



**CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE FIRST HALF OF 2016

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

(DATA IN PLN 000s)

LUBLIN, AUGUST 2016

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1 Selected financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2016 to 30 Jun 2016	For the period from 1 Jan 2015 to 30 Jun 2015	For the period from 1 Jan 2016 to 30 Jun 2016	For the period from 1 Jan 2015 to 30 Jun 2015
I.	Net revenue from sale of products, goods for resale and materials	7 968	7 898	1 819	1 910
II.	Operating profit	2 310	2 628	527	636
III.	Profit before tax	17 337	22 966	3 958	5 555
IV.	Profit for the period	16 805	22 242	3 836	5 380
V.	Net cash flows from operating activities	1 576	(3 666)	360	(887)
VI.	Net cash flows from investing activities	1 791	(19 484)	409	(4 713)
VII.	Net cash flows from financing activities	-	(16 514)	-	(3 995)
VIII.	Total net cash flows	3 367	(39 664)	769	(9 594)
IX.	Total assets	525 561	509 606	118 757	119 584
X.	Liabilities and liability provisions	59 349	60 200	13 411	14 126
XI.	Non-current liabilities	738	763	167	179
XII.	Current liabilities	58 611	59 437	13 244	13 947
XIII.	Equity	466 212	449 406	105 347	105 457
XIV.	Share capital	12 340	13 235	2 788	3 106
XV.	Number of shares	12 340 049	13 235 495	12 340 049	13 235 495
XVI.	Weighted average number of shares	12 138 215	12 684 364	12 138 215	12 684 364
XVII.	Earnings per ordinary share, annualised (in PLN/EUR)*	1.65	2.14	0.38	0.52
XVIII.	Diluted earnings per ordinary share, annualised (in PLN/EUR)**	1.65	2.13	0.38	0.52
XIX.	Book value per share (in PLN/EUR)*	38.41	35.93	8.68	8.43
XX.	Diluted book value per share (in PLN/EUR)**	38.41	35.93	8.68	8.43
XXI.	Paid out dividend per share (in PLN/EUR)	-	1.33	-	0.32

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

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

Selected financial data are translated into EUR in the following manner:

- 1 Items in the statement of profit and loss and statement of cash flows are 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 2016 was EURPLN 4.3805 and for H1 2015: EURPLN 4.1341.
- 2 Balance sheet items and book value / diluted book value are 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 2016: EURPLN 4.4255; 31 December 2015: EURPLN 4.2615.
- 3 Dividend paid out is 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.

2 Statement of financial position

	30 Jun 2016	31 Dec 2015	30 Jun 2015
Non-current assets	483 993	483 860	484 005
Property, plant and equipment	55 977	56 178	56 636
Investment properties	-	-	-
Intangible assets	1 306	1 470	1 266
Financial assets	426 614	426 109	426 014
Non-current receivables	-	-	-
Deferred income tax assets	95	102	87
Other prepayments	1	1	2
Current assets	41 568	25 746	113 753
Inventories	-	-	-
Receivables	17 467	3 892	24 162
Income tax receivables	53	58	-
Short-term securities	9 967	11 138	83 810
Prepayments	143	87	138
Cash and cash equivalents	13 938	10 571	5 643
Other financial assets	-	-	-
Assets classified as held for sale	-	-	-
Total assets	525 561	509 606	597 758
Equity	466 212	449 406	500 688
Share capital	12 340	13 235	13 192
Share premium	411 109	465 315	463 265
Supplementary capital	-	-	-
Management options provision	516	723	1 652
Reserve capital	25 442	337	337
Buy-back provision	-	-	-
Own shares	-	(55 646)	-
Retained earnings	16 805	25 442	22 242
Non-current liabilities	738	763	609
Credit facilities, loans and debt instruments	-	-	-
Non-current liabilities	93	89	60
Provisions	32	32	26
Deferred income tax provision	613	642	523
Current liabilities	58 611	59 437	96 461
Credit facilities, loans and debt instruments	0	0	0
Current liabilities	57 111	57 903	94 304
Income tax liabilities	-	-	116
Provisions	292	325	758
Deferred revenue	1 208	1 209	1 283
Total equity and liabilities	525 561	509 606	597 758

