	-	30
<i>Decrease</i>	(7)	(35)
As at the end of period	87	94
Deferred income tax provision		
As at the beginning of period	670	620
<i>Recognition</i>	-	175
<i>Reversal</i>	(147)	(125)
As at the end of period	523	670

6.3.6 Issue, redemption and repayment of debt and equity securities

Bond trading in H1 2015	Stokrotka Sp. z o.o.	Elpro Ekon Sp. z o.o. S.K.A.	Elpro Development S.A.	<u>Total</u>
As at the beginning of period	100 000	33 500	0	133 500
<i>Purchase of bonds from the issuer</i>	414 887	201 000	0	615 887
<i>Redemption of bonds by the issuer</i>	494 887	201 000	0	695 887
As at the end of period	20 000	33 500	0	53 500
As at the end of period, after discount	19 941	34 402	0	53 343

Issue and buy-back of bonds in 2014	Stokrotka Sp. z o.o.	Elpro Ekon Sp. z o.o. S.K.A.	Elpro Development S.A.	<u>Total</u>
As at the beginning of period	128 000	3 500	21 000	152 500
<i>Issue of bonds</i>	1 279 905	403 500	-	1 683 405
<i>Redemption of bonds by the issuer</i>	1 307 905	373 500	21 000	1 702 405
As at the end of period	100 000	33 500	0	133 500
As at the end of period, after discount	99 800	33 433	0	133 233

6.3.10 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 in 2014
Non-current		
As at the beginning of period	26	21
<i>Increases / decreases during the period</i>	-	5
As at the end of period	26	26
Current		
As at the beginning of period	178	391
<i>Increases / decreases during the period</i>	65	(231)
As at the end of period	243	178
Other provisions	Change in H1 2015	Change in in 2014
Non-current		
As at the beginning of period	-	-
<i>Increases / decreases during the period</i>	-	-
As at the end of period	-	-
Current		
As at the beginning of period	518	518
<i>Increases / decreases during the period</i>	(3)	-
As at the end of period	515	518

Employee benefit provisions cover retirement pay, unused vacation time, actuarial losses and bonuses. Other provisions mainly deal with fees for reviewing and auditing financial statements, as well as decision DPP/WPAI/476/23/2013/AD, issued by the Polish Financial Supervision Authority on 3 September 2013.

As at the date on which these financial statements were prepared, the Company's motion to re-examine the case is under review.

6.3.11 Credit facilities, loans, debt instruments and other financial liabilities

During the reporting period, the Company did not finance its operations using credit facilities, loans, debt instruments or other liabilities, either short- or long-term.

6.3.12 Issue, redemption and repayment of debt and equity securities

On 15 June 2015, pursuant to Resolution 2 of the Company's Extraordinary General Meeting on 4 March 2010 (current report 7/2010 of 5 March 2010), concerning, among others, establishing the principles for the Company's Incentive Programme 2010-2012 (the 'Incentive Programme'), on issue of series A, B and C bonds with pre-emptive rights and on a conditional increase of share capital through issue of shares with exclusion of the existing shareholders' pre-emptive rights, which was subsequently amended through Resolution 2 of the Company's Extraordinary General Meeting on 6 December 2011 and Resolution 18 of the Company's Ordinary General Meeting of 15 May 2012, Emperia Holding S.A. issued 44 068 registered bonds series B with pre-emptive rights to shares.

In the first half of 2015, Emperia Holding S.A. bought back, with the intermediation of Millennium DM S.A., 540 series A 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.

6.3.17 Dividends paid

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 parent company, Emperia Holding S.A., received PLN 9 000 000 in dividend from subsidiary Infinite Sp. z o.o. as allocation of 2014 profit. Further to that, the General Meeting of Elpro Development S.A. passed a resolution on the payment of a PLN 10 000 000 dividend to Emperia Holding S.A.

6.3.18 Effects of changes in organisational structure during the interim period, together with mergers, acquisitions or disposal of subsidiaries and long-term investments, restructurings and discontinuations

The Company did not record any such events during the reporting period.

