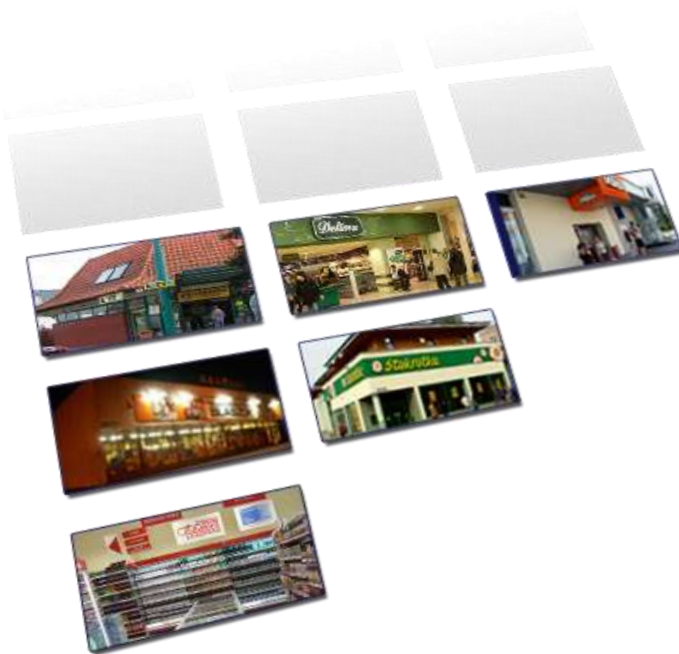


Emperia Holding



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THIRD QUARTER OF 2013

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

LUBLIN, NOVEMBER 2013

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of Annual Consolidated Report of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

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Lublin, 12 November 2013

Dear Shareholders,

Another reporting period in 2013 has come to a close. This year's third quarter - just as the preceding ones - brought numerous challenges for Emperia Group. Operating in a tough, competitive market, particularly so if we look at the retail business, we stayed the course in executing our growth strategy.

Our attention continues to focus on implementing changes in the retail segment. Stokrotka, today undoubtedly a modern, highly-recognisable supermarket chain, requires continuous improvement so as to meet our customers' needs even more fully, all the while delivering appropriate performance for our shareholders.

One of the key elements in our growth strategy was the implementation of an in-house supply chain solution for Stokrotka. As previously announced, after several months of preparations, on 1 July 2013 we launched a distribution centre in Teresin near Warsaw, along with eight regional warehouses. An in-house logistics system will enable us to optimise operating costs, substantially reduce the role of intermediaries in the supply chain and improve sales margins. Just as important is the fact that the new solution will allow us to fend off stiff competition in the market by improving pricing appeal and assortment quality.

In the third quarter, we also worked on a new corporate identity and store concept for the Stokrotka chain. A brand new logo for Stokrotka was unveiled in July. In August, we redesigned storefronts at two locations, and in October we launched the first store in the new supermarket format. We believe that the concept that we've prepared will improve the perception of our supermarkets as stores with an attractive offering and a customer-centric attitude.

We are very active in searching for new organic growth opportunities for our network. The intensive work by our team in charge of site procurement is already starting to pay off. There are clear indications that the next year will bring about significantly higher growth.

The on-going changes in our retail segment have weighed substantially on the entire Group's financial performance. We were well aware of this at the start of this difficult process, but realised that these activities were essential in order to profoundly improve our future performance in retail.

We continued our buy-back programme in the past quarter and, having substantial excess cash, we will continue to re-purchase shares in subsequent reporting periods as one of the ways to distribute returns to our shareholders. In Q3 2013, we spent about PLN 17.7 million on the buy-back programme.

These financial statements depict the Group at a time when a number of initiatives are on-going such as are intended to create additional value for our shareholders.

Dariusz Kalinowski

CEO, Emperia Holding S.A.

1. Selected financial data

	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2013 to 30 Sep 2013	For the period from 1 Jan 2013 to 30 Sep 2012	For the period from 1 Jan 2013 to 30 Sep 2013	For the period from 1 Jan 2013 to 30 Sep 2012
I.	Net revenue from sale of products, goods for resale and materials	1 455 776	1 441 932	344 717	343 743
II.	Operating profit (loss)	12 830	(26 823)	3 038	(6 394)
III.	Profit (loss) before tax	16 752	(2 435)	3 967	(580)
IV.	Profit (loss) for the period	13 601	8 192	3 221	1 953
V.	Net cash flows from operating activities	46 311	65 701	10 966	15 662
VI.	Net cash flows from investing activities	(19 671)	22 081	(4 658)	5 264
VII.	Net cash flows from financing activities	(45 445)	(960 760)	(10 761)	(229 036)
VIII.	Total net cash flows	(18 805)	(872 978)	(4 453)	(208 110)
IX.	Total assets	953 959	978 402	226 255	239 323
X.	Liabilities and liability provisions	297 629	290 477	70 590	71 053
XI.	Non-current liabilities	40 541	42 401	9 615	10 372
XII.	Current liabilities	257 088	248 076	60 975	60 681
XIII.	Equity	656 330	687 925	155 665	168 271
XIV.	Share capital	15 115	15 115	3 585	3 697
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	14 344 172	14 506 557	14 344 172	14 506 557
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	1.83	44.12	0.43	10.52
XVIII.	Diluted profit (loss) per ordinary share, annualised* (in PLN/EUR)	1.81	43.95	0.43	10.48
XIX.	Book value per share* (in PLN/EUR)	45.76	47.43	10.85	11.60
XX.	Diluted book value per share** (in PLN/EUR)	45.43	47.19	10.77	11.54
XXI.	Paid out dividend per share (in PLN/EUR)	0.93	56.41	0.21	13.06

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

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

Weighted average number of shares:

- for Q3 2013 (for January-September): 14 344 172;

- for Q3 2012 (for January-September): 14 506 557;

Selected financial data were 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 Q1-Q3 2013 was EURPLN 4.2231 and for Q1-Q3 2012: EURPLN 4.1948.
- 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 September 2013: EURPLN 4.2163; as at 31 December 2012: EURPLN 4.0882.
- 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 26 June 2013 was EURPLN 4.3348 and as at 14 June 2012 EURPLN 4.3207.

2. Condensed consolidated statement of financial position

	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Non-current assets	583 748	583 932	588 652	572 367
Property, plant and equipment	496 386	495 257	499 621	482 104
Investment property	-	-	-	-
Intangible assets	6 007	6 282	6 570	6 463
Goodwill	49 186	49 186	49 186	49 186
Financial assets	92	92	194	295
Non-current borrowings	-	-	-	-
Non-current receivables	4 614	4 722	4 065	3 829
Deferred income tax assets	21 108	21 546	21 148	21 959
Other non-current prepayments	6 355	6 847	7 868	8 531
Non-current assets classified as held-for-sale	-	-	-	-
Current assets	370 211	407 926	389 750	367 246
Inventory	124 609	141 206	103 767	93 895
Receivables	42 223	50 903	63 341	60 751
Income tax receivables	740	224	2 583	803
Short-term securities	-	-	-	-
Prepayments	6 131	8 098	4 746	6 796
Cash and cash equivalents	196 488	207 475	215 293	205 001
Other financial assets	-	-	-	-
Current assets classified as held-for-sale	20	20	20	-
Total assets	953 959	991 858	978 402	939 613
Equity	656 330	684 997	687 925	675 313
Share capital	15 115	15 115	15 115	15 115
Share premium	549 559	549 559	549 559	50 559
Supplementary capital	100 084	100 084	100 084	100 084
Management options provision	5 010	5 031	5 031	5 031
Reserve capital	110 525	110 525	110 303	110 303
Buy-back provision	-	-	-	499 000
Own shares	(96 792)	(79 119)	(65 020)	(65 020)
Retained earnings	(27 171)	(16 198)	(27 147)	(39 759)
Total equity attributable to owners of the parent	656 330	684 997	687 925	675 313
Non-controlling interests	-	-	-	-
Total non-current liabilities	40 541	38 676	42 401	45 735
Credits, loans and debt instruments	3 818	-	-	-
Non-current liabilities	960	1 099	1 120	1 521
Provisions	33 599	35 498	39 289	41 627
Deferred income tax provision	2 164	2 079	1 992	2 587
Total current liabilities	257 088	268 185	248 076	218 565
Credits, loans and debt instruments	819	-	-	-
Current liabilities	236 402	247 372	229 772	200 903
Income tax liabilities	1 344	1 474	1 872	1 215
Provisions	16 040	16 718	14 409	14 150
Deferred revenue	2 483	2 621	2 023	2 297
Liabilities assigned to assets classified as held-for-sale	-	-	-	-
Total equity and liabilities	953 959	991 858	978 402	939 613

	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Book value	656 330	684 997	687 925	675 313
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Diluted number of shares	14 445 608	14 560 319	14 578 832	14 564 312
Book value per share (in PLN)*	45.76	47.34	47.43	46.55
Diluted book value per share (in PLN)**	45.43	47.05	47.19	46.37

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

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

3. Condensed consolidated statement of profit and loss and condensed consolidated statement of comprehensive income

	Three months ended 30 Sep 2013	Nine months ended 30 Sep 2013	Three months ended 30 Sep 2012	Nine months ended 30 Sep 2012
Revenue	473 018	1 455 776	463 024	1 441 932
Cost of sales	(356 732)	(1 099 277)	(349 951)	(1 091 870)
Profit from sales	116 286	356 499	113 073	350 062
Other operating revenue	102	6 228	1 023	12 152
Distribution costs	(104 619)	(290 606)	(135 284)	(323 345)
Administrative expenses	(19 715)	(53 290)	(14 844)	(50 067)
Other operating expenses	(3 166)	(6 001)	(1 656)	(15 625)
Operating profit	(11 112)	12 830	(37 688)	(26 823)
Finance income	1 006	4 332	3 704	27 412
Finance costs	(223)	(410)	(1 564)	(3 024)
Profit before tax	(10 329)	16 752	(35 548)	(2 435)
Income tax	(665)	(3 151)	7 158	10 627
- current	(141)	(2 939)	(714)	(4 112)
- deferred	(524)	(212)	7 872	14 739
Share of the profit of equity-accounted investees	-	-	-	-
Profit for the period	(10 994)	13 601	(28 390)	8 192
Profit for the period attributable to owners of the parent	(10 994)	13 601	(28 390)	8 192
Profit for the period attributable to non-controlling interests	-	-	-	-
Profit (loss) for the period (annualised), including:		26 212		640 078
Weighted average number of ordinary shares		14 344 172		14 506 557
Weighted average diluted number of ordinary shares*		14 445 608		14 564 312
Profit (loss) per ordinary share, annualised (in PLN)		1.83		44.12
Diluted profit (loss) per ordinary share, annualised* (in PLN)		1.81		43.95

* Weighted average diluted number of ordinary shares:

– for Q1-Q3 2013 (January-September): 14 445 608, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

– for Q1-Q3 2012 (January-September): 14 564 312, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

Statement of comprehensive income	Three months ended	Nine months ended	Three months ended	Nine months ended
	30 Sep 2013	30 Sep 2013	30 Sep 2012	30 Sep 2012
Profit for the period	(10 994)	13 601	(28 390)	8 192
Other comprehensive income	-	-	-	-
Comprehensive income for the period	(10 994)	13 601	(28 390)	8 192
Comprehensive income attributable to owners of the parent	(10 994)	13 601	(28 390)	8 192
Comprehensive income attributable to non-controlling interests	-	-	-	-

4. Condensed consolidated statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 July 2013	15 115	549 559	100 084	5 031	110 525	-	(79 119)	(16 198)	684 997
Correction of fundamental errors 2012	-	-	-	-	-	-	-	-	-
1 July 2013, corrected	15 115	549 559	100 084	5 031	110 525	-	(79 119)	(16 198)	684 997
Comprehensive income for the three months ended 30 September 2013	-	-	-	-	-	-	-	(10 994)	(10 994)
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-
2012 profit distribution - transfer to equity	-	-	-	-	-	-	-	-	-
Measurement of 2nd management options programme	-	-	-	(21)	-	-	-	21	-
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(17 673)	-	(17 673)
Redemption of own shares	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2012 profit distribution	-	-	-	-	-	-	-	-	-
30 Sep 2013	15 115	549 559	100 084	5 010	110 525	-	(96 792)	(27 171)	656 330

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2013	15 115	549 559	100 084	5 031	110 303	-	(65 020)	(27 147)	687 925
Correction of fundamental errors 2012	-	-	-	-	-	-	-	-	-
1 January 2013, corrected	15 115	549 559	100 084	5 031	110 303	-	(65 020)	(27 147)	687 925
Comprehensive income for the nine months ended 30 September 2013	-	-	-	-	-	-	-	13 601	13 601
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	(53)	(53)
2012 profit distribution - transfer to equity	-	-	-	-	222	-	-	(222)	-
Measurement of 2nd management options programme	-	-	-	(21)	-	-	-	21	-
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(31 772)	-	(31 772)
Redemption of own shares	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2012 profit distribution	-	-	-	-	-	-	-	(13 372)	(13 372)
30 Sep 2013	15 115	549 559	100 084	5 010	110 525	-	(96 792)	(27 171)	656 330

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Non-controlling interests	Total equity
1 July 2012	15 115	50 559	100 084	5 031	110 303	499 000	(65 020)	(11 369)	-	703 703
Correction of fundamental errors 2011	-	-	-	-	-	-	-	-	-	-
1 July 2012, corrected	15 115	50 559	100 084	5 031	110 303	499 000	(65 020)	(11 369)	-	703 703
Comprehensive income for the three months ended 30 September 2012	-	-	-	-	-	-	-	(28 390)	-	(28 390)
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-	-
Sale of properties restated in prior years	-	-	-	-	-	-	-	-	-	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-	-
Redemption of own shares	-	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2011 profit distribution	-	-	-	-	-	-	-	-	-	-
30 Sep 2012	15 115	50 559	100 084	5 031	110 303	499 000	(65 020)	(39 759)	-	675 313