Book value	466 212	449 406	500 688
Number of shares	12 340 049	13 235 495	13 192 018
Weighted average number of shares	12 138 215	12 506 772	12 684 364
Diluted number of shares	12 139 331	12 508 001	12 716 468
Book value per share (in PLN)*	38.41	35.93	39.47
Diluted book value per share (in PLN)**	38.41	35.93	39.37

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


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

Signatures of all Management Board members:

2016-08-05 Dariusz Kalinowski President of the Management Board

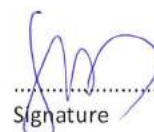

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2016-08-05 Cezary Baran Vice-President of the Management Board


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Signature

Signatures of persons responsible for book-keeping

2016-08-05 Elżbieta Świniarska Economic Director


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Signature

2016-08-05 Tomasz Koszczan Head of Accounting


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Signature

3 Statement of profit and loss and statement of comprehensive income

	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015
Revenue from sales	7 968	7 898
- from subsidiaries	5 191	5 579
Revenue from sale of services	7 950	7 881
Revenue from sale of goods	18	17
Cost of sales	(3 568)	(3 915)
- from subsidiaries	(2 956)	(3 371)
Cost of manufacture of services sold	(3 568)	(3 915)
Cost of manufacture of products sold	-	-
Profit on sales	4 400	3 983
Other operating revenue	133	375
Selling costs	-	-
Administrative expenses	(2 212)	(1 720)
Other operating expenses	(11)	(10)
Operating profit	2 310	2 628
Finance income	15 027	20 940
Finance costs	0	(602)
Profit before tax	17 337	22 966
Income tax	(532)	(724)
- current	(553)	(865)
- deferred	21	141
Profit for the period	16 805	22 242
Annualised profit	20 007	27 124
Weighted average number of ordinary shares	12 138 215	12 684 364
Profit per ordinary share, annualised (in PLN)	1.65	2.14

Statement of comprehensive income	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015
Profit for the period	16 805	22 242
Other comprehensive income	-	-
Comprehensive income for the period	16 805	22 242

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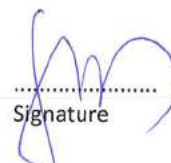
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2016-08-05 Tomasz Koszczan Head of Accounting



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4 Statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Retained earnings	Own shares	Total equity
As at the beginning of period: 1 January 2016	13 235	465 315	-	723	337	25 442	(55 646)	449 406
Change in accounting standards and policies	-	-	-	-	-	-	-	-
As at the beginning of period: 1 January 2016, adjusted	13 235	465 315	-	723	337	25 442	(55 646)	449 406
Comprehensive income for the six months ended 30 June 2016	-	-	-	-	-	16 805	-	16 805
Prior-year profit distribution - transfer to equity	-	-	-	-	25 442	(25 442)	-	-
Share issuance - incentive scheme	5	203	-	(208)	-	-	-	-
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Redemption of own shares	(900)	(54 409)	-	-	(337)	-	55 646	-
Dividend from prior-year profit	-	-	-	-	-	-	-	-
30 Jun 2016	12 340	411 109	-	516	25 442	16 805	-	466 212

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Retained earnings	Own shares	Total equity
As at the beginning of period: 1 January 2015	15 180	551 988	2 526	3 341	63 268	16 865	(158 208)	494 961
Change in accounting standards and policies	-	-	-	-	-	-	-	-
As at the beginning of period, adjusted	15 180	551 988	2 526	3 341	63 268	16 865	(158 208)	494 961
Profit for the period	-	-	-	-	-	25 444	-	25 444
Other net comprehensive income	-	-	-	-	-	(2)	-	(2)
Prior-year profit distribution - transfer to equity	-	-	-	-	337	(337)	-	-
Share issuance - incentive scheme	87	3 708	-	(2 735)	-	-	-	1 061
Dividend from prior-year profit	-	-	-	-	-	(16 528)	-	(16 528)
Purchase of own shares	-	-	-	-	-	-	(55 646)	(55 646)
Management options provision	-	-	-	116	-	-	-	116
Redemption of own shares	(2 032)	(90 381)	(2 526)	-	(63 268)	-	158 208	-
31 Dec 2015	13 235	465 315	-	723	337	25 442	(55 646)	449 406

EMPERIA HOLDING S.A.