6.3.19 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. In addition, the majority of suppliers provide the Group with deferred payment terms (trade credit), secured by in blanco promissory notes.

Changes in off-balance sheet liabilities during H1 2015:

	Credit facilities	Bank guarantees	Security interests
Guarantees			
As at the beginning of period		47 500	23 246
Increases during the period		-	-
Decreases during the period		-	-
As at the end of period		47 500	23 246

The Company did not have off-balance sheet liabilities other than guarantees.

Changes in off-balance sheet liabilities during 2014:

	Credit facilities	Bank guarantees	Security interests
Guarantees			
As at the beginning of period	-	43 000	17 096
Increases during the period	-	4 500	13 150
Decreases during the period	-	-	(7 000)
As at the end of period	-	47 500	23 246

6.3.20 Write down of inventory to net realisable value, and reversal thereof

The Company did not record any such events during the reporting period.

6.3.21 Reversal of cost restructuring provisions

The Company did not record any such events during the reporting period.

6.3.22 Financial and operating leasing

The Company did not have any operating leasing contracts.

2015:

Arrangements containing a lease component in accordance with IFRIC 4

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	21	41	165	206
	unspecified	-	-	-	-
Technical equipment and machinery	specified	-	-	-	-
	unspecified	6	12	49	61
Means of transport	specified	-	-	-	-
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

2014:

Arrangements containing a lease component in accordance with IFRIC 4

Asset	Term of agreement	As at 30 Jun 2014	As at 30 Jun 2015	1 to 5 years	Over 5 years
			Minimum annual payment		
Property	specified	-	-	-	-
	unspecified	6	12	48	60
Technical equipment and machinery	specified	-	-	-	-
	unspecified	-	-	-	-
Means of transport	specified	-	-	-	-
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	4	8	32	40

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

The Company did not record any such events during the reporting period.

6.3.24 Settlements connected with court 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.

6.3.25 Correction of prior-period errors

The Company did not correct prior-period errors during the reporting period.

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

The Company did not record any such events during the reporting period.

6.3.27 Related-party transactions

Transactions between Group companies are executed on market terms.

Revenue from related parties, including:		
sales of products and services	sale of goods and materials	property, plant and equipment and intangible assets
5 564	15	500
Purchases from related parties, including:		
services and materials	goods and materials	property, plant and equipment and intangible assets
708	5	20 880
Receivables from related parties, including:		
for products and services	from sale of property, plant and equipment and intangible assets	related to collateral
658	14	0
Liabilities towards related parties, including:		
for products and services	from purchase of property, plant and equipment and intangible assets	related to collateral
127	0	32

Short-term bonds were issued as part of the Group's cash flow management, as described in Note 6.3.6.

Transactions connected with dividends paid by subsidiaries are presented in Note 6.3.17.

Equity transactions between Group companies are presented in Note 6.2.10.

6.3.28 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 period 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 Investment Partners TFI S.A.	758 710	5.75%	-	758 710	4.98%	758 710	6.15%
NN OFE	755 713	5.73%	-	755 713	4.96%	755 713	6.13%

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 6.2.10 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 6.2.10.c)

6.3.29 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%

6.3.30 Changes in the Company's Management Board

The composition of the Company's Management Board did not change during the period.

6.3.31 Other significant information during 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 P1 Sp. z o.o. 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, 2 031 547 of Emperia Holding's bought back shares were cancelled. Following the registration of the cancellation, share capital was divided into 13 192 018 ordinary bearer shares (detailed information in point 6.2.11 c)

b) 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.

c) Purchase of bonds issued by subsidiaries

On 23 January 2015, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 153.5 million.

On 27 February 2015, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 148.5 million.

On 27 March 2015, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 133.5 million.

On 30 April 2014, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 53.5 million.

On 29 May 2014, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 53.5 million.

On 26 June 2014, Emperia Holding S.A. purchase short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 53.5 million.

d) 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.