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Non-controlling interests	Total equity
1 January 2012	15 115	50 559	100 084	5 031	110 169	499 000	(53 774)	770 978	-	1 497 162
Correction of fundamental errors 2011	-	-	-	-	-	-	-	-	-	-
1 January 2012, corrected	15 115	50 559	100 084	5 031	110 169	499 000	(53 774)	770 978	-	1 497 162
Comprehensive income for the nine months ended 30 September 2012	-	-	-	-	-	-	-	8 192	-	8 192
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-	-
Sale of properties restated in prior years	-	-	-	-	-	-	-	(1 125)	-	(1 125)
Creation of buy-back provision	-	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(11 246)	-	-	(11 246)
2011 profit distribution - transfer to equity	-	-	-	-	134	-	-	(134)	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2011 profit distribution	-	-	-	-	-	-	-	(817 671)	-	(817 671)
30 Sep 2012	15 115	50 559	100 084	5 031	110 303	499 000	(65 020)	(39 759)	-	675 313

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2012	15 115	50 559	100 084	5 031	110 169	499 000	(53 774)	770 978	1 497 162
Correction of fundamental errors 2011	-	-	-	-	-	-	-	-	-
1 January 2012, corrected	15 115	50 559	100 084	5 031	110 169	499 000	(53 774)	770 978	1 497 162
Comprehensive income for the 12 months ended 31 December 2012	-	-	-	-	-	-	-	20 803	20 803
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-
Sale of properties restated in prior years	-	-	-	-	-	-	-	(1 123)	(1 123)
Release of buy-back provision	-	499 000	-	-	-	(499 000)	-	-	-
Purchase of own shares	-	-	-	-	-	-	(11 246)	-	(11 246)
2011 profit distribution - transfer to equity	-	-	-	-	134	-	-	(134)	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2011 profit distribution	-	-	-	-	-	-	-	(817 671)	(817 671)
31 Dec 2012	15 115	549 559	100 084	5 031	110 303	-	(65 020)	(27 147)	687 925

5. Condensed consolidated statement of cash flows

	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
Profit (loss) for the period	13 601	8 192
Adjusted by:	32 710	57 509
Share of the net profit (loss) of equity-accounted investees	-	-
Depreciation	30 527	32 112
(Profit) loss on exchange differences	-	-
Interest and shares of profit (dividend)	71	471
Income tax	3 151	(10 627)
Profit (loss) on investing activities	(2 419)	(4 375)
Change in provisions	(4 061)	46 381
Change in inventory	(20 843)	25 129
Change in receivables	23 459	22 183
Change in prepayments	591	(634)
Change in liabilities	3 856	(54 020)
Other corrections	3	7 744
Income tax paid	(1 625)	(6 855)
Net cash from operating activities	46 311	65 701
Inflows	5 686	132 532
Disposal of property, plant and equipment and intangible assets	5 646	48 944
Disposal of financial assets	-	2
Disposal of subsidiaries	-	-
Dividends received	-	-
Interest received	-	1 582
Repayment of borrowings	-	82 000
Cash of entities acquired, at acquisition date	40	-
Proceeds from use of investment properties	-	-
Other inflows	-	4
Outflows	(25 357)	(110 451)
Purchase of property, plant and equipment and intangible assets	(25 354)	(28 451)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	-	-
Borrowings granted	-	(82 000)
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	(3)	-
Net cash from investing activities	(19 671)	22 081
Inflows	-	-
Proceeds from loans and borrowings incurred	-	-
Issue of short-term debt instruments	-	-
Other inflows	-	-
Outflows	(45 445)	(960 760)
Repayment of borrowings	-	(130 090)
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	(231)	-
Interest and fees paid	(70)	(1 753)

Dividends paid	(13 372)	(817 671)
Purchase of own shares	(31 772)	(11 246)
Other outflows	-	-
Net cash flows from financing activities	(45 445)	(960 760)
Change in cash and cash equivalents	(18 805)	(872 978)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	215 293	1 077 979
Cash and cash equivalents at the end of period	196 488	205 001

6. Additional information

6.1 Description of Group structure

Name, registered office and objects of the parent entity

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

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

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

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

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

The consolidated financial statements were prepared for the period from 1 January 2013 to 30 September 2013, and the comparative financial data covers the period from 1 January 2012 to 30 September 2012. The consolidated financial statements do not contain combined data, and the companies do not have internal organisational entities which draft financial statements on their own.

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

Information on consolidation

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

As at 30 September 2013, consolidation includes Emperia Holding S.A. and 12 subsidiaries: Stokrotka Sp. z o.o., Infinite Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., Maro Markety Sp. z o.o., Spółem Tychy S.A., P3 EKON Sp. z o.o. S.K.A., EMP Investment Limited, Ekon Sp. z o.o., IPOPEMA 55 FIZAN, P1 Sp. z o.o., Eldorado Sp. z o.o. (formerly P4 Sp. z o.o.), P5 EKON Sp. z o.o. S.K.A.

During the first three quarters of 2013, Emperia Group's structure was subject to a change (compared with the 2012 year-end). On 2 January 2013, subsidiaries Infinite Sp. z o.o., Emperia Info Sp. z o.o. and Tradis S.A. were merged.

Emperia Holding S.A. subsidiaries subject to consolidation within the Group, included in the consolidated financial statements as at 30 September 2013

Entity name	Company logo	Registered office	Main object	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. (1)		20-209 Lublin, ul. Projektowa 1	Retail sale of food, beverages and tobacco	16977, District Court in Lublin, 11th 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 in Lublin, 11th 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. (2)		20-209 Lublin, ul. Projektowa 1	Property development	946, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2001-02-15	100.00%	100.00%
4 Społem Tychy S.A.		43-100 Tychy, Damrota 72	Retail sale of food, beverages and tobacco	389530, District Court in Katowice, 8th Commercial Division of the National Court Register	Subsidiary	Full	2007-07-06	100.00%	100.00%
5 Maro-Markety Sp. z o.o.		61-615 Poznań, Skwierzyńska 20	Retail sale of food, beverages and tobacco	102596, District Court in Poznań, 20th Commercial Division of the National Court Register	Subsidiary	Full	2007-09-12	100.00%	100.00%
6 P3 EKON Sp. z o.o. S.K.A. (3)		20-209 Lublin, ul. Projektowa 1	Property management	71049, District Court in Częstochowa, 17th Commercial Division of the National Court Register	Subsidiary	Full	2007-11-29	100.00%	100.00%
7 P1 Sp. z o.o.		20-209 Lublin, ul. Projektowa 1	Activities of head offices; management consultancy activities	365614, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%

8	EKON Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Property management	367597, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%
9	EMP Investment Ltd.(6)	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%
10	Ipopema 55 FIZAN (4)	00-850 Warsaw, Waliców 11	Trusts, funds and similar financial entities	RFI 591, Investment Fund Register maintained by the District Court in Warsaw	Subsidiary	Full	2010-12-09	100.00%	100.00%
11	Eldorado Sp. z o.o. (formerly P4 Sp. z o.o.)	20-209 Lublin, ul. Projektowa 1	Activities of head offices; management consultancy activities	KRS 400637, District Court for Lublin-Wschód based in Swidnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	03-10-2011	100.00%	100.00%
12	P5 EKON Sp. z o.o. S.K.A. (formerly P5 Sp. z o.o.) (5)	20-209 Lublin, ul. Projektowa 1	Renting and operating of own or leased real estate	KRS 403506, District Court for Lublin-Wschód based in Swidnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	24-11-2011	100.00%	100.00%

(1) directly by Emperia Holding S.A. (98 472 shares; 95.93%) and indirectly by Stokrotka Sp. z o.o. (4 181 shares; 4.07%)

(2) indirectly by IPOPEMA 55 FIZAN (80 825 shares), EKON Sp. z o.o. (contribution)

(3) indirectly by IPOPEMA 55 FIZAN (138 427 shares; 99.95%), EKON Sp. z o.o. (contribution)

(4) indirectly by EMP Investment Limited

(5) indirectly by IPOPEMA 55 FIZAN (56 047 shares), EKON Sp. z o.o. (contribution)

(6) directly by Emperia Holding S.A. (94 454 shares; 80.27%), indirectly by Stokrotka Sp. z o.o. (20 235 shares; 17.20%), Spółem Tychy Sp. z o.o. (2 976 shares; 2.53%)

Subsidiaries excluded from the consolidated financial statements as at 30 September 2013, together with the legal basis for exclusion

Entity name	Registered office	Legal basis for exclusion	Emperia's share in share capital (% as at the end of the reporting period)	Emperia's share of the total number of votes (% as at the end of the reporting period)
1. Lider Sp. z o.o. w likwidacji (1)	70-660 Szczecin, ul. Gdańska 3C	The financial data of these entities is insignificant from the viewpoint of the requirement to present the Group's asset position, financial situation and financial performance in a reliable and transparent manner	100.00%	100.00%
2. SPOŁEM Domy Handlowe Sp. z o.o. (2)	43-100 Tychy, ul. Damrota 72		100.00%	100.00%
3. P2 EKON Sp. z o.o. S.K.A. (3)	20-209 Lublin, ul. Projektowa 1		100.00%	100.00%

(1) indirectly by Stokrotka Sp. z o.o.

(2) indirectly by Społem Tychy S.A.

(3) indirectly by IPOPEMA 55 FIZAN

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 September 2013

Entity name	Registered office	Share capital (in PLN 000's)	Emperia's share in share capital (% as at the end of the reporting period)	Emperia's share of the total number of votes (% 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 significant accounting policies

6.2.1 Basis for preparing the consolidated financial statements

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

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

6.2.2 Statement of compliance

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

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

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

6.2.3 Segment reporting

IFRS 8 Operating Segments, issued by the IASB on 30 November 2006, superseded IAS 14 Segment Reporting and applies to annual periods beginning on or after 1 January 2009.

In 2013, the Group operated through the following segments:

- 1 **Retail sales** (retail segment), covering all operations of the following subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy S.A;
- 2 **Property** (property segment), covering Emperia Group's property assets, including the following companies: Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., Ekon Sp. z o.o., P5 EKON Sp. z o.o. S.K.A., EMP Investment Limited, IPOPEMA 55 FIZAN;
- 3 **Central Management** (central management segment), covering the management functions, holding services and advisory within the Group. The segment comprises the following companies: Emperia Holding S.A., P1 Spółka z o.o., Eldorado Sp. z o.o. (formerly P4 Spółka z o.o.);
- 4 **IT** (IT segment), covering the operations of Infinite Spółka z o.o. - an IT services provider.

The Group applies uniform accounting principles for all segments. Inter-segment transactions are done on market terms and are subject to exclusion from the consolidated financial statements.

6.2.4 Functional currency

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

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

Drafting the consolidated financial statements in PLN 000's results in the necessity to round up, which may result in a situation where the sum totals presented in these financial statements may not exactly equal the sum totals for individual analytical items.

6.2.5 Discontinued operations

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

On 11 October 2012, the Extraordinary General Meeting of Emperia Holding S.A. adopted a resolution on the liquidation of property trading and management companies. The resolution constitutes a part of the Group's long-term strategy, which was approved by the shareholders. At this time, the company is unable to specify which properties will be sold or what the timetable for these sales will be. Furthermore, appropriate statutory resolutions concerning the liquidation of companies in the property segment have not yet been adopted.

6.2.6 Changes in adopted accounting principles

The Group implements new IFRS standards and interpretations such as are applicable in the respective reporting periods. The Group specifies what changes were adopted in all consolidated financial statements, together with the effects they had on the consolidated financial statements and comparative data.

6.2.7 Application of standards and interpretations effective from 1 January 2013

The Group applies the following standards, amendments and interpretations since 1 January 2013:

a) Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

On 16 December 2011, the IASB jointly with the FASB issued new disclosure requirements that aim to improve comparability of financial statements prepared in accordance with IFRS and US GAAP. The new requirements apply to annual periods beginning on or after 1 January 2013.

b) IFRS 10 Consolidated Financial Statements

On 12 May 2011, the IASB issued IFRS 10, which superseded IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes control as the basis for consolidation, regardless of the characteristics of the investee. The definition of control has three elements: control over the investee, exposure or rights to variable returns from involvement with the investee, and the ability to affect those returns through the investor's power over the investee. If facts or circumstances change, the investor must re-assess whether it is capable of exerting control over the investee. The standard applies to annual periods beginning on or after 1 January 2013, with early adoption permitted under certain circumstances.

c) IFRS 11 Joint Arrangements

On 12 May 2011, the IASB issued IFRS 11, which will supersede IAS 31 Interests in Joint Ventures and interpretation SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 classifies joint contractual arrangements as either a joint operation or joint venture. A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires interests in joint arrangements to be accounted for using

the equity method. Classification of joint arrangements depends upon the parties' rights and obligations arising from the arrangement. The standard applies to annual periods beginning on or after 1 January 2013, with early adoption permitted under certain circumstances.

d) IFRS 12 Disclosure of Interests in Other Entities

On 12 May 2011, the IASB issued IFRS 12 requiring a wide range of disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. IFRS 12 sets out information disclosure objectives and the minimum scope of disclosures required to satisfy those objectives. An entity shall disclose information that enables users of its consolidated financial statements to evaluate the nature of the interests they hold and the nature, and changes in, the risks associated with their interests in consolidated structured entities. The standard is effective from 1 January 2013, with early adoption permitted under certain circumstances.

e) IFRS 13 Fair Value Measurement

IFRS 13 seeks to increase consistency and comparability of international financial reporting standards. The new, common definition of fair value is as follows: the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard contains a number of explanations and recommendations concerning fair value measurements in accordance with the definition and introduces information disclosure requirements concerning measurements and measurement methodology for both financial and non-financial items. The standard is effective from 1 January 2013.