Financial statements as at 30 June 2016
unless stated otherwise

in PLN 000s

	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)
30 Jun 2015	13 192	463 265	-	1 652	337	-	22 242	500 688

Signatures of all Management Board members:

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Signature

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2016-08-05 Tomasz Koszczan Head of Accounting



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Signature

5 Statement of cash flows

Operating activities	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015
Profit (loss) for the period	16 805	22 242
Adjusted by:	(15 229)	(25 908)
Depreciation / amortisation	831	951
Interest and shares of profit (dividends)	(278)	(1 150)
Income tax	532	724
Profit (loss) on investing activities	(85)	(464)
Change in provisions	(33)	(89)
Change in inventories	-	-
Change in receivables	(14 603)	(22 986)
Change in prepayments	(55)	1 150
Change in current liabilities	(990)	(1 895)
Income tax paid	(548)	(2 148)
Net cash from operating activities	1 576	(3 666)

Investing activities	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015
Inflows	64 505	708 657
Disposal of non-financial assets	1 188	12 771
Disposal of financial assets	63 317	695 886
Dividends received	-	-
Proceeds from redeemed shares	-	-
Interest received	-	-
Repayment of loans issued	-	-
Proceeds from correction of price for purchased shares	-	-
Outflows	(62 714)	(728 141)
Purchase of property, plant and equipment and intangible assets	(342)	(23 781)
Purchase of subsidiaries and associates	(504)	(90 000)
Purchase of financial assets	(61 868)	(614 360)
Borrowings granted	-	-
Expenditures on maintenance of investment properties	-	-
Costs of disposal of property, plant and equipment	-	-
Net cash from investing activities	1 791	(19 484)

Financing activities	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015
Inflows	-	14
Issue of short-term debt instruments	-	-
Proceeds from equity issuance	-	14
Outflows	-	(16 528)
Dividends paid	-	(16 528)
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Purchase of own shares	-	-
Net cash from financing activities	-	(16 514)
Change in cash and cash equivalents	3 367	(39 664)
Cash and cash equivalents at the beginning of period	10 571	45 307
Cash and cash equivalents at the end of period	13 938	5 643

Signatures of all Management Board members:

2016-08-05 Dariusz Kalinowski President of the Management Board

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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 parent's registered office is located in Warsaw, ul. Puławska 2, building B.

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 are prepared for the period from 1 January 2015 to 30 June 2016, and the comparative financial data covers the period from 1 January 2015 to 30 June 2015. As regards items in the statement of financial position, comparative data was presented as at 31 December 2015.

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 2016, consolidation included 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 2016, Emperia Group's structure was not subject to changes (compared with the 2015 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.	02-566 Warsaw, ul. Puławska 2B	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%

Financial statements as at 30 June 2016
(amounts in PLN 000s, unless otherwise stated)

ROZWIĄZANIE SPÓŁNOŚCI KAPITAŁOWEJ

Emperia
Holding

		Trusts, funds and similar financial instruments				
8	Ipopema 55 FIZAN (4)	00-850 Warsaw, Waliców 11	RFI 591, Investment Fund Register maintained by the District Court in Warsaw	Subsidiary	Full	2010-12-09
						100.00%
9	Eldorado Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	400637, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	03-10-2011
						100.00%
10	P5 EKON Sp. z o.o. S.K.A. (5)	20-209 Lublin, ul. Projektowa 1	425738, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	24-11-2011
						100.00%

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

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 2016

Entity name	Registered office	Share capital	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 2015.

A detailed description of the accounting policy is presented in the consolidated financial statements for 2015 (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 2016 are 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 2016, with 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 14 January 2016, the Issuer introduced to stock-market trading 4 773 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 14 January 2016, the Issuer's share capital amounts to PLN 13 240 268 and is divided into 13 240 268 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 13 240 268.

The above share capital increase was registered in court on 29 February 2016.

b) Share capital increase at Eldorado Sp. z o.o.