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 ("Aviva OFE") 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 FIZ AN 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) 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.

k) 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, acting pursuant to art. 14 sec. 2 letter "o" of the Company's articles of association, adopted a resolution on selection 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.

l) 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.

6.3.32 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 P1 Sp. z o.o. 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.

c) Purchase of bonds issued by subsidiaries

On 7 August 2015, Emperia Holding S.A. purchase short-term bonds issued by Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. Total value of the bonds was PLN 68.5 million.

Signatures of all Management Board members:

2015-08-07 Dariusz Kalinowski President of the Management Board

.....
Signature

2015-08-07 Cezary Baran Vice-President of the Management Board

.....
Signature

Signatures of persons responsible for book-keeping

2015-08-07 Elżbieta Świniarska Economic Director

.....
Signature

2015-08-07 Tomasz Koszczan Head of Accounting

.....
Signature

7 Management report on the operations of Emperia Holding S.A. in H1 2015

7.1 Key financial data

Item	As at 30 June 2015	As at 30 June 2014	%
Revenue from sales	7 897	6 865	15.0%
EBITDA	3 579	3 609	-0.8%
Operating profit	2 628	2 383	10.3%
Profit before tax	22 966	13 299	72.7%
Net profit	22 242	11 983	85.6%
Total assets	597 758	584 679	2.2%
Liabilities and liability provisions	97 070	4 102	2266.5%
Current liabilities	96 462	3 430	2712.3%
Net assets	500 689	580 577	-13.8%
Weighted average number of shares	12 878	13 659	-5.7%
Earnings per share	2.11	1.06	98.5%

Operational performance and ability to meet liabilities

Item	As at 30 June 2015	As at 30 June 2014
Return on invested capital (net profit for the period / equity at the end of the period) in %	4.44%	2.06%
Return on assets (net profit for the period / assets at the end of the period) in %	3.72%	2.05%
Sales margin (profit from sales for the period / revenue from sales for the period) in %	50.43%	49.18%
EBITDA margin, in %	45.32%	52.56%
EBIT operating margin (operating profit for the period / revenue from sales for the period) in %	33.28%	34.70%
Gross margin (profit for the period / revenue from sales for the period) in %	290.80%	193.71%
Net margin (profit from sales for the period / revenue from sales for the period) in %	281.64%	174.55%

In H1 2015, the Company recorded a more than 85% increase in net profit, compared to the same period the previous year. The main contribution came in the form of a dividend from Elpro Development S.A. and Infinite Sp. z o.o., amounting to a total of PLN 19 million.

7.2 Scope of Emperia Holding S.A.'s business

Emperia Holding S.A. is a holding company for entities comprising Emperia Group, and in particular provides services such as legal, management accounting, book-keeping, HR, IT, cash flow management, investment and email management.

After the restructuring process, motivated by the sale of the distribution business and change in the shared services strategy, Emperia now focuses on provision of services to companies in the property development and IT segments. Emperia Holding S.A. operates in Poland.

7.3 Assessment of financial management in H1 2015 using liquidity ratios, along with the structure, rotation and level of debt

Liquidity ratios	As at 30 June 2015	As at 30 June 2014
Current ratio (current assets / current liabilities)	1.18	56.84
Quick ratio (liquid current assets / current liabilities)	1.18	56.84
Cash ratio (short-term investments / current liabilities)	0.93	56.33

High liquidity ratios reported in 2014 were due to the Company's cash and short-term securities (bonds). These funds were mainly from the sale of Tradis Sp. z o.o. The decrease in ratios in comparison with 2014 results the settlement of a buy-back programme. At the end of H1 2015, liabilities connected with the above programme towards a subsidiary (Elpro Development) amounted to more than PLN 93 million.