f) Amended IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures

IAS 27 and IAS 28 were amended in connection with the issuance of IFRS 10 and IFRS 11 so as to correspond with their content. These amendments do not affect the provisions concerning separate financial statements. The amendments are effective from 1 January 2013.

g) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

On 19 October 2011, the IASB issued interpretation IFRIC 20, which considers when and how the settlement of production should lead to the recognition of an asset, as well as how to measure such an asset both initially and subsequently. The interpretation applies to annual periods beginning on or after 1 January 2013. Earlier application is permitted.

h) IAS 19 Employee Benefits

The IASB introduced a number of amendments to IAS 19, the largest of which concerns defined benefit plans. The "corridor" approach, which allowed deferring the recognition of profit and losses, was eliminated and the requirement to recognise re-measurements in other comprehensive income was introduced. These amendments will apply to financial statements for periods beginning on or after 1 January 2013.

i) Amendments to IAS 1 Government Loans

Amendments to IAS 1 Government Loans were issued by the IASB in March 2012 and apply to annual periods beginning on or after 1 January 2013. In order to maintain compliance with IAS 20, the amendments enable first-time adopters to apply the amendments retrospectively to new government loans with a below-market rate of interest entered into on or after the date of transition to IFRSs such as are measured at less than fair value on initial recognition.

j) Amendments to IFRSs (2009-2011)

On 17 May 2012, the IASB issued Amendments to IFRSs (2009-2011), a collection of amendments to IFRSs, in response to six issues addressed during the 2009–2011 cycle. Five standards were amended: IFRS 1 First-time Adoption of International Financial Reporting Standards - subject of amendment: Repeated application of IFRS 1 and Borrowing costs relating to qualifying assets for which the commencement date for capitalisation was before the date of transition to IFRSs.; IAS 1 Presentation of Financial Statements - Clarification of the requirements for comparative information; IAS 16 Property, Plant and Equipment - Classification of servicing equipment; IAS 32 Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments should be accounted for in line with the requirements in IAS 12; IAS 34 Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements of IFRS 8 Operating Segments. The amendments apply to annual periods beginning on or after 1 January 2013. Earlier application is permitted.

k) Transition guidance - amendments to IFRS 10, IFRS 11 and IFRS 12

On 28 June 2012, the IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities - transition guidance. The amendments should alleviate concerns that the transition requirements of IFRS 10 are more onerous than expected. When applying the disclosure requirements of IAS 8 point 28 (f), an entity need only present the quantitative information for the immediately preceding period.

The amendments aim to provide further relief from full retrospective application when transitioning to IFRS 10, IFRS 11 and IFRS 12 by limiting the requirement to supply corrected comparative information only for the immediately preceding period. Furthermore, amendments to IFRS 11 and IFRS 12 were introduced, aiming to eliminate the requirement to supply comparative information for periods before the immediately preceding period.

The effective date for these amendments concerns annual periods beginning on or after 1 January 2013 and is in compliance with the dates for IFRS 10, IFRS 11 and IFRS 12.

The Group estimates that the adoption of the above amended standards and new interpretations does not have a significant impact on the financial statements for the first three quarters of 2013.

Standards issued, but not yet effective:

a) IAS 32 Financial Instruments: Presentation

The amendment to IAS 32 concerns the offsetting of financial assets and financial liabilities. It was issued on 16 December 2011 in order to explain offsetting requirements. The amendments apply to annual periods beginning on or after 1 January 2014. Earlier application is permitted.

Earlier application of standards and applications:

In preparing these consolidated financial statements, the Group decided against the earlier application of any standards.

Standards and interpretations not yet endorsed by the European Union:

a) IFRS 9 Financial Instruments (Amendments to IFRS 9 (2009), IFRS 9 (2010) and IFRS 7)

On 16 December 2011, the IASB deferred the effective date for IFRS 9 to 1 January 2015. The amendment eliminates the requirement to restate comparative data which are subject to disclosure (under IFRS 7) so as to enable users of

financial statements to understand their effects after application of IFRS 9. This standard has not yet been endorsed by the European Union.

b) Investment entities - amendments to IFRS 10, IFRS 12 and IAS 27

On 31 October 2012, amendments were issued for IFRS 10, IFRS 12 and IAS 27 which allow to not consolidate in accordance with IFRS 10 and require investment entities to carry subsidiaries at fair value through profit or loss (in accordance with IFRS 9) instead of consolidating them. In addition, the amendments provide requirements concerning disclosures for investment entities. The amendments apply to annual periods beginning on or after 1 January 2014. Earlier application is permitted.

c) New interpretation IFRIC 21 Levies

On 20 May 2013, the IASB issued interpretation IFRIC 21 Levies, which provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that 'economic compulsion' and the going concern principle do not create or imply that an obligating event has occurred.

IFRIC 21 provides guidance on progressive recognition of a liability to pay levies if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold.

IFRIC 21 applies to annual periods beginning on or after 1 January 2014. The interpretation does not supersede IFRIC 6 Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment, which remains in force and is consistent with IFRIC 21.

d) Amendments to IAS 36 concerning disclosures of recoverable amounts of non-financial assets

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The overall effect of the amendment is a reduction in the events where recoverable value of an asset or a cash-generating unit requires disclosure, clarification of disclosure requirements and introduction of formal requirements for the disclosure of discount rates applied to recognise impairment or reverse an impairment loss (based on fair value less costs of disposal) measured based on current value.

The amendments apply to annual periods beginning on or after 1 January 2014. Early application is permitted if IFRS 13 is applied.

e) Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting'

On 27 June 2013, the IASB issued 'Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39 'Financial Instruments: Recognition and Measurement'). Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to benefit from the amended guidance, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The amendments apply to annual periods beginning on or after 1 January 2014. Early application is permitted.

The Group considers the use of the above standards not to have a significant impact on the financial statements in the period following their adoption.

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, unused vacation time), 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 corrected in the statements being prepared.

Errors identified in subsequent reporting periods are corrected 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 disposals of subsidiaries and other entities; capital increases

a) Share capital increase at EMP Investment Limited

Pursuant to art. 76 of the company's articles of association, on 27 September 2013 shareholders of EMP Investment Limited adopted a resolution on increase of the company's share capital from PLN 50 998 to PLN 117 665 through the issue of 66 667 new shares with a nominal value of PLN 1 each, which were acquired by:

- Emperia Holding S.A. - 53 516 shares with a nominal value of PLN 1 in exchange for a monetary contribution of PLN 321 096, of which PLN 53 516 will be used to pay for the newly-issued shares and PLN 267 580 will be allocated to a share premium provision.
- Stokrotka Sp. z o.o. - 11 465 shares in exchange for a monetary contribution of PLN 68 790, of which PLN 11 465 will be used to pay for the newly-issued shares and PLN 57 325 will be allocated to a share premium provision.
- Spółem Tychy S.A. - 1 686 shares with a nominal value of PLN 1 in exchange for a monetary contribution of PLN 10 116, of which PLN 1 686 will be used to pay for the newly-issued shares and PLN 8 430 will be allocated to a share premium provision.

Mergers, acquisitions and disposals of subsidiaries and other entities; capital increases - after the end of the reporting period

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

On 8 October 2013, the Extraordinary General Meeting of Ekon Sp. z o.o. adopted a resolution on increase of the company's share capital from PLN 200 000 to PLN 250 000, i.e. by PLN 50 000, through the issue of 500 new shares with a nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for a cash contribution of PLN 50 000.

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

On 8 October 2013, the Extraordinary General Meeting of Eldorado Sp. z o.o. adopted a resolution on increase of the company's share capital from PLN 120 000 to PLN 170 000, i.e. by PLN 50 000, through the issue of 500 new shares with a nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for a cash contribution of PLN 50 000.

6.2.11 Property, plant and equipment

The Group recognises individual usable items which fulfil the criteria in IAS 16 as property, plant and equipment if their acquisition price (cost of manufacture) is at least PLN 1 000 (low-value assets in aggregate are not a significant item), with exceptions, particularly as follows:

- computer equipment,
- pallet trucks,
- store carts,
- high bay pallet racks,
- lockers,

which, given the specific nature of the Company's operations and their high volume, constitute a significant asset group, the Group recognises as property, plant and equipment regardless of the purchase price (cost of manufacture). Again due to the nature of the Company's operations, the following are not classified as property, plant and equipment, even though they meet the value criteria:

- office furniture,
- PVC curtains,

the value criterion for these items has been set at PLN 3 500 (low-value assets in aggregate are not a significant item from the Company's viewpoint).

Property, plant and equipment are recognised at purchase price or cost of manufacture less depreciation and impairment.

The Group also classifies property, plant and equipment in progress, investments in third-party property, plant and equipment and land usufruct rights as property, plant and equipment.

The initial value of property, plant and equipment includes the purchase price less any costs directly related to the purchase and adaptation of a given asset for commercial use. A portion of external financing costs is included in the initial value.

The cost of upgrades is included in the carrying amount of property, plant and equipment if it is probable that the economic benefits will flow to the Group, and the upgrade costs may be reliably measured. All other expenses relating to repairs and maintenance of property, plant and equipment are recognised through profit or loss for the reporting periods in which they were incurred.

Land is not subject to depreciation. Other property, plant and equipment items are depreciated throughout their useful economic life. Straight-line depreciation is used, starting from the month following the month in which the asset was entered into use. The Group has adopted the following periods of useful economic life for the particular groups of property, plant and equipment:

Rights to perpetual usufruct of land:	in accordance with the term of the right or the estimated period of use
Buildings and structures:	10 to 40 years
Technical equipment and machinery:	5 to 10 years
Computer equipment:	1.5 to 5 years
Means of transport:	5 to 7 years
Other:	5 to 10 years

The Group verifies periodically, but at least at the end of each financial year, the adopted periods of useful economic life for property, plant and equipment, the residual values and depreciation approach, and the resulting changes in these estimates are applied in subsequent financial years (prospectively).

Due to the specific nature of its operations, the Group frequently incurs expenditures on investments in third-party facilities. This concerns leased warehousing and retail facilities. For these assets, the Group specifies periods of useful economic life of expenditures which are not always corresponding with the leasing agreement in place at the time. In the case of investments in third-party facilities, if the lease term is shorter than the planned period for balance sheet depreciation, and the lease is not expected to be extended, depreciation is based on the period of useful economic life. However, in the event that a lease contract is extended the non-depreciated net value is allocated to the remaining useful economic life.

At the end of each reporting period, the Group also tests property, plant and equipment for impairment and the necessity to recognise impairment losses. This happens when the Group gains sufficient certainty that a given asset will not yield the expected economic benefits in the future or that those will be significantly lower.

Impairment losses are recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the two amounts: fair value less selling costs or the usable value.

Impairment losses are recognised as costs appropriate to the functions performed by the given asset in the period in which impairment was identified, however no later than at the end of the financial year.

If the Group gains sufficient certainty that the reason for recognising an impairment loss has ceased to exist, the previously recognised impairment loss is reversed, either in full or partially, through a correction in operating expenses (depreciation costs).

Upon the sale of a property, plant and equipment, its initial value and accumulated depreciation are taken off the books, and the result of the disposal is recognised through profit or loss under other operating revenue or other operating expenses. The result on the sale of property, plant and equipment is recognised, after offsetting, through profit or loss.

Regardless of whether a given asset constitutes a single item of property, plant and equipment, its elements may have different periods of useful economic life. If certain criteria are met as regards the recognition of property, plant and equipment, all of the costs of such an item may be divided into its elements, recognising each one separately (components). Such a recognition necessitates, however, the application of depreciation rates appropriate to the useful period of a given component, taking into consideration its period of useful economic life.

Due to the solution above, the replacement costs of a component will increase its value. In other cases, expenses connected with the use of tangible assets, together with the replacement of components, are recognised in the statement of profit and loss upon incurrence.

6.2.12 External financing costs

External financing costs are capitalised as part of the cost of manufacture of property, plant and equipment, investment properties and intangible assets. External financing costs comprise interest calculated using effective interest rates, finance lease liabilities and exchange differences arising in connection with external financing up to an amount corresponding to the correction of interest costs.

Proceeds from investments resulting from short-term investing of external borrowed funds intended for the purchase or manufacture of an asset being adapted decrease the value of external financing costs which are subject to capitalisation.

An asset being adapted is an asset which requires a substantial amount of time in order to bring it to working condition for its intended use. The substantial amount of time in order to bring the asset to working condition for its intended use is understood by the Group to be 12 months.

Commissions on long-term financing raised by the Company are settled over time at adjusted purchase price (amortised cost) using effective interest rates and with application of the materiality principle.

6.2.13 Non-current assets held for sale

The Group classifies non-current assets as held for sale (or disposal groups) if their carrying amount will be recovered through sale rather than through further use. This condition is met when there is a high likelihood that a sale transaction will take place and the asset (group of assets) in its current form is available for immediate use. The classification of non-current assets as held for sale assumes the management's intent to complete the sale transaction within one year from the reclassification date.

Non-current assets held for sale (or disposal groups) are measured at the lower of carrying amount and fair value less costs to sell. If the fair value is lower than the carrying amount, the difference is recognised as an impairment loss in the profit and loss statement. The reversal of an impairment loss is also done through the profit and loss statement, up to the amount of the impairment loss.

6.2.14 Intangible assets

Intangible assets are recognised at purchase price adjusted by amortisation and impairment losses.

The Group has adopted the following periods of useful economic life for the particular groups of intangible assets:

Trademarks and licences	5 years
Computer software and author's rights	2 to 5 years
Property rights	5 years

Amortisation of intangible assets through profit or loss is recognised in the costs appropriate to the function performed by such assets (administrative expenses, distribution costs, other operating expenses).