On 25 February 2016, the Supervisory Board of Emperia Holding S.A. passed a resolution on increase of the Company's share capital from PLN 320 000 to PLN 342 000, i.e. by PLN 22 000, through the issue of 220 new shares with nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for PLN 198 000 in cash. Excess of the cash consideration over the nominal value of the shares was transferred to supplementary capital.

c) Share capital increase at EKON Sp. z o.o.

On 25 February 2016, the Supervisory Board of Emperia Holding S.A. passed a resolution on increase of the Company's share capital from PLN 457 600 to PLN 492 000, i.e. by PLN 34 400, through the issue of 344 new shares with nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for PLN 306 400 in cash. Excess of the cash consideration over the nominal value of the shares was transferred to supplementary capital.

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

On 31 March 2016, the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, registered a reduction in the share capital of Emperia Holding S.A. The capital reduction resulted from having cancelled 900 912 own shares bought back, which carried rights to 900 912 votes (6.799%) at the General Meeting and represented 6.799% of Emperia Holding S.A.'s share capital. Following the registration of changes, share capital amounted to PLN 12 340 049 and was divided into 12 340 049 ordinary bearer shares, which entitled to 12 340 049 votes at Emperia Holding S.A.'s General Meeting.

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

No such events took place at Emperia Group during the period.

6.3 Notes to the financial statements

6.3.1 Uniformity of accounting principles and calculation methods used in preparing the semi-annual 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

No such events took place during the period.

6.3.4 No such events took place during the period. 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 2015 financial statements.

Impairment of receivables	Change in H1 2016	Change in FY 2015
As at the beginning of period	2 352	2 761
<i>Recognition</i>	31	86
<i>Reversal</i>	(295)	(496)
As at the end of period	2 088	2 352

Impairment of financial assets	Change in H1 2016	Change in FY 2015
As at the beginning of period	-	-
<i>Recognition</i>	-	-
<i>Reversal</i>	-	-
As at the end of period	-	-

6.3.5 Deferred income tax

Deferred income tax assets	Change in H1 2016	Change in FY 2015
As at the beginning of period	102	94
<i>Increase</i>	-	8
<i>Decrease</i>	(7)	-
As at the end of period	95	102

Deferred income tax provision	Change in H1 2016	Change in FY 2015
As at the beginning of period	642	670
<i>Recognition</i>	-	-
<i>Reversal</i>	(29)	(28)
As at the end of period	613	642

6.3.6 Issue, redemption and repayment of debt and equity securities

Bond transactions in H1 2016	Stokrotka Sp. z o.o.	Elpro Ekon Sp. z o.o. S.K.A.	External entities	<u>Total</u>
As at the beginning of period	0	-	0	0
<i>Purchase of bonds from the issuer</i>	54 000	-	8 000	62 000
<i>Redemption of bonds by the issuer</i>	(44 000)	-	(8 000)	(52 000)
As at the end of period	10 000	-	0	10 000
As at the end of period, after discount	9 967	-	-	9 967

Issue and buy-back of bonds in 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	-	133 500
<i>Issue of bonds</i>	524 845	301 460	-	826 305
<i>Redemption of bonds by issuer</i>	(624 845)	(334 960)	-	(959 805)
As at the end of period	0	0	-	0
As at the end of period, after discount	-	-	-	-

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 2016	Change in FY 2015
Non-current		
As at the beginning of period	32	26
<i>Increases / decreases during the period</i>	-	6
As at the end of period	32	32
Current		
As at the beginning of period	305	329
<i>Increases / decreases during the period</i>	(28)	(24)
As at the end of period	277	305

Other provisions	Change in H1 2016	Change in FY 2015
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	19	519
<i>Increases / decreases during the period</i>	(4)	(500)
As at the end of period	15	19

Employee benefit provisions cover retirement pay, unused vacation time, actuarial losses and bonuses. Other provisions concern mainly remuneration for review and audit of financial statements.

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

In 2014 and 2015, Emperia Holding S.A. issued a total of 158 632 series A and B bonds convertible to series P shares. A proposal to purchase these bonds was submitted to Millennium Dom Maklerski S.A. In the course of 2014 and 2015, Emperia Holding S.A. bought back 156 654 series A and B bonds, as communicated by the Company via current reports.