Turnover cycles for key components of working capital	As at 30 June 2015	As at 30 June 2014
Inventory turnover days (inventory / value of goods for resale and materials sold*number of days in period)	0.00	0.00
Receivables turnover days (current receivables / revenue from sales*number of days in period)	550.70	41.45
Payables turnover days ([current liabilities - current borrowings] / value of goods for resale and materials sold*number of days in period)	0.00	0.00
Asset productivity (revenue from sales / total assets)	0.01	0.01
Non-current asset productivity (revenue from sales / non-current assets)	0.02	0.02

In the first half of 2015, the Company's activities did not include the sale of goods, while sales of materials were marginal. Receivables turnover in 2015 is largely determined by dividend receivables from subsidiaries (Infinite and Elpro Development). 96% of current payables concern settlement of the buy-back programme.

Debt ratios	As at 30 June 2015	As at 30 June 2014
Debt ratio (liabilities and liability provisions / total assets)	0.16	0.01
Debt to equity (liabilities and liability provisions / equity)	0.19	0.01
Equity-to-assets ratio (equity / total assets)	0.84	0.99
Long-term debt ratio (non-current liabilities / total assets)	0.00	0.00

7.4 Sales markets

Despite a limited scope for holding services provided, the Company's main customers continue to be subsidiaries within Emperia Group.

7.5 Significant agreements

As regards banking services, the Company works with PKO BP S.A., Bank PEKAO S.A. and mBank S.A.

From 1 April 2015, Emperia insures its assets with Ergo Hestia S.A. and holds civil liability insurance. Insurance agreements are executed for a 12-month period. As regards transport insurance, an agreement has been executed with PZU S.A.

7.6 Key events in H1 2015 at Emperia Holding S.A.

Significant events are described in Note 6.3.32.

7.7 Extraordinary events having an impact on annual financial performance

A property situated in Lublin, ul. Ametystowa, was sold in March 2015. Gross result on the transaction, as recognised by the Company, was PLN -0.2 million (the Group's result on the transaction after consolidation adjustments was PLN 7.8 million). In the first half of 2015, the Company acquired three locations from Elpro (Lublin, ul. Nałkowskich - February; Dąbrowica - May; Rzeszów, ul. Kwiatkowskiego - May). The new locations posted PLN 367 000 in gross profit for the reporting period.

7.8 Revenue and profit by operating segment

Revenue and profit by operating segment at Emperia Holding S.A. in H1 2015:

	Retail	Property	Central management	Total
Segment revenue	1 247	5 758	892	7 897
External revenue	1 247	1 039	31	2 318
Inter-segment revenue		4 719	861	5 579
Total segment costs	(233)	(3 112)	(2 290)	(5 635)
Profit on sales	1 014	2 646	(1 398)	2 263
Result on other operating activities		(228)	593	365
Result on financing activities		9 802	10 535	20 338
Gross result	1 014	12 221	9 731	22 966
Tax	(193)	(501)	(30)	(724)
Share of the profit of equity-accounted entities				
Net segment result	822	11 719	9 701	22 242

	Retail	Property	Central management	Total
Segment assets / liabilities	-	48 523	549 236	597 758
Goodwill	-	-	-	-

	Retail	Property	Central management	Total
Capital expenditures	-	(23 781)	-	(23 781)
Depreciation / amortisation	-	(601)	(350)	(951)

In H1 2014, Emperia Holding S.A. did not report separate business segments.

7.9 Capital expenditures

Expenditures incurred in the first half of 2015 amounted to PLN 22.6 million and concerned mainly property acquisitions (PLN 21 million). Renovation of an office building in Lublin, ul. Projektowa 1, was continued in the reporting period, with PLN 1.6 million spent. Other investment-related events are described in Note 6.2.10.

7.10 Company's dividend policy

According to the dividend policy, the Management Board plans to systematically allocate part of the profit to dividend. Details on the dividend payment are presented in Note 6.3.18.