Intangible assets not yet handed over for use (in progress) may be recognised at the end of the reporting period. Intangible assets which have not yet been handed over for use are not subject to amortisation, but are tested for impairment.

Intangible assets with undefined useful periods (concerns especially trademarks) and goodwill may be recorded as intangible assets. Goodwill and intangible assets with undefined useful periods are not subject to amortisation. However, they are tested for impairment annually.

Intangible assets acquired through a merger are recognised separately from goodwill, provided that they meet the definition of intangible assets and their value can be reliably established. After initial recognition at fair value, in subsequent reporting periods these intangible assets are treated in the same manner as intangible assets acquired in other transactions.

Purchased computer software is capitalised up to the amount of costs incurred to purchase, prepare and implement it. Costs connected with the development and maintenance of computer software are recognised as costs on the date when they were incurred.

The Group verifies periodically, but at least at the end of each financial year, the adopted periods of useful economic life for intangible assets, the residual values and amortisation approach, and the resulting changes in these estimates are applied in subsequent financial years (prospectively).

At the end of each reporting period, the Group also tests intangible assets for impairment and the necessity to recognise impairment losses. This happens when the Group gains sufficient certainty that a given asset will not yield the expected economic benefits in the future or that those will be significantly lower. Impairment losses are recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the usable value.

Impairment losses are recognised as costs appropriate to the functions performed by the given intangible asset in the period in which impairment was identified, however no later than at the end of the financial year. If the Group gains sufficient certainty that the reason for recognising the impairment loss has ceased to exist, the previously recognised impairment loss is reversed, either in full or partially, through recognition of revenue.

6.2.15 Investments and other financial assets

Property investments

Investment properties are those properties which the Company considers as lease income sources or maintains them due to their growing value, or both of these benefits at the same time. On initial recognition, investment properties are measured at purchase price or cost of manufacture.

The measurement takes into consideration transaction costs. The purchase price for investments in properties acquired as a result of a merger is equal to their fair value at transaction date. As at the end of the reporting period, investment properties are measured at purchase price or cost of manufacture less accumulated amortisation and impairment losses.

Amortisation charges on investment properties (excluding land) are recognised using the straight-line approach throughout the useful period of a given tangible asset.

Investment properties are taken off the balance sheet upon disposal or - in the event of a full withdrawal from use - if no economic benefits are expected to be received as a result of the sale.

Investments and other financial assets covered by IAS 39

Investments and other financial assets covered by IAS 39 are assigned to the following categories:

- a) Financial assets carried at fair value through profit or loss
- b) Loans and receivables
- c) Investments held to maturity
- d) Available-for-sale financial assets

On initial recognition, a financial asset is measured at fair value, increased, in the case of a component of assets not classified as measured at fair value through profit or loss, by transaction costs, which can be directly attributed.

The classification of financial assets occurs upon initial recognition and - where permissible and appropriate - is subsequently verified at the end of each financial year.

a) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss cover assets held for trading and financial assets which upon initial recognition were reclassified to the category of assets carried at fair value through profit or loss.

Financial assets are classified as held for trading if they may be purchased for further sale in the short-term. Derivatives are also classified as held for trading unless they are effective hedging instruments or financial guarantee contracts. Profit or loss on investments held for trading is recognised in the statement of profit and loss.

On initial recognition, financial assets may be classified in the category 'at fair value through profit or loss' if the following criteria are met:

- such qualification eliminates or significantly lowers inconsistencies in recognition when both the measurement and means of recognition of profit and loss are subject to different regulations; or
- the assets are part of a group of financial assets which are managed and evaluated on the basis of fair value in accordance with a documented risk management strategy; or
- financial assets have embedded derivatives which should be recognised separately.

b) Loans and receivables

Loans and receivables are financial assets, other than derivatives, that have defined maturities and are not traded on an active market. After initial measurement, loans and receivables are measured at amortised cost using the effective interest rate approach.

Loans and receivables are classified as current assets if they mature in less than 12 months from the end of the reporting period, and as non-current assets if they mature in more than 12 months away from the end of the reporting period.

c) Investments held to maturity

Financial assets, other than derivatives, whose payments are or can be defined and which have defined maturities, and towards which the Company has a clear intent and is able to hold them to maturity are classified as investments held to maturity.

Investments which the Company intends to hold for an indefinite period of time are classified in this category. Other non-current investments, such as bonds, which the Company intends to hold to maturity are measured at amortised cost.

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus any unamortised original premium or discount, as calculated using the effective interest rate method. Amortised cost covers all commissions and interest paid and received by the parties to a contract such as are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. The profit or loss on investments carried at amortised cost is recognised in the statement of profit and loss when the investment is removed from the balance sheet (derecognition) or upon identifying impairment or if depreciation is completed.

The same principles apply to non-current investments in property as to non-current assets. As regards non-current investments in property, plant and equipment, the effects of activities connected with determining financial results, such as: sale, liquidation, maintenance costs, should be recognised as operating revenue or operating expenses.

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets, other than derivatives, such as are designated as available for sale, and those other than:

- loans and receivables,
- investments held to maturity, or
- financial assets carried at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value using various measurement approaches. These approaches involve the most recent transactions on market terms, received purchase proposals, current market prices of other similar instruments and DCF analysis. If it is not possible to determine the fair value, but the maturity of such assets is known, they are measured at amortised cost; if these assets do not have specified maturities, then they are measured at purchase price.

The profit or loss on available-for-sale investments is recognised in the statement of profit and loss.

Impairment of financial assets

Each financial asset or group of financial assets is evaluated as to whether there is objective proof of impairment at the end of each reporting period.

If such proof is available in the case of available-for-sale financial assets, the accumulated losses recognised in equity, i.e. the difference between the purchase price and the current fair value, less any impairment previously recognised in the statement of profit and loss, are excluded from equity and recognised in the statement of profit and loss. Impairment losses are recognised in the statement of profit and loss, and those concerning equity instruments are not

subject to a reversal corresponding with the statement of profit and loss. The reversal of an impairment loss on debt instruments is recognised in the statement of profit and loss if - during reporting periods subsequent to the recognition of an impairment loss - the fair value of these instruments increases as a result of events occurring thereafter.

If objective proof exists as to the possibility for impairment of loans and receivables and investments held to maturity, the amount of the impairment loss is calculated as the difference between the carrying amount and the present value estimated using future cash flows discounted using the effective interest rate for these assets (i.e. the effective interest rate calculated upon initial recognition - for assets based on a fixed interest rate, and the effective interest rate determined at the last revaluation of assets, if those are based on a variable interest rate). Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed if it decreased in subsequent periods and such a decrease may be due to events taking place after the impairment loss is recognised. Following the reversal of an impairment loss, the carrying amount of a financial asset may not exceed its amortised cost such as would be calculated if the impairment loss was not originally recognised. The reversal of an impairment loss is recognised in the statement of profit and loss.

If there are indications of an impairment loss on equity instruments not quoted on an active market such as are measured at purchase price (due to there being no reliable way of determining fair value), the amount of an impairment loss is calculated as the difference between the asset's carrying amount and the present value estimated using future cash flows discounted using the current market rate of return of similar financial assets. Such impairment losses are irreversible.

Derivative instruments

Derivatives are measured at fair value as at the end of the reporting period. Derivatives with fair value above zero constitute financial assets and are recognised as such, and derivatives with negative fair value constitute financial liabilities and are recognised as financial liabilities.

Estimated fair value corresponds with the recoverable amount or amount which must be paid in order to close an outstanding position as at the end of the reporting period. Measurement is based on market prices.

Recognition of the effects of changes in fair value or profit and losses on realising derivatives depends on their purpose. Derivatives are classified as either hedging instruments or trading instruments. There are two types of hedging instruments: fair value hedges and cash flow hedges.

Recognition of trading derivatives

Profit and losses resulting from changes in the fair value of a trading derivative upon measurement at the end of the reporting period or upon settlement are recognised in the statement of profit and loss as finance income/costs in the period in which they arise.

6.2.16 Investments in subsidiaries and associates

Subsidiaries

Subsidiaries are entities directly or indirectly controlled by the Company. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed when the parent acquires more than half of the shares or voting rights of the entity.

Associates

An associate is an entity over which the Company has significant influence, but not control. In this case the Company holds a significant, but not a majority, interest in the entity (20%-50%).

In financial statements, investments in subsidiaries and associates other than those classified as held for sale are recognised at purchase price less impairment.

The carrying amounts of such investments are subject to impairment testing. Any identified impairment is recognised in the statement of profit and loss as finance costs. The reversal of an impairment loss is recognised in the statement

of profit and loss as finance income and occurs upon changes in the estimates used to determine the Company's rate of return on investment.

Dividends received from such investments are recognised in the statement of profit and loss as finance income upon establishing the right to dividend.

Mergers of jointly controlled entities are recognised at book value.

6.2.17 Leasing

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. The object of a lease is recognised as an asset from the inception of the lease at the lower of fair value of the leased object and present value of minimum lease payments.

Finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The interest component of a finance lease payment is recognised in the statement of profit and loss as finance cost throughout the lease term. Assets acquired under finance leasing such as are subject to depreciation are depreciated throughout their useful periods, with consideration given to their residual value or lease term, depending on which is shorter.

A lease is classified as an operating lease if substantially all the risks and rewards incident to ownership remain with the lessor (the financing entity). If the title to land is not expected to be transferred to the lessee before the end of the lease term, the lease is classified as an operating lease.

Lease payments under operating leasing (after accounting for any special promotional offers from the lessor - financing party) are accounted for using the straight-line approach throughout the lease term.

6.2.18 Inventory

The company classifies the following as inventory:

- materials
- goods for resale

Inventory items are measured at purchase prices. Because they are insignificant, the Group does not include transport costs in purchase prices. The FIFO principle is used in respect to inventory items.

At the end of the reporting period, inventory is recognised at purchase price which may not, however, be higher than its net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The Group creates inventory write downs based on the inventory turnover ratio and an assessment of the possibility to sell such inventory before its expiry or during its economic life. The creation of a new write down and reversal of a previously created write down are recognised as operating expenses (cost of sales) in the statement of profit and loss.

The rounding of prices connected with the purchase of materials is recognised directly in the statement of profit and loss as cost of sales.

Stock losses and a negative balance of inventory deficits regarded as unintentional are recognised directly as operating expenses.

6.2.19 Trade and other receivables

Receivables are carried at amortised cost less impairment. Non-recoverable receivables are recognised as other

expenses at the date on which they are classified as non-recoverable.

Impairment of receivables is recognised when there is objective proof that the Group will not be able to receive all due amounts as per the original terms of the receivable.

The Group creates impairment losses on receivables for specific counterparties. The Group may create joint impairment losses for numerous low-value receivables. Detailed principles for the impairment of receivables are specified in the Receivables impairment manual.

An impairment loss is recognised in the books under other expenses. The reversal of a previously created impairment loss is recognised as other revenue and releases the impaired amount. Impairment losses in the statement of profit and loss are balanced out and recognised as either other expense or other revenue.

Receivables with a payment term of up to 12 months and receivables concerning collateral are recognised in the amount due, and the discount is omitted due to its insignificance.

In consideration of the prudence principle, interest on late payment of receivables is recognised when the Company receives the funds.

All advance payments such as those concerning future goods and services, production in process, payment for shares, purchase of intangible assets and others are recognised as other receivables.

6.2.20 Prepayments and deferred revenue

The Group recognises prepayments if the expenses concern subsequent periods after the period in which they are incurred.

The most significant prepayment items are as follows: prepaid rent, compensation fees (amounts paid to take over a store site from the previous lessee), insurance and subscriptions.

The Group classified prepayments as either short-term or long-term (those which will be realised in a period longer than 12 months from the end of the reporting period). In the statement of financial position, prepayments are presented as a separate asset item.

Deferred revenue constitutes funds received for future considerations. In the statement of financial position, deferred revenue is recognised in a separate liability item.

6.2.21 Cash and cash equivalents

Cash and cash equivalents comprise: cash on hand, cash in bank accounts and all deposits and short-term securities with maturities of up to three months. At the end of the reporting period, cash and cash equivalents are recognised at nominal value, whereas bank deposits - at amortised cost.

6.2.22 Equity

The company's equity comprises:

- share capital
- supplementary capital
- reserve capital
- own shares
- retained earnings

Share capital is recognised in the amount specified in the articles of association and in the National Court Register.

Emperia Holding S.A.'s supplementary capital is divided into the following categories:

- share premium provision - the premiums received from share issues, less issue costs,

- supplementary capital - created from profit generated in successive years in an amount equal to at least 8% of the given financial year's profit until the supplementary capital reaches one third of share capital,
- management options provision - established in connection with management options programmes,

Emperia Holding S.A.'s reserve capital is divided into the following categories:

- reserve capital - intended to cover extraordinary losses or expenditures, created from profit generated in successive years,
- revaluation reserve - comprises the net difference of measured net restated assets,
- buy-back provision - created pursuant to an authorisation granted through a resolution of the General Meeting and in accordance with the Company's buy-back programme.

Own shares purchased by the Company are recognised at purchase price, increased by costs directly connected with their purchase. The purchase and redemption of own shares are presented as a change in equity. In the statement of financial position, own shares are presented as a separate item reducing equity (with a negative sign).

Retained earnings cover the following categories:

- unallocated profit or outstanding losses brought forward (accumulated profit / losses from prior years),
- current-period result.

6.2.23 Net earnings per share

Net earnings per share are calculated for each reporting period through dividing the net profit generated in the period by the weighted average number of shares in that period.

6.2.24 Credit facilities

Credit facilities are recognised at fair value less acquisition costs. In subsequent periods, credit facilities are measured at amortised cost using the effective interest rate method.

Long-term credit facilities are those facilities with maturities longer than 12 months from the end of the reporting period.