6.3.17 Dividends paid

Dividends paid:

In 2016, Emperia Holding S.A. did not pay out a dividend as part of allocating its 2015 profit.

On 30 June 2016, the General Meeting of Emperia Holding S.A. adopted a resolution on use of Emperia Holding S.A.'s 2015 profit to cover prior-period losses and as reserve capital.

Dividends received:

The management board of subsidiary Infinite Sp. z o.o. passed a resolution on the payment of a dividend of PLN 6.674 million to Emperia Holding S.A. Furthermore, Elpro Development S.A.'s General Meeting passed a resolution on the payment of PLN 8 million in 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 2016:

	Credit facilities	Bank guarantees	Security interests
Guarantees			
As at the beginning of period	-	47 500	9 646
Increases during the period	-	-	6 500
Decreases during the period	-	-	(4 271)
As at the end of period	-	47 500	11 875

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

Changes in off-balance sheet liabilities during 2015:

<i>Guarantees</i>	Credit facilities	Bank guarantees	Security interests
As at the beginning of period	-	47 500	23 246
Increases during the period	-	-	2 250
Decreases during the period	-	-	(15 850)
As at the end of period	-	47 500	9 646

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.

2016:

Arrangements containing a lease component in accordance with IFRIC 4

Asset	Term of agreement	As at 30 Jun 2016	As at 30 Jun 2017	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	10	41	165	206
	unspecified	-	-	-	-
Technical equipment and machinery	specified	-	-	-	-
	unspecified	9	17	68	86
Means of transport	specified	-	-	-	-
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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	-	-	-	-

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

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

Legal case regarding breach of agreement

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 arbitrage 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.

Tax probe by Treasury Control Office

On 1 March 2016, Emperia Holding S.A. received a protocol on the audit of its books, issued under control proceedings led by the Head of the Treasury Control Office in Lublin, concerning accuracy of the declared tax basis and correctness of CIT calculations and payments for 2011.

The protocol included a legal assessment stating that the Company generated additional tax income from the sale of its Distribution Segment in 2011, amounting to PLN 959 308 086.76.

The protocol is a public document that does not decide the case. However, if the protocol is approved via a decision by the Head of the Treasury Control Office in Lublin and subsequently this decision is received by the appeal authority (Head of Tax Chamber), the above may result in the Company having to pay tax arrears of PLN 182 268 537.00, together with interest for delay from 3 April 2012.

On 15 March 2016, the Company submitted to the Head of the Treasury Control Office in Lublin its comments regarding the protocol. The Company's Management Board and its tax advisers do not agree with the protocol's conclusions. The Company will undertake all available legal steps in order to show that these conclusions are groundless.

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
5 172	18	133
Purchases from related parties, including:		
services and materials	goods and materials for resale	property, plant and equipment and intangible assets
639	0	41

Receivables from related parties, including:		
for products and services	from sale of property, plant and equipment and intangible assets	related to collateral
421	0	0
Liabilities towards related parties, including:		
for products and services	from purchase of property, plant and equipment and intangible assets	related to collateral
131	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 30 June 2016	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% stake, as at the date on which the previous periodic report was published	Votes at 31 March 2016	% of votes at general meeting at 31 Mar 2016
Ipopema TFI	1 458 583	11.82%	-	1 458 583	11.82%	1 458 583	12.10%
Altus TFI	1 449 528	11.75%	-	1 449 528	11.75%	1 449 528	12.02%
AXA OFE	977 481	7.92%	-	977 481	7.92%	977 481	8.11%
Aviva OFE	844 000	6.84%	-	834 991	6.77%	844 000	7.00%
NN OFE	755 713	6.12%	-	755 713	6.12%	755 713	6.27%

At 30 June 2016, Elpro Development S.A. held 267 671 shares of Emperia Holding S.A.

Information on shares issues and share redemptions in H1 2016 is presented in point 10.2.10a) and d).