7.11 External factors which might have an impact on Emperia Holding S.A.'s results in the coming year

External:

1. Financial and economic situation in the retail industry, primarily concerning the Group's suppliers and customers, as regards financing and meeting liabilities
2. Market prices for goods and services used by the Group
3. Activities by competing businesses and consolidation processes in Polish retail
4. Poland's economic situation and household wealth, having an impact on demand for the Group's products and services
5. Government policy regarding interest rates and taxes
6. Employment situation - ability to hire creative employees for new ventures
7. Financial and economic conditions in the property development sector
8. Higher competition for commercial facilities

Internal:

1. Further investment in property, plant and equipment and software; on-time and on-budget investment delivery
2. Reduction in operating costs through deployment of new organisational and IT solutions and growth in operating scale
3. Introduction of structural and organisational changes intended to create a holding organisation having a substantial market share
4. Procurement of attractive locations for retail operations
5. Expansion and supplementation of assortment
6. Qualified and experienced management
7. Stable supplier base

7.12 Growth perspectives

Emperia Holding S.A. is a holding company the core business of which is management of the Group's subsidiaries and certain central functions such as: financial management, IT services, management of selected asset and liability groups, etc. In 2015, the Company was involved in property development. This part of the business will eventually be carved out and transferred to Elpro Development S.A.

7.13 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. Short-term bonds were issued as part of the Group's cash flow management, as described in Note 6.3.7. Other intra-Group transactions are presented in detail in Note 6.3.28.

7.14 Information regarding on-going judicial proceedings

A detailed description of the case is presented in Note 6.3.25 (Emperia vs Ernst & Young Audit Sp. z o.o.).

During the reporting period, the Company did not participate in any other proceedings before a court or other authority concerning liabilities or receivables with an aggregate value exceeding 10% of its equity.

7.15 Credit facilities, guarantees, loans and sureties

In H1 2015, Emperia Holding S.A. did not issue credit facilities, loans or guarantees to a single entity or its subsidiary such as would result in the aggregate value of guarantees or sureties constituting the equivalent of at least 10% of the Issuer's equity.

7.16 Changes in key management principles

In H1 2015, Emperia Holding S.A. did not introduce any changes to its key management principles.

7.17 Changes in Management Board and Supervisory Board composition

Changes in Emperia Holding S.A.'s Management Board

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

At report publication date, the Management Board of Emperia Holding S.A. comprised:

1. Dariusz Kalinowski – President of the Management Board
2. Cezary Baran – Vice-President of the Management Board, Finance Director

Changes in Emperia Holding S.A.'s 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.

7.18 Other significant information

Other significant information is presented in Note 6.3.32.

7.19 Description of Group structure

The Group's organisational structure, showing the companies subject to consolidation, is presented in point 6.1 of these financial statements.

7.20 Effects of changes in the Company's structure

There were no effects of changes in the Company's structure.

7.21 The management's view as regards meeting guidance published for a given year

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

7.22 Shareholder information

Information about shareholders with at least 5% of the total number of votes at the general meeting is presented in Note 6.3.29.

7.23 Shareholding by management and supervisory personnel

The holdings of Management Board and Supervisory Board members are presented in note 6.3.30.

7.24 Related-party transactions

Information on the Company's related-party transactions is presented in Note 6.3.28.

Signatures of all Management Board members:

2015-08-07 Dariusz Kalinowski President of the Management Board

.....
Signature

2015-08-07 Cezary Baran Vice-President of the Management Board

.....
Signature

Signatures of persons responsible for book-keeping

2015-08-07 Elżbieta Świniarska Economic Director

.....
Signature

8 Management Board declarations

The Management Board of Emperia Holding S.A. declares that, to the best of its knowledge, the semi-annual financial statements and comparative data were prepared in accordance with the binding accounting principles and that they present the Issuer's financial situation, asset position and financial results in a credible, reliable and transparent manner.

The Management Board of Emperia Holding S.A. declares that the entity authorised to audit financial statements which audited the Company's 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 semi-annual financial statements in accordance with binding national regulations.

Signatures of all Management Board members:

2015-08-07 Dariusz Kalinowski President of the Management Board

.....
Signature

2015-08-07 Cezary Baran Vice-President of the Management Board

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Signature

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