6.2.25 Provisions

The Group creates provisions if there is an expected present, legal or customary obligation of a likely payment to arise, resulting from past events. There must be a higher likelihood that an outflow will be required in order to meet the obligation than that it will not be required, and its amount should be reliably estimated.

Receivables provisions are recognised as operating expenses or other operating expenses.

If there is a likelihood that a part or all of the economic benefits required to settle the provision may be recovered from a third party, the receivable is recognised as an asset, provided that the likelihood is sufficiently high and that it can be reliably estimated.

In the event that the time value of money is substantial, the size of the provision is determined through discounting future cash flows to present value using a gross interest rate reflecting the current market valuations of the time value of money and any risk associated with the given obligation. If discounting is applied, increasing the provision with passage of time is recognised as finance costs.

The amount of provisions created is verified and updated at the end of each reporting period in order to adjust estimates to the company's present level of knowledge.

Provisions in the consolidated financial statements are presented as either current or non-current.

6.2.26 Liabilities

Liabilities are present obligations as a result of past events, the settlement of which is expected to result in an outflow of resources (payment).

Non-current liabilities are liabilities that fall due for payment after more than 12 months from the end of the reporting period.

Non-current liabilities particularly include: credit liabilities, loan liabilities and finance lease liabilities.

At the end of the reporting period, non-current liabilities are measured at amortised cost using the effective interest rate method.

Current liabilities are liabilities that fall due for payment within 12 months from the end of the reporting period. Current liabilities include in particular: trade payables, credit liabilities, loan liabilities, wages and salaries, taxes, excise duties, insurance and other benefits.

In the case of liabilities that fall due for payment within 12 months, discount is excluded due to its insignificance.

Trade payables are recognised at nominal value. Interest is recognised upon receipt of bills from suppliers.

Non-financial liabilities are measured at the amount due.

6.2.27 Employee benefits

6.2.27.1 Employee benefits

The Group's employees acquire rights to benefits which will be paid out once they obtain certain entitlements. In accordance with the Group's remuneration systems, all employees have the right to retirement and pension benefits, while managers and management board members are entitled to bonuses for achieving corporate and individual objectives during the reporting period, which are paid out at the end of said period.

The Group establishes employee benefit provisions. This concerns retirement benefits, compensated absences and bonuses. Employee benefit provisions are estimated at the end of each reporting period and are measured by an independent actuary.

Employee benefits are recorded as operating expenses (distribution costs, administrative expenses), with the exception of interest costs, which are recorded as finance costs. Employee benefit provisions are presented as either current or non-current provisions in the consolidated financial statements.

6.2.27.2 Share-based payments

The Group has the following incentive schemes:

- Management Options Programme I 2008-2009,
- Management Options Programme II 2010-2012 (programme was not used in 2012)

under which management board members and key managers are entitled to acquire options (bonds) to purchase shares in the company. These benefits are settled in accordance with IFRS 2. The costs of transactions settled with employees using equity instruments are measured at fair value on the date on which such rights are vested. The programme's fair value is recorded as a cost in the statement of profit and loss and as equity (management options provision) throughout the vesting period.

The fair value of the options (bonds) to purchase shares in the Company is estimated by an independent expert using modern financial engineering and numerical methods. The measurement includes: the model input price (share price on the date on which a given instrument is granted), the instrument's exercise price, expected volatility, risk-free interest rate and the expected dividends.

6.2.28 Income tax

Income tax includes: current tax (payable) and deferred tax.

a) *Current tax*

Current tax liabilities are calculated on the basis of the tax result (tax base) of a given financial year.

Tax profit (loss) differs from balance sheet profit (loss) in connection with the exclusion of taxable income and expenses which are deductible in subsequent years as well as cost and revenue items which will never be taxed. The burden of the current portion of income tax is calculated using tax rates effective for a given financial year.

b) *Deferred tax*

Deferred income tax liabilities constitute tax which is payable in the future and is recorded in the balance sheet in its full amount, as regards the temporary differences between the tax value of assets and liabilities, and in the financial statements, as regards their carrying amounts.

Deferred income tax assets constitute tax which is to be returned in the future and is calculated using the balance sheet method, as regards the temporary differences between the tax value of assets and liabilities, and in the financial statements, as regards their carrying amounts. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be realised. Basic temporary differences concern the differences between the carrying amount and tax base of assets and liabilities settled in time.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, and - if related to share-based payments - in equity.

Fundamental temporary differences concern the differences between the carrying amount and tax base of assets and liabilities settled over time.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences can be realised. Deferred income tax assets and liabilities are recognised in the balance sheet as non-current assets and liabilities.

6.2.29 Revenue

Revenue is recognised at the fair value of the consideration received or receivable, less tax on goods and services and any discounts.

Revenue is the gross inflow of economic benefits arising during the Company's ordinary course of business.

Revenue from activities other than the Company's ordinary course of business is recorded in other operating revenue.

Revenue connected with financing the Company's operations is recognised as finance income, together with proceeds from disposal of financial assets, dividends and interest income derived from financial instruments.

Revenue from sale of goods for resale

Revenue from retail sales is recognised when the product is sold to the customer. Retail sales are usually in cash or by payment cards. Card fees are recognised as distribution costs.

Retrospective discounts received from suppliers are recognised on an accrual basis, reducing the cost of products sold in the statement of profit and loss. Discounts received from suppliers concerning unsold inventory such as are calculated on the basis of turnover with the particular supplier are settled as inventory (statistical method).

Revenue from sale of services

Revenue from the sale of services is recognised when service is provided and approved by the buyer. If contractually permitted, recognition of revenue on partial delivery of service is possible, as specified in a separate agreement.

Interest income

Interest income is recorded on an accrual basis if there is sufficient certainty that the receivable will be recovered. In retail, due to its specific nature, interest serves a different function, so for the most part it is recognised as revenue on an accrual basis.

Dividends

Dividend income is recognised when the Company gains the right to receive the dividend. Dividend payments to shareholders are recognised as a liability in the period in which they are approved by the general meeting under other liabilities.

6.2.30 Costs

Costs constitute a probable decrease in economic benefits during the reporting period as either a decrease in assets or increase in liabilities and provisions, which reduce equity in a manner other than withdrawal by shareholders. The Group recognises costs in the statement of profit and loss during the reporting period such as correspond to the revenue generated in that period (matching principle).

Cost of goods for resale and materials - cover the costs directly incurred to obtain goods and materials sold and correspond with the revenue generated from the sale of these items.

Cost of services – covers expenses directly connected with provision of services.

Distribution costs – cover expenses connection with selling and distributing goods and services.

Administrative expenses – cover costs incurred in connection with general company operations other than those classified as other operating expenses or finance costs.

Other operating expenses – cover costs indirectly related to Group operations.

Finance costs – cover costs connected with financing Group operations as well as costs related to impairment of financial assets

6.2.31 Foreign-currency transactions and exchange differences

Transactions expressed in foreign currencies are recognised in the Group's functional currency (PLN), using the exchange rate in effect on the transaction date.

At the end of each reporting period:

- cash items expressed in foreign currency are translated using the closing rate;
- foreign-currency non-monetary items carried at historic cost are translated using the exchange rate in effect on the transaction date, and
- foreign-currency non-monetary items carried at fair value are translated using the exchange rate in effect on the date on which fair value was measured.

Gains and losses from settlement of foreign-currency transactions and measurement of monetary balance sheet assets and liabilities expressed in foreign currencies are recognised in the statement of profit and loss as finance income or finance costs, respectively. Exchange differences are presented after offsetting.

7. Notes to the financial statements

7.1 Summary of Emperia Group's achievements or set-backs

Third-quarter revenue was PLN 473 018 000, up 2.16% on the same period the previous year. YTD 2013 revenue was PLN 1 445 776 000, slightly higher (0.96%) than in the comparative period.

The third quarter of 2013 saw a PLN 10 994 000 loss, compared with a PLN 28 390 000 loss in Q3 2012.

The Q3 2013 negative result resulted mainly from a PLN 20 474 000 loss in the retail segment. Other operating segments (property, IT and central management) together recorded a PLN 9 329 000 profit in Q3 2013.

The retail segment's loss is a natural and planned effect of the in-house logistics project launched in Q3 2013. From July, Stokrotka Sp. z o.o. began accepting product deliveries at its new central hub and re-distributing to retail stores via regional warehouses. The cost of logistics in the third quarter was PLN 15 200 000. During implementation, logistics costs (9.2%) were high relative to the products being distributed, and only a small part of revenue came from the sale of products distributed via in-house logistics, for which purchase prices were negotiated on new terms that included delivery to the central hub.

Improvements in logistics performance in subsequent periods should include:

- increased product deliveries to the central hub, allowing to generate higher sales margins,
- improved productivity of logistics staff,
- allocation of overhead to a larger volume of distributed products,
- improved transport effectiveness.

Net profit for the first three quarters of 2013 came in at PLN 13 601 000, compared with PLN 8 192 000 for Q1-Q3 2012.

In comparing the two reporting periods, it should be noted that both of them were affected by incomparable or one-off events, which substantially impacted the respective results:

- during Q1-Q3 2012, the Group posted a PLN 24 388 000 profit on financing activities (only PLN 3 922 000 in the current period), in connection with funds held during the first half-year from sale of the distribution business.
- during Q1-Q3 2012, the Group recorded PLN 2 872 000 in costs connected with the sale of its retail operations,
- during Q1-Q3 2012, the Group recognised an impairment loss concerning investment in third-party non-current assets and provisions for Delima stores, in the amount of PLN 54 170 000, and deferred income tax assets amounting to PLN 10 292 000.
- during Q1-Q3 2012, the Group recognised a deferred income tax asset in connection with an in-kind contribution of property, valued at PLN 5 378 000, to P5 Ekon Sp. z o.o.
- during Q1-Q3 2013, the Group incurred PLN 18 957 000 in logistics costs,
- during Q1-Q3 2013, the Group posted a PLN 1 396 000 loss on stores which were closed, compared with a PLN 793 000 loss in the comparative period,
- during Q1-Q3 2013, the Group recorded a PLN 3 057 000 gain on property sales, vs. a PLN 2 392 000 gain in the comparative period,
- during Q1-Q3 2013, the Group ramped up marketing activities - expenditures connected with building a positive image, raising brand awareness and designing a new logo for Stokrotka stores amounted to PLN 7 074 000, vs. PLN 1 013 000 in the comparative period.

Changes in key items from the statement of profit and loss

Item	Q3 2013	Q3 2012	%
Revenue	473 018	463 024	2.16%
EBITDA	(780)	(27 254)	-
Operating profit (loss)	(11 112)	(37 688)	-
Profit (loss) before tax	(10 329)	(35 548)	-
Profit for the period	(10 994)	(28 390)	-

Item	Q1-Q3 2013	Q1-Q3 2012	%
Revenue	1 455 776	1 441 932	0.96%
EBITDA	43 357	5 288	719.91%
Operating profit (loss)	12 830	(26 823)	-
Profit (loss) before tax	16 752	(2 435)	-
Profit for the period	13 601	8 192	66.03%

Changes in key balance sheet items

Item	Q1-Q3 2013	Q1-Q3 2012	%
Total assets	953 959	939 613	1.53%
Non-current assets	583 748	572 367	1.99%
Current assets	370 211	367 246	0.81%
Cash and cash equivalents	196 488	205 001	-4.15%
Liabilities and liability provisions	297 629	264 300	12.61%
Total current liabilities	257 088	218 565	17.63%
Net assets	656 330	675 313	-2.81%
Share capital (in PLN)	15 115	15 115	0.00%
Current-period earnings per share, annualised (in PLN)	1,83	44.12	-95.85%

Operational performance and ability to meet liabilities

Item	Q1-Q3 2013	Q1-Q3 2012
Return on invested capital <i>(profit for the period / equity at the end of the period) in %</i>	2.07%	1.21%
Return on assets <i>(profit for the period / assets at the end of the period) in %</i>	1.43%	0.87%
Sales margin <i>(profit from sales for the period / revenue from sales for the period) in %</i>	24.49%	24.28%
EBITDA margin <i>(EBITDA / revenue from sales for the period) in %</i>	2.98%	0.37%

EBIT operating margin <i>(operating profit for the period / revenue from sales for the period) in %</i>	0.88%	-1.86%
Gross margin <i>(profit before tax for the period / revenue from sales for the period) in %</i>	1.15%	-0.17%
Net margin <i>(profit for the period / revenue from sales for the period) in %</i>	0.93%	0.57%

Rotation cycles for key components of working capital

Methodology	Q1-Q3 2013	Q1-Q3 2012
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*273)</i>	31.5	24.0
Receivables turnover days <i>(current receivables / revenue from sales*273)</i>	7.9	11.5
Payables turnover days <i>([current liabilities - current borrowings] / value of goods for resale and materials sold*273)</i>	64.8	55.6
Asset productivity <i>(revenue from sales / total assets)</i>	1.5	1.5
Non-current asset productivity <i>(revenue from sales / non-current assets)</i>	2.5	2.5

During H1 2013, inventory turnover increased by 10.5 days and payables turnover grew by 9.8 days, resulting from deliveries out of Stokrotka warehouses in June which were previously done directly from producers (an increase in inventory) and for which now Stokrotka negotiated extended payment terms (an increase in liabilities). Receivables turnover decreased by 3.4 days. The above changes in turnover ratios had little impact on asset dynamics.

Retail segment

	Q3 2013	Q3 2012	%
Segment revenue	461 955	451 764	2.26%
EBITDA	(12 642)	(35 403)	-
Operating result	(19 626)	(42 795)	-
Gross profit	(20 790)	(44 222)	-
Net segment profit	(20 474)	(36 008)	-

	Q1-Q3 2013	Q1-Q3 2012	%
Segment revenue	1 422 801	1 406 311	1.17%
EBITDA	5 628	(21 450)	-
Operating result	(15 417)	(44 011)	-
Gross profit	(18 653)	(48 525)	-
Net segment profit	(18 887)	(39 326)	-

As at 30 September 2013, the retail segment comprised 240 stores, compared with 237 as at 30 September 2012. Two new stores were opened and one closed during Q3 2013.