6.3.29 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 30 June 2016	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% stake, as at the date on which the previous periodic report was published
Dariusz Kalinowski	26 094	0.21%	-	26 094	0.21%
Cezary Baran	600	0.005%	-	600	0.005%

Supervisory Board members	Shares held, as at 30 June 2016	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% stake, as at the date on which the previous periodic report was published
Jarosław Wawerski	19 494	0.158%	-	19 494	0.158%

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) Buy-back programme at Emperia Holding S.A. carried out by subsidiary Elpro Development S.A.

Pursuant to an authorisation under resolutions 3 and 4 of Emperia Holding S.A.'s Extraordinary General Meeting of 11 October 2012, subsidiary Elpro Development S.A. during H1 2016 purchased, in block transactions, 200 014 shares of Emperia Holding S.A. for cancellation. At the date on which these financial statements were published, Elpro Development S.A. held a total of 267 671 shares in the Issuer, entitling to 267 671 (2.169%) votes at the Issuer's general meeting and constituting 2.169% of the Issuer's share capital.

On 30 March 2016, the Management Board of Emperia Holding S.A. passed a resolution to extend the "Buy-back programme at Emperia Holding carried out by Elpro Development S.A. in Lublin (formerly P1 Sp. z o.o.)" to 30 September 2016 and to increase the amount earmarked for share purchases under the programme to PLN 110 000 000.

On 31 March 2016, 900 291 own shares held by Emperia Holding S.A. were cancelled. Details on this subject are presented in point 6.2.11 d)

b) Purchase of bonds issued by subsidiaries

On 4 March 2016, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. The value of the bonds was PLN 9 million.

On 27 May 2016, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. The value of the bonds was PLN 10 million.

On 24 June 2016, Emperia Holding S.A. purchased short-term bonds issued by Stokrotka Sp. z o.o. The value of the bonds was PLN 10 million.

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

An Extraordinary General Meeting of Emperia Holding S.A. was held on 5 April 2016. The subject of the EGM was a resolution on amendment of the Company's articles of association as regards change of the Company's registered office. The parent's registered office is located in Warsaw, ul. Puławska 2, building B (the registered office address was changed on 15 April 2016)

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

An Ordinary General Meeting of Emperia Holding S.A. was held on 30 June 2016. 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 consent for a bond issue.

e) Selection of entity authorised to audit financial statements for 2016

On 3 June 2016, 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, passed a resolution selecting UHY ECA Audyt Sp. z o.o. Sp. k., based in Kraków, ul. Moniuszki 50, as auditor for Emperia Holding S.A.'s 2016 separate and consolidated financial statements and to review Emperia Holding S.A.'s interim separate and consolidated financial statements.

UHY ECA Audyt 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 2010-2015.

6.3.32 Significant events after the end of the reporting period

a) Buy-back programme at Emperia Holding S.A. carried out by subsidiary Elpro Development S.A.

Pursuant to an authorisation under resolutions 3 and 4 of Emperia Holding S.A.'s Extraordinary General Meeting of 11 October 2012, subsidiary Elpro Development S.A. purchased during the period from 1 July 2016 to the date on which these financial statements were published, in block transactions, 14 170 shares of Emperia Holding S.A. for cancellation.

At the date on which these financial statements were published, Elpro Development S.A. held a total of 281 841 shares in the Issuer, entitling to 281 841 (2.284%) votes at the Issuer's general meeting and constituting 2.284% of the Issuer's share capital.

b) Execution of agreement for market-making services on WSE

On 26 July 2016, the Management Board of Emperia Holding S.A. executed an agreement with Trigon DM S.A. ("Market Maker") pursuant to which the Market Maker commits to serve as market maker for the Issuer on the Warsaw Stock Exchange in respect of the Issuer's shares and rights to shares listed on the WSE in accordance with binding legal regulations and provisions of the WSE's rules.

c) Notice on having exceeded 5% of total votes in Emperia Holding S.A.

On 22 July 2016, the Management Board of Emperia Holding S.A. received notification from MetLife PTE S.A. that a fund under its management, MetLife OFE, had increased its stake in Emperia Holding S.A. voting rights to over 5%. The increase in stake to over 5% took place following a purchase of the Company's shares on 12 August 2016. Directly prior to the change in stake, the fund held 601 073 shares, which constituted 4.87% of the Company's share capital and entitled to 601 073 votes at the Company's General Meeting, i.e. 4.87% of total voting rights. Currently, the fund holds 632 417 shares, which constitutes 5.12% of the Company's share capital and entitled to 632 417 votes at the Company's General Meeting, i.e. 5.12% of total voting rights.