Revenue growth in the retail segment during the third quarter of 2013 was 2.26%, a positive result particularly in light of the weaker market conditions and significant competition in retail.

The retail segment's third-quarter loss is a natural and planned effect of the in-house logistics project launched by Stokrotka Sp. z o.o. on 1 July 2013.

The cost of logistics in the third quarter of 2013 was PLN 15 200 000 and comprised:

- cost of maintenance for nine warehouses: PLN 1 983 000,
- cost of product handling logistics: PLN 6 088 000,
- cost of transport: PLN 6 821 000,
- general logistics costs: PLN 308 000.

During implementation, logistics costs amounted to 9.2% of the products being distributed, the value of which was PLN 165 010 000. During Q3 2013, 47% of products delivered to Stokrotka stores came via in-house logistics. The management assumes that by 2013 year-end the in-house logistics network will be responsible for about 85% of store deliveries, with the remaining 15% consisting of regional products, frozen foods, bread and tobacco - which are delivered directly by producers and suppliers. In 2013, the stores, which incur the logistics costs, sold mostly products from their inventories and which had been purchased from the previous supplier (Tradis Sp. z o.o.) and other producers, with only a small portion of products - with a new margin - from in-house logistics.

Improvements in logistics performance in subsequent periods should include:

- increased product deliveries to the central hub, allowing to generate higher sales margins,
- improved productivity of logistics staff,
- allocation of overhead to a larger volume of distributed products,
- improved transport effectiveness.

In Q3 2013, Stokrotka Sp. z o.o. incurred substantial expenses connected with marketing activities aimed at building a positive image, raising brand awareness and replacing the old logo of Stokrotka. These expenses amounted to PLN 3 836 000 in Q3 2013, vs. PLN 108 000 in Q3 2012.

Furthermore, in September 2013 Stokrotka Sp. z o.o. incurred a one-off expenditure of PLN 1 715 000 connected with the closure of one store.

Cash conversion cycle in the retail segment

	Q1-Q3 2013	Q1-Q3 2012
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*273)</i>	31.4	24.0
Receivables turnover days <i>(trade receivables / revenue from sales*273)</i>	3.7	8.4
Payables turnover days <i>(trade payables / value of goods for resale and materials sold*273)</i>	51.1	41.1
Cash conversion cycle <i>(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)</i>	-16.0	-8.7

During the first three quarters of 2013, cash conversion cycle increased by 7.3 days, resulting from the increase in payables turnover being larger than the increase in inventory turnover (by 2.6 days), along with a decrease in receivables turnover by 4.7 days.

Stokrotka supermarkets

	Q1-Q3 2013	Q1-Q3 2012
Number of stores at the beginning of period	201	197
- stores opened	5	3
- stores shut-down	2	3
Number of stores at the end of period	204	197
Average total store surface - stores opened (in sqm)	1 035	927
Capex on stores opened	6 604	3 970
Average monthly sales per store sqm*	1 308	1 318

* Data provided to Nielsen - fixed sample of existing supermarkets as at 3 January 2011

Property segment

	Q3 2013	Q3 2012	%
Segment revenue	16 523	15 992	3.32%
EBITDA	8 907	7 530	18.29%
Operating result	6 188	4 803	28.84%
Gross profit	5 117	2 805	82.42%
Net segment profit	5 117	2 805	82.42%

	Q1-Q3 2013	Q1-Q3 2012	%
Segment revenue	49 854	47 316	5.36%
EBITDA	30 890	19 530	58.17%
Operating result	22 717	11 440	98.58%
Gross profit	18 777	4 647	304.07%
Net segment profit	18 777	4 384	328.31%

The property segment recorded solid results in Q3 2013 as well as in Q1-Q3 2013.

The third-quarter segment result increased by PLN 2 312 000, thanks to:

- a PLN 531 000 increase in revenue,
- a PLN 873 000 decrease in operating expenses (including PLN 363 000 due to the transfer of growth operations to Stokrotka Sp. z o.o.),
- a PLN 927 000 decrease in finance costs.

	Q3 2013	Q3 2012
Number of properties at the end of period	95	96
including: properties in progress	12	15
operating properties	83	81
including: retail properties	78	75
other properties	5	6
average monthly net operating income from leasable facilities*	3 490	3 267
including: retail properties	3 315	3 097

leasable area of retail facilities (sqm)	91 095	82 887
including: related lessees	56 556	53 734
other lessees	34 539	29 153
Average lease rate (PLN per sqm)	41.5	41.4
including: related lessees	43.0	41.8
other lessees	39.0	40.5

IT segment

	Q3 2013	Q3 2012	%
Segment revenue	8 057	6 440	25.11%
EBITDA	3 405	2 343	45.33%
Operating result	2 983	1 914	55.85%
Gross profit	3 045	2 026	50.30%
Net segment profit	2 446	1 619	51.08%

	Q1-Q3 2013	Q1-Q3 2012	%
Segment revenue	23 501	19 438	20.90%
EBITDA	8 318	6 277	32.52%
Operating result	7 038	5 009	40.51%
Gross profit	7 351	5 315	38.31%
Net segment profit	5 914	4 282	38.11%

In Q3 2013, the IT segment recorded revenue growth of PLN 1 617 000, of which PLN 951 000 was growth in revenue from external customers and PLN 666 000 from Group companies.

Central management segment

	Q3 2013	Q3 2012	%
Segment revenue	1 631	2 386	-31.64%
EBITDA	(413)	(1 671)	-
Operating result	(837)	(2 045)	-
Gross profit	2 118	3 405	-37.80%
Net segment profit	1 766	2 838	-37.77%

	Q1-Q3 2013	Q1-Q3 2012	%
Segment revenue	5 489	9 493	-42.18%
EBITDA	(1 254)	(6 564)	-
Operating result	(2 536)	(7 870)	-
Gross profit	14 022	35 397	-60.39%
Net segment profit	12 730	34 386	-62.98%

From the second quarter of 2012, the segment saw a substantial decrease in revenue which was connected with the reduction of central management functions at Emperia Holding S.A. and their transfer to operating companies. The

largest revenue item in both quarters was interest income on cash held: PLN 2 955 000 in Q3 2013 and PLN 5 496 000 in Q1 2012; Q1-Q3 2013: PLN 16 560 000 and Q1-Q3 2012: PLN 43 323 000.

7.2 Revenue and profit by operating segment

In 2013, the Group operated through the following segments:

- 1 **Retail sales** (retail segment), covering all operations of the following subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy S.A.;
- 2 **Property** (property segment), covering Emperia Group's property assets, including the following companies: Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A. Ekon Sp. z o.o., P5 EKON Sp. z o.o. S.K.A., EMP Investment Limited, IPOPEMA 55 FIZAN;
- 3 **Central Management** (central management segment), covering the management functions, holding services and advisory within the Group. The segment comprises the following companies: Emperia Holding S.A., P1 Spółka z o.o., Eldorado Sp. z o.o. (formerly P4 Spółka z o.o.);
- 4 **IT** (IT segment), covering the operations of Infinite Sp. z o.o. - an IT services provider.

The Group applies uniform accounting principles for all segments. Inter-segment transactions are done on market terms and are subject to exclusion from the consolidated financial statements.

Emperia Group's operating segments in the first three quarters of 2013:

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	1 422 801	49 854	5 489	23 501	45 869	1 455 776
External revenue	1 421 513	16 940	2 475	14 848	-	1 455 776
Inter-segment revenue	1 288	32 914	3 014	8 652	45 868	-
Total segment costs	(1 437 363)	(28 621)	(8 299)	(16 539)	(47 647)	(1 443 175)
Profit (loss) from sales	(14 562)	21 233	(2 810)	6 962	(1 778)	12 601
Result on other operating activities	(855)	1 484	274	76	751	228
Result on financing activities	(3 236)	(3 940)	16 558	313	5 773	3 922
Gross result	(18 653)	18 777	14 022	7 351	4 745	16 752
Tax	(234)	-	(1 292)	(1 437)	188	(3 151)
Share of the profit of equity-accounted investees	-	-	-	-	-	-
Net segment profit	(18 887)	18 777	12 730	5 914	4 934	13 601

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	408 824	724 545	661 027	19 513	859 950	953 959
Goodwill	36 342	12 844	-	-	-	49 186

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	(17 807)	(5 148)	(1 271)	(1 961)	(833)	(25 354)
Depreciation	(21 045)	(8 173)	(1 282)	(1 280)	(1 253)	(30 527)

Emperia Group's operating segments in Q1-Q3 2012:

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	1 406 311	47 316	9 493	19 438	40 626	1 441 932
External revenue	1 405 718	17 401	5 891	12 923	-	1 441 932
Inter-segment revenue	593	29 915	3 602	6 515	40 626	-
Total segment costs	(1 444 394)	(31 247)	(17 146)	(14 387)	(41 892)	(1 465 282)
Profit (loss) from sales	(38 083)	16 069	(7 653)	5 051	(1 266)	(23 350)
Result on other operating activities	(5 928)	(4 629)	(217)	(42)	(7 343)	(3 473)
Result on financing activities	(4 513)	(6 793)	43 267	306	7 879	24 388
Gross result	(48 525)	4 647	35 397	5 315	(731)	(2 435)
Tax	9 199	(263)	(1 011)	(1 033)	(3 735)	10 627
Share of the profit of equity-accounted investees	-	-	-	-	-	-
Net segment profit	(39 326)	4 384	34 386	4 282	(4 466)	8 192

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	405 561	774 542	606 748	19 328	866 566	939 613
Goodwill	36 342	12 844	-	-	-	49 186

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	(8 892)	(18 786)	(1 549)	(2 850)	(3 626)	(28 451)
Depreciation	(22 561)	(8 090)	(1 306)	(1 268)	(1 113)	(32 112)

7.3 Effects of changes in group structure

All changes in the Group's structure are presented in detail in points 6.1 and 6.2.10

7.4 Management's position regarding previously published forecasts

The Management Board of Emperia Holding S.A. did not publish forecasts for 2013.

7.5 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 interim report was published	% in share capital as at the date on which the previous interim report was published	Number of votes at general meeting, as at report publication date*	% of votes at general meeting as at report publication date*
ALTUS TFI	1 944 678	12.87%	-	1 944 678	12.87%	1 944 678	13.95%
IPOPEMA TFI S.A.	1 433 437	9.48%	-	1 433 437	9.48%	1 433 437	10.28%
AXA OFE	891 992	5.90%	-	891 992	5.90%	891 992	6.40%

Emperia Holding S.A. shareholding structure as at 16 October 2013

7.6 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 30 September 2013	% in share capital	% change	Shares held, as at the date on which the previous quarterly report was published	% in share capital as at the date on which the previous quarterly report was published
Dariusz Kalinowski	19 647	0.13%	-	19 647	0.13%

Members of the Supervisory Board do not own any shares in Emperia Holding S.A.

7.7 Information regarding on-going judicial proceedings

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

7.8 Significant related-party transactions

In Q1 2013, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the normal course of operations on market terms.

All inter-group mergers in Q3 2013 are presented in point 6.2.10. An issuance of short-term bonds took place as part of the Group's cash flow management, as described in note 7.14.5.

7.9 Credits, loans and guarantees

In Q3 2013, the parent, Emperia, did not issue new credit guarantees for subsidiaries such as would exceed 10% of the Issuer's equity. Information concerning guarantees may be found in note 7.14.7.

7.10 Other information essential for assessing the HR, asset or financial situation, financial result and change thereto, as well as information essential for assessing the Issuer's ability to satisfy its liabilities

At the end of the reporting period, the Group did not face risk connected with currency options.

7.11 Description of factors and events, in particular extraordinary ones, affecting the financial results

In Q3 2013, the Group sold two properties as follows:

Revenues PLN 2 930 000

Costs of sell PLN 3 604 000

Net loss PLN 674 000

Result on property disposals during the first three quarters of 2013:

Revenues PLN 7 087 000

Costs of sell PLN 4 695 000

Net profit PLN 2 392 000

7.12 Factors having an impact on the results to be achieved over the perspective of at least the next quarter

External:

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

Internal:

- a) Business process optimisation - will lead to better operating performance and higher management quality in all segments
- b) Implementation of a new strategy in the property segment and property investments within the Group
- c) Internal cost control policy
- d) Performance improvement in internal retail logistics operations – increase in supplies to the central warehouse

- e) Development and implementation of a franchise network concept under the Stokrotka brand

7.13 Changes in the Issuer's management and supervisory personnel

Management Board

In Q3 2013, the composition of the Management Board of Emperia Holding S.A. did not change.

Composition of Emperia Holding S.A.'s Management Board as at 30 September 2013:

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

Supervisory Board

The composition of Emperia Holding S.A.'s Supervisory Board did not change during Q3 2013.

Composition of Emperia Holding S.A.'s Supervisory Board as at 30 September 2013:

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

7.14 Other significant information and events

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

A description of the Group's main accounting principles applied since 1 January 2005 may be found in point 6.2 of these consolidated financial statements.

7.14.2 Production seasonality and cyclicity

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

7.14.3 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 event is described in point 7.11.

7.14.4 Type and amount of changes in estimated amounts 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 Q1-Q3 2013	Change in 2012
Non-current		
As at the beginning of period	1 481	2 059
<i>Increases / decreases during the period</i>	(1)	(578)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	1 480	1 481
Current		
As at the beginning of period	5 111	6 173
<i>Increases / decreases during the period</i>	(823)	(1 379)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	4 287	4 794
Other provisions		
	Change in Q1-Q3 2013	Change in 2012
Non-current		
As at the beginning of period	37 808	-
<i>Increases / decreases during the period</i>	(5 690)	37 808
<i>Increases / decreases during the period as a result of acquisitions</i>	-	-
As at the end of period	32 119	37 808
Current		
As at the beginning of period	9 298	1 164
<i>Increases / decreases during the period</i>	2 456	8 451
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	11 754	9 615

7.14.5 Issue, buyback and repayment of debt and equity securities

Bonds outstanding

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

Subsidiary ELPRO EKON Sp. z o.o. S.K.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond issue programme with an aggregate value of no more than PLN 150 000 000.

Issue and buy-back of bonds (presented at par values) by ELPRO EKON Sp. z o.o. S.K.A. during the third quarter and between the first and third quarters of 2013 and 2012:

Q3 2013:

Issue and buy-back of bonds in Q3 2013	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	150 000	-	93 000	6 000	46 500	4 500
Issuance of bonds	450 000	-	270 500	20 000	144 500	15 000
Buy-back of bonds	(450 000)	-	(275 500)	(18 500)	(141 500)	(14 500)
As at the end of period	150 000	-	88 000	7 500	49 500	5 000

Q1-Q3 2013

Issue and buy-back of bonds in Q1-Q3 2013	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	150 000	-	101 500	7 000	41 500	-
Issuance of bonds	1 350 000	-	838 000	76 500	408 000	27 500
Buy-back of bonds	(1 350 000)	-	(851 500)	(76 000)	(400 000)	(22 500)
As at the end of period	150 000	-	88 000	7 500	49 500	5 000

Q3 2012:

Issue and buy-back of bonds in Q3 2012	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	146 000	-	102 400	6 000	37 600	0
Issuance of bonds	458 100	-	309 000	19 700	116 500	12 900
Buy-back of bonds	(454 100)	-	(307 800)	(18 800)	(114 600)	(12 900)
As at the end of period	150 000	-	103 600	6 900	39 500	0

Q1-Q3 2012

Issue and buy-back of bonds in Q1-Q3 2012	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	80 000	-	35 000	7 300	4 000	33 700
Issuance of bonds	1 239 100	-	540 900	64 000	266 400	367 800
Buy-back of bonds	(1 169 100)	-	(472 300)	(64 400)	(230 900)	(401 500)
As at the end of period	150 000	-	103 600	6 900	39 500	0

2012

Issue and buy-back of bonds in 2012	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	80 000	-	35 000	7 300	4 000	33 700
Issuance of bonds	1 543 100	-	745 900	78 000	351 400	367 800
Buy-back of bonds	(1 473 100)	-	(679 400)	(78 300)	(313 900)	(401 500)
As at the end of period	150 000	-	101 500	7 000	41 500	0

b) Stokrotka Sp. z o.o.

Subsidiary Stokrotka Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond issue programme with an aggregate value of no more than PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by Stokrotka Sp. z o.o. during the third quarter of 2013 and 2012, along with Q1-Q3 2013 and Q1-Q3 2012 YTD figures:

Q3 2013:

Issue and buy-back of bonds in Q3 2013	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	97 000	-	97 000	-
<i>Issuance of bonds</i>	307 000	-	307 000	-
<i>Buy-back of bonds</i>	(317 000)	-	(317 000)	-
As at the end of period	87 000	-	87 000	-

Q1-Q3 2013

Issue and buy-back of bonds in Q1-Q3 2013	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	92 000	-	92 000	-
<i>Issuance of bonds</i>	883 000	-	882 000	1 000
<i>Buy-back of bonds</i>	(888 000)	-	(887 000)	(1 000)
As at the end of period	87 000	-	87 000	-

Q3 2012:

Issue and buy-back of bonds in Q3 2012	Total	External issuance	Emperia Holding S.A.	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	100 000	-	100 000	-	-
<i>Issuance of bonds</i>	293 000	-	293 000	-	-
<i>Buy-back of bonds</i>	(297 000)	-	(297 000)	-	-
As at the end of period	96 000	-	96 000	-	-

Q1-Q3 2012

Issue and buy-back of bonds in Q1-Q3 2012	Total	External issuance	Emperia Holding S.A.	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	49 000	-	6 300	2 200	40 500
<i>Issuance of bonds</i>	869 000	-	608 300	18 200	242 500
<i>Buy-back of bonds</i>	(822 000)	-	(518 600)	(20 400)	(283 000)
As at the end of period	96 000	-	96 000	0	0

2012

Issue and buy-back of bonds in 2012	Total	External issuance	Emperia Holding S.A.	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	49 000	-	6 300	2 200	40 500
<i>Issuance of bonds</i>	1 056 000	-	795 300	18 200	242 500
<i>Buy-back of bonds</i>	(1 013 000)	-	(709 600)	(20 400)	(283 000)
As at the end of period	92 000	-	92 000	0	0

Debt instrument liabilities as at 30 September 2013

Issuer	Series	Par value (in PLN 000's)	Maturity date	As at 30 September 2013
Stokrotka Sp. z o.o.	0108*	87 000	2013-10-11	
Elpro Ekon Sp. z o.o. S.K.A.	0141*	88 000	2013-10-11	
Elpro Ekon Sp. z o.o. S.K.A.	0141*	7 500	2013-10-11	
Elpro Ekon Sp. z o.o. S.K.A.	0141*	49 500	2013-10-11	
Elpro Ekon Sp. z o.o. S.K.A.	0141*	5 000	2013-10-11	

All bond issuance by the Group -

Other -

Total debt instrument liabilities

Current -

Non-current -

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

Debt instrument liabilities as at 31 December 2012

Issuer	Series	Par value (in PLN 000's)	Maturity date	As at 31 December 2012
Stokrotka Sp. z o.o.	0094*	92 000	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	101 500	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	7 000	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	41 500	2013-01-04	

All bond issuance by the Group -

Other -

Total debt instrument liabilities

Current -

Non-current -

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

7.14.6 Paid and received dividends

Dividends paid:

Dividend was not paid out in Q3 2013.

7.14.7 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.

Changes in off-balance sheet liabilities in Q1-Q3 2013	Credit facilities	Bank guarantees	Security interests
Mortgages			
As at the beginning of period	-	-	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	-	-

Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	3 295	-
<i>Increases during the period</i>	-	11 845	-
<i>Decreases during the period</i>	-	(140)	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	15 000	-
Transfer of ownership / pledge / assignment of non-current assets			
As at the beginning of period	-	-	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	-	-
Guarantees			
As at the beginning of period	-	157	251
<i>Increases during the period</i>	-	43 000	18 295
<i>Decreases during the period</i>	-	(157)	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	43 000	18 546

Changes in off-balance sheet liabilities during 2012	Credit facilities	Bank guarantees	Security interests
Mortgages			
As at the beginning of period	145 287	-	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	(145 287)	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	-	-
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	9 369	2 631	-
<i>Increases during the period</i>	-	4 767	-
<i>Decreases during the period</i>	(9 369)	(4 102)	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	3 295	-
Transfer of ownership / pledge / assignment of non-current assets			
As at the beginning of period	-	-	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	-	-
Guarantees			
As at the beginning of period	128 576	7 177	2 744
<i>Increases during the period</i>	-	74	-
<i>Decreases during the period</i>	(128 576)	(7 094)	(2 493)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	157	251

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

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

Impairment and reversal of impairment losses		Change in Q1-Q3 2013
Impairment of property, plant and equipment		
As at the beginning of period		8 966
	Recognition	40
	Reversal	(16)
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		8 990
Impairment of receivables		
As at the beginning of period		10 121
	Recognition	2 334
	Reversal	(1 853)
	<i>Changes as a result of acquisitions / disposals</i>	-
	<i>Derecognised from statement of profit and loss</i>	(406)
As at the end of period		10 196
Impairment of financial assets		
As at the beginning of period		-
	Recognition	-
	Reversal	-
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		-
Impairment of inventory		
As at the beginning of period		5 504
	Recognition	11 985
	Reversal	(7 182)
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		10 306
including: Impairment losses on inventory control		
As at the beginning of period		275
	Recognition	9 784
	Reversal	(7 124)
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		2 936
including: Impairment losses on bonuses		
As at the beginning of period		5 229
	Recognition	2 201
	Reversal	(60)
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		7 370

* Receivables derecognition where an impairment loss had previously been created and the unrecoverable status of which has been documented.

Impairment and reversal of impairment losses		Change in 2012
Impairment of property, plant and equipment		
As at the beginning of period		867
	Recognition	8 604
	Reversal	(505)
	Changes as a result of acquisitions / disposals	-
As at the end of period		8 966
Impairment of receivables		
As at the beginning of period		9 894
	Recognition	4 062
	Reversal	(2 052)
	Changes as a result of acquisitions / disposals	-
	Derecognised from statement of profit and loss*	(1 782)
As at the end of period		10 121
Impairment of financial assets		
As at the beginning of period		-
	Recognition	-
	Reversal	-
	Changes as a result of acquisitions / disposals	-
As at the end of period		-
Impairment of inventory		
As at the beginning of period		7 206
	Recognition	17 346
	Reversal	(19 048)
	Changes as a result of acquisitions / disposals	-
As at the end of period		5 504

* Receivables derecognition where an impairment loss had previously been created and the unrecoverable status of which has been documented.

7.14.9 Recognition / reversal of cost restructuring provisions

Did not occur during the reporting period or comparative period.

7.14.10 Deferred income tax

Deferred income tax		Change in Q1-Q3 2013	Change in 2012
Deferred income tax assets			
As at the beginning of period		21 148	8 987
	Increase	1 654	12 248
	Decrease	(1 695)	(87)
	Change as a result of acquisition	-	-
As at the end of period		21 108	21 148

Deferred income tax		Change in Q1-Q3 2013	Change in 2012
Deferred income tax provision			
As at the beginning of period		1 992	4 354
	Recognition	1 741	2 408
	Reversal	(1 568)	(4 770)
	Change as a result of acquisition	-	-
As at the end of period		2 164	1 992

7.14.11 Financial and operating leasing

a) Finance lease liabilities

Finance lease liabilities	30 Sep 2013	
	Minimum payments	Present value of minimum payments
<i>Within 1 year</i>	1 203	819
<i>Within 1 to 5 years</i>	4 513	3 818
<i>Within more than 5 years</i>	-	-
Total	5 717	4 637

Did not occur during the comparative period.

b) Operating leasing

Did not occur during the reporting period or comparative period.

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

Q3 2013

Asset	Term of agreement	As at 30 Sep 2013	As at 30 Sep 2014	1 - 5 years	Over 5 years
		Minimum annual payment			
Property	specified	54 271	74 422	294 577	365 304
	unspecified	3 486	3 793	15 387	20 349
Technical equipment and machinery	specified	8	16	9	-
	unspecified	49	64	218	313
Means of transport	specified	1 925	6 266	25 064	31 330
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

FY 2012

Asset	Term of agreement	As at 31 Dec 2012	As at 31 Dec 2013	1 - 5 years	Over 5 years
		Minimum annual payment			
Property	specified	72 080	70 062	273 876	337 944
	unspecified	5 170	4 789	18 528	24 197
Technical equipment and machinery	specified	-	-	-	-
	unspecified	68	69	264	318
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.

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

Did not take place in Q3 2013.

7.14.13 Correction of prior-period errors

Did not take place in Q3 2013.

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

Did not take place in Q3 2013.

7.14.15 Other significant events

a) Purchase of shares in Emperia Holding S.A. by subsidiary P1 Sp. z o.o. under Emperia Holding S.A.'s buy-back programme (P1)

Pursuant to an authorisation granted through resolutions 3 and 4 of Emperia Holding S.A.'s Extraordinary General Meeting of 11 October 2012 concerning approval for Emperia Holding S.A. and its subsidiaries to purchase own shares and to specify the rules governing such purchases, and on approval of certain agreements between Emperia and its subsidiaries, and pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 10 April 2013, subsidiary P1 Sp. z o.o. purchased the following blocks of shares in order to redeem them:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
2 July 2013	16 079	PLN 1	59.92	16 079	0.106%
4 July 2013	16 775	PLN 1	59.72	16 775	0.111%
10 July 2013	18 944	PLN 1	60.55	18 944	0.125%
12 July 2013	14 449	PLN 1	61.34	14 449	0.096%
17 July 2013	23 607	PLN 1	62.15	23 607	0.156%
18 July 2013	9 900	PLN 1	64.86	9 900	0.065%
26 July 2013	16 868	PLN 1	64.81	16 868	0.112%
31 July 2013	15 455	PLN 1	64.97	15 455	0.102%
5 August 2013	21 377	PLN 1	64.97	21 377	0.141%
8 August 2013	20 709	PLN 1	64.72	20 709	0.137%
19 August 2013	19 838	PLN 1	65.07	19 838	0.131%
29 August 2013	9 044	PLN 1	68.42	9 044	0.060%
6 September 2013	10 918	PLN 1	69.87	10 918	0.072%
13 September 2013	29 859	PLN 1	70.96	29 859	0.198%
23 September 2013	15 846	PLN 1	71.75	15 846	0.105%
25 September 2013	10 909	PLN 1	71.94	10 909	0.072%

From the commencement of the share buy-back programme, P1 purchase 507 024 shares entitling to 507 024 (3.354%) votes at the Issuer's general meeting and constituting 3.345% of the Issuer's share capital.

P1 and the Issuer together hold 1 127 039 shares in the Issuer, entitling to 1 127 039 (7.456%) of votes at the general meeting and constituting 7.456% of the Issuer's share capital.

b) Notification on a decrease in votes at Emperia Holding S.A.'s general meeting held by a shareholder

On 2 July 2013, the Management Board of Emperia Holding S.A. received notification from ALTUS TFI S.A. regarding a decrease in its stake in the total number of votes at Emperia Holding S.A.'s general meeting.