Signatures of all Management Board members:

2016-08-05 Dariusz Kalinowski President of the Management Board



.....
Signature

2016-08-05 Cezary Baran Vice-President of the Management Board



.....
Signature

Signatures of persons responsible for book-keeping

2016-08-05 Elżbieta Świniarska Economic Director



.....
Signature

2016-08-05 Tomasz Koszczan Head of Accounting



.....
Signature

7 Management report on the operations of Emperia Holding S.A. in H1 2016

7.1 Key financial data

Item	As at 30 June 2016	As at 30 June 2015	%
Revenue from sales	7 968	7 897	0.9%
EBITDA	3 143	3 579	-12.2%
Operating profit	2 310	2 628	-12.1%
Profit before tax	17 337	22 966	-24.5%
Net profit	16 805	22 242	-24.4%
Total assets	525 561	597 758	-12.1%
Liabilities and liability provisions	59 349	97 070	-38.9%
Current liabilities	58 611	96 462	-39.2%
Net assets	466 212	500 689	-6.9%
Weighted average number of shares	12 138 215	12 684 364	
Net earnings per share	1.38	1.75	-21.1%

Operational performance and ability to meet liabilities

Item	As at 30 June 2015 30.06.2016	As at 30 June 2015 30.06.2015
Return on invested capital (net profit for the period / equity at the end of the period) in %	3.60%	4.44%
Return on assets (net profit for the period / assets at the end of the period) in %	3.20%	3.72%
Sales margin (profit from sales for the period / revenue from sales for the period) in %	55.23%	50.43%
EBITDA margin, in %	39.44%	45.32%
EBIT operating margin (operating profit for the period / revenue from sales for the period) in %	28.99%	33.28%
Gross margin (profit for the period / revenue from sales for the period) in %	217.57%	290.80%
Net margin (profit from sales for the period / revenue from sales for the period) in %	210.90%	281.64%

In H1 2016, the Company recorded a 24% decline in net profit, compared to the same period the previous year. The main reasons for this were lower proceeds from dividends received from subsidiaries Infinite and Elpro Development. Adjusting for the above factor, net profit declined by 5.7%. This decline was driven largely by one-off events in 2015 (e.g. sale of licences to subsidiaries).

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 2016 using liquidity ratios, along with the structure, rotation and level of debt

Liquidity ratios	As at 30 June 2016	As at 30 June 2015
Current ratio (current assets / current liabilities)	0.71	1.18
Quick ratio (liquid current assets / current liabilities)	0.71	1.18
Cash ratio (short-term investments / current liabilities)	0.41	0.93

Liquidity ratios are lower than after the same period of 2015. This was mainly caused by a 63% fall in current assets (buy-back of bonds by subsidiaries and sale of Ipopema's units), with a 39% decline in current liabilities. At the end of H1 2016, liabilities connected with the buy-back programme towards a subsidiary (Elpro Development) amounted to more than PLN 55 million (40% decline). 97% of current liabilities results from the settlement cycle of the above-mentioned programme.

Turnover cycles for key components of working capital	As at 30 June 2016	As at 30 June 2015
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)	394.60	550.70
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)	0.02	0.01
Non-current asset productivity (revenue from sales / non-current assets)	0.02	0.02

In the first half of 2016, the Company did not report sales of goods and materials. Receivables turnover in 2016 is largely determined by dividend receivables from subsidiaries (Infinite and Elpro Development).

Debt ratios	As at 30 June 2016	As at 30 June 2015
Debt ratio (liabilities and liability provisions / total assets)	0.11	0.16
Debt to equity (liabilities and liability provisions / equity)	0.13	0.19
Equity-to-assets ratio (equity / total assets)	0.89	0.84
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 2016, 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 motor insurance, an agreement was entered into with Liberty Seguros Compania de Seguros y Reaseguros S.A., branch in Poland (contract expires on 30 September 2016).

Agreements significant to the Company's activities include: property rental agreements, property management agreements, commercial intermediation services agreements.

7.6 Key events in H1 2016 at Emperia Holding S.A.

Significant events are described in Note 6.3.31.

7.7 Extraordinary events having an impact on annual financial performance

No such events took place during the period.

7.8 Revenue and profit by operating segment

Revenue and profit by operating segment at Emperia Holding S.A. in H1 2016:

	Retail	Property	Central management	Total
Segment revenue	1 452	5 978	538	7 968
External revenue	1 452	1 322	3	2 777
Inter-segment revenue	-	4 656	535	5 191
Total segment costs	(316)	(3 134)	(2 330)	(5 780)
Profit on sales	1 135	2 845	(1 792)	2 188
Result on other operating activities	-	23	99	122
Result on financing activities	-	8 182	6 845	15 026
Gross result	1 135	11 049	5 152	17 337
Tax	(216)	(641)	325	(532)
Share of the profit of equity-accounted entities	-	-	-	-
Net segment result	920	10 408	5 477	16 805

	Retail	Property	Central management	Total
Segment assets / liabilities	-	55 740	469 821	525 561
Goodwill	-	-	-	-

	Retail	Property	Central management	Total
Capital expenditures	-	(342)	-	(342)
Depreciation / amortisation	-	(639)	(192)	(831)

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)

7.9 Capital expenditures

Capital expenditures of PLN 0.34 million were made in the first half of 2016.

7.10 Company's dividend policy

Information on dividends is presented in note 6.3.17.

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

External:

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

Internal:

- Business process optimisation (improved operating performance and higher management quality in all segments),
- Streamlined structure of the property segment,
- Procurement of attractive retail locations,
- Internal cost control policy,
- Growth dynamic of the retail chain.

7.12 Growth perspectives

Emperia Holding S.A. is a holding company whose main activities include devising the Group's strategy, carrying out acquisitions, managing the Group's subsidiaries, performing certain central functions for subsidiaries, in particular: financial management, IT service, management of selected groups of assets and liabilities. The Company also develops and manages properties: own and those belonging to other Group companies.

In the coming years, Emperia intends to develop all of its operating segments: retail, property and IT.

7.13 Significant related-party transactions

In H1 2016, 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 6.3.6. Other intra-Group transactions are presented in detail in Note 6.3.27.

7.14 Information regarding on-going judicial proceedings

A detailed description of the case is presented in Note 6.3.24.

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 2016, 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

Emperia Holding S.A. did not introduce any changes to its key management principles in H1 2016.

7.17 Changes in Management Board and Supervisory Board composition

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

In H1 2016, 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

On 3 June 2016, the Supervisory Board of Emperia Holding S.A. re-appointed existing members of the Issuer's Management Board - Dariusz Kalinowski and Cezary Baran - for a new term.

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

The composition of Emperia Holding S.A.'s Supervisory Board did not change during H1 2016.

Composition of Emperia Holding S.A.'s Supervisory Board as at 30 June 2016:

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 30 June 2016, an Ordinary General Meeting of Emperia Holding S.A. re-appointed Artur Kawa and Michał Kowalczewski Laskowski for a new term.

7.18 Other significant information

Other significant information is presented in Note 6.3.31.

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 2016.

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 6.3.28.

7.23 Shareholding by management and supervisory personnel

The holdings of Management Board and Supervisory Board members are presented in note 6.3.29.

7.24 Related-party transactions

Information on the Company's related-party transactions is presented in Note 6.3.27.

Signatures of all Management Board members:

2016-08-05 Dariusz Kalinowski President of the Management Board

.....
Signature

2016-08-05 Cezary Baran Vice-President of the Management Board

.....
Signature

Signatures of persons responsible for book-keeping

2016-08-05 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:

2016-08-05 Dariusz Kalinowski President of the Management Board

.....
Signature

2016-08-05 Cezary Baran Vice-President of the Management Board

.....
Signature

Signatures of persons responsible for book-keeping

2016-08-05 Elżbieta Świniarska Economic Director

.....
Signature