As a result of share sale transactions carried out on the regulated market by funds managed by ALTUS TFI S.A., the company decreases its stake in the total number of votes at Emperia Holding S.A.'s general meeting to less than 15%, and subsequently by a further 2%.

The decrease in the number of votes at Emperia Holding S.A.'s general meeting held by ALTUS TFI S.A. resulted from settlement of share sale transactions on the regulated market as follows: 48 913 shares on 3 June 2013 and 35 000 shares on 26 June 2013.

Prior to transaction settlement on 3 June 2013, funds managed by ALTUS TFI S.A. held a total of 2 311 655 shares in the Company, entitling to 15.29% of votes at the general meeting and constituting 15.29% of the Company's share capital, including: ALTUS 29 FIZ held 1 709 678 shares, entitling to 11.31% of votes at the Company's general meeting and constituting 11.31% of the Company's share capital.

After transaction settlement on 3 June 2013, funds managed by ALTUS TFI S.A. held a total of 2 262 742 shares in the Company, entitling to 14.97% of votes at the general meeting and constituting 14.97% of the Company's share capital, including: ALTUS 29 FIZ held 1 709 678 shares, entitling to 11.31% of votes at the Company's general meeting and constituting 11.31% of the Company's share capital.

Prior to transaction settlement on 26 June 2013, funds managed by ALTUS TFI S.A. held a total of 1 979 678 shares in the Company, entitling to 13.10% of votes at the general meeting and constituting 13.10% of the Company's share capital, including: ALTUS 29 FIZ held 1 709 678 shares, entitling to 11.31% of votes at the Company's general meeting and constituting 11.31% of the Company's share capital.

After transaction settlement on 26 June 2013, funds managed by ALTUS TFI S.A. held a total of 1 944 678 shares in the Company, entitling to 12.87% of votes at the general meeting and constituting 12.87% of the Company's share capital, including: ALTUS 29 FIZ held 1 709 678 shares, entitling to 11.31% of votes at the Company's general meeting and constituting 11.31% of the Company's share capital.

c) Intra-group bond issuance

On 5 July 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 7 August 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 245 million.

On 7 August 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 6 September 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 249 million.

On 6 September 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 11 October 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 254 million.

d) Completion of implementation of a logistics system at the Stokrotka chain and commencement of work on Stokrotka's franchise store network

On 11 July 2013, the Management Board of Emperia Holding S.A. announced completion of implementation of a comprehensive logistics system for the Stokrotka store chain. The system was based on a central hub, located in

Teresin near Warsaw, and a warehouse network throughout the country.

Together with the completion of the logistics implementation, the Management Board of Stokrotka Sp. z o.o. began working on developing and implementing a franchise network concept under the Stokrotka brand. The solution is addressed to supermarkets with total area of at least 400 sqm, including at least 350 sqm of sales floor space.

e) Change of company name from P4 Sp. z o.o. to Eldorado Sp. z o.o.

On 4 July 2013, P4 Sp. z o.o.'s general meeting adopted a resolution on a change of the company's name from P4 Sp. z o.o. to Eldorado Sp. z o.o. The name change was registered by the National Court Register on 7 August 2013.

7.14.16 Significant events after the end of the reporting period

a) Execution and completion of a share buy-back programme at Emperia Holding S.A. by subsidiary P1 Sp. z o.o. (P1)

Pursuant to an authorisation granted through resolutions 3 and 4 of Emperia Holding S.A.'s Extraordinary General Meeting of 11 October 2012 concerning approval for Emperia Holding S.A. and its subsidiaries to purchase own shares and to specify the rules governing such purchases, and on approval of certain agreements between Emperia and its subsidiaries, and pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 10 April 2013, subsidiary P1 Sp. z o.o. purchased the following blocks of shares in order to redeem them:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
1 October 2013	20 060	PLN 1	70.97	20 060	0.133%
7 October 2013	9 770	PLN 1	71.41	9 770	0.065%
14 October 2013	11 100	PLN 1	71.41	11 100	0.073%
16 October 2013	4 351	PLN 1	70.93	4 351	0.029%

On 16 October 2013, the Company announced the completion by subsidiary P1 of a share buy-back programme at Emperia Holding S.A. as a result of using up the entire amount allocated for the programme by the general meeting.

From commencement of the programme, P1 purchased 552 305 shares, entitling to 552 305 (3.654%) votes at the Issuer's general meeting and constituting 3.654% of the Issuer's share capital.

P1 and the Issuer together hold a total of 1 172 320 shares in the Issuer, entitling to 1 172 320 (7.756%) of votes at the Issuer's general meeting and constituting 7.756% of the Issuer's share capital.

b) Intra-group bond issuance

On 11 October 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 15 November 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 249 million.

c) Management Board resolution on adoption of a buy-back programme at Emperia Holding S.A. by P1 Sp. z o.o.

On 16 October 2013, the Management Board of Emperia Holding S.A. adopted a resolution on a share buy-back programme at Emperia Holding S.A. by P1 Sp. z o.o. The aim of the programme is purchasing shares by one of the Company's subsidiaries in order to redeem them on the terms specified in resolution 3 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012. Shares purchased by the subsidiary will be sold to Emperia Holding S.A. on the terms specified in resolution 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012. Commencement of the share purchase programme took place on 17 October 2013. Funds used to buy shares in the Company may not exceed PLN 35 000 000. The programme will be completed on 30 June 2013 at the latest.

d) Purchase of shares in Emperia Holding S.A. by subsidiary P1 Sp. z o.o. under Emperia Holding S.A.'s buy-back programme (P1)

Pursuant to the 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 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 12 September 2013, subsidiary P1 Sp. z o.o. purchased for redemption 8 313 shares in Emperia Holding S.A. with a nominal value of PLN 1.00 each, in the following blocks:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
8 November 2013	13 343	PLN 1	71.22	13 343	0.088%

From the commencement of the programme, P1 Sp. z o.o. acquired 13 343 shares, entitling to 13 343 votes (0.088%) at the Issuer's general meeting and constituting 0.088% of the Issuer's share capital.

P1 Sp. z o.o. and the Issuer hold a total of 1 185 663 shares in the Issuer, entitling to 1 185 663 (7.844%) votes at the Issuer's general meeting and constituting 7.844% of the Issuer's share capital.

8. Issuer's condensed separate financial statements

8.1 Selected separate financial data

FINANCIAL HIGHLIGHTS (current year)		PLN		EUR	
		For the period from 1 Jan 2013 to 30 Sep 2013	For the period from 1 Jan 2013 to 30 Sep 2012	For the period from 1 Jan 2013 to 30 Sep 2013	For the period from 1 Jan 2013 to 30 Sep 2012
I.	Net revenue from sale of products, goods for resale and materials	4 997	9 578	1 183	2 283
II.	Operating profit (loss)	(2 915)	(7 640)	(690)	(1 821)
III.	Profit (loss) before tax	12 000	11 493	2 842	2 740
IV.	Profit (loss) for the period	10 708	10 482	2 536	2 499
V.	Net cash flows from operating activities	(592)	(3 818)	(140)	(910)
VI.	Net cash flows from investing activities	48 263	911 792	11 428	217 362
VII.	Net cash flows from financing activities	(13 372)	(828 917)	(3 166)	(197 606)
VIII.	Total net cash flows	34 298	79 055	8 122	18 846
IX.	Total assets	582 662	585 047	138 193	143 106
X.	Liabilities and liability provisions	3 429	3 150	813	771
XI.	Total non-current liabilities	729	813	173	199
XII.	Total current liabilities	2 700	2 337	640	572
XIII.	Equity	579 233	581 897	137 379	142 336
XIV.	Share capital	15 115	15 115	3 585	3 697
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	14 344 172	14 506 557	14 344 172	14 506 557
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.96	52.58	0.23	12.53
XVIII.	Diluted profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.96	52.37	0.23	12.48
XIX.	Book value per share* (in PLN/EUR)	40.38	40.12	9.58	9.81
XX.	Diluted book value per share* (in PLN/EUR)	40.10	39.89	9.51	9.76
XXI.	Declared or paid out dividend per share (in PLN/EUR)	0.93	56.41	0.21	13.06

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

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

Weighted average number of shares:

- for Q3 2013: for January-September: 14 344 172;

- for Q3 2012: for January-September: 14 506 557;

Selected financial data were 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 Q1-Q3 2013 was EURPLN 4.2231 and for Q1-Q3 2012: EURPLN 4.1948.
- 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 September 2013: EURPLN 4.2163; as at 31 December 2012: EURPLN 4.0882.
- 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 26 June 2013 was EURPLN 4.3348 and as at 14 June 2012 EURPLN 4.3207.

8.2 Condensed separate statement of financial position

	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Non-current assets	285 955	285 768	286 019	274 495
Property, plant and equipment	15 369	15 055	14 373	2 153
Investment property	-	-	-	-
Intangible assets	3 870	4 152	4 693	4 965
Financial assets	266 393	266 072	266 022	266 074
Non-current receivables	226	395	757	927
Deferred income tax assets	97	92	114	176
Other non-current prepayments	-	2	60	200
Current assets	296 707	294 706	299 028	306 829
Inventory	-	-	20	35
Current receivables	2 262	2 288	3 124	4 331
Income tax receivables	-	-	-	-
Short-term securities	174 815	189 912	193 408	198 592
Prepayments	319	479	676	678
Cash and cash equivalents	107 598	87 683	73 300	81 693
Other financial assets	11 713	14 344	28 500	21 500
Assets classified as 'held for sale'	-	-	-	-
Total assets	582 662	580 474	585 047	581 324
Equity	579 233	578 194	581 897	578 785
Share capital	15 115	15 115	15 115	15 115
Share premium	549 559	549 559	549 559	50 559
Supplementary capital	2 526	2 526	2 526	2 526
Management options provision	3 145	3 145	3 145	3 144
Reserve capital	63 200	63 200	62 979	62 979
Buy-back provision	-	-	-	499 000
Own shares	(65 020)	(65 020)	(65 020)	(65 020)
Retained earnings	10 708	9 669	13 593	10 482
Equity attributable to owners of the parent	579 233	578 194	581 897	578 785
Non-controlling interests	-	-	-	-
Total non-current liabilities	729	769	813	654
Credits, loans and debt instruments	-	-	-	-
Non-current liabilities	15	15	-	-
Provisions	29	29	29	19
Deferred income tax provision	685	725	784	635
Total current liabilities	2 700	1 511	2 337	1 885
Credits, loans and debt instruments	-	-	-	-
Current liabilities	1 666	945	1 154	741
Income tax liabilities	118	121	725	341
Provisions	901	357	456	791
Deferred revenue	15	88	2	12
Total equity and liabilities	582 662	580 474	585 047	581 324

	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Book value	579 233	578 194	581 897	578 785
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Diluted number of shares	14 445 608	14 560 319	14 578 832	14 564 312
Book value per share (in PLN)*	40.38	39.96	40.12	39.90
Diluted book value per share (in PLN)**	40.10	39.71	39.89	39.74

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

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

8.3 Condensed separate statement of profit and loss and condensed separate statement of comprehensive income

	Three months ended 30 Sep 2013	Nine months ended 30 Sep 2013	Three months ended 30 Sep 2012	Nine months ended 30 Sep 2012
Revenue	1 199	4 997	2 406	9 578
Cost of sales	(1 233)	(5 243)	(2 482)	(8 593)
Profit from sales	(34)	(246)	(76)	985
Other operating revenue	167	938	142	2 231
Distribution costs	-	-	-	-
Administrative expenses	(868)	(2 943)	(2 030)	(8 408)
Other operating expenses	(506)	(664)	(27)	(2 448)
Operating profit	(1 241)	(2 915)	(1 991)	(7 640)
Finance income	2 633	14 917	4 493	19 229
Finance costs	(1)	(2)	(87)	(96)
Profit before tax	1 391	12 000	2 415	11 493
Income tax	(352)	(1 292)	(567)	(1 011)
- current	(398)	(1 375)	(218)	(652)
- deferred	46	83	(349)	(359)
Profit for the period	1 039	10 708	1 849	10 482
Profit for the period attributable to owners of the parent	1 039	10 708	1 849	10 482
Profit for the period attributable to non-controlling interests	-	-	-	-
Profit (loss) for the period (annualised)		13 819		762 753
Weighted average number of ordinary shares		14 344 172		14 506 557
Weighted average diluted number of ordinary shares*		14 445 608		14 564 312
Profit (loss) per ordinary share, annualised (in PLN)		0.96		52.58
Diluted profit (loss) per ordinary share, annualised* (in PLN)		0.96		52.37

* Weighted average diluted number of ordinary shares:

- for Q1-Q3 2013 (January-September): 14 445 608, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

- for Q1-Q3 2012 (January-September): 14 564 312, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

Statement of comprehensive income	Three months ended 30 Sep 2013	Nine months ended 30 Sep 2013	Three months ended 30 Sep 2012	Nine months ended 30 Sep 2012
Profit for the period	1 039	10 708	1 849	10 482
Other comprehensive income:	-	-	-	-
Comprehensive income for the period	1 039	10 708	1 849	10 482

8.4 Condensed separate statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 July 2013	15 115	549 559	2 526	3 145	63 200	-	(65 020)	9 669	578 194
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 July 2013, corrected	15 115	549 559	2 526	3 145	63 200	-	(65 020)	9 669	578 194
Comprehensive income for the three months ended 30 September 2013	-	-	-	-	-	-	-	1 039	1 039
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	-	-
30 Sep 2013	15 115	549 559	2 526	3 145	63 200	-	(65 020)	10 708	579 233

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2013	15 115	549 559	2 526	3 145	62 979	-	(65 020)	13 593	581 897
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 January 2013, corrected	15 115	549 559	2 526	3 145	62 979	-	(65 020)	13 593	581 897
Comprehensive income for the nine months ended 30 September 2013	-	-	-	-	-	-	-	10 708	10 708
Management options measurement	-	-	-	-	-	-	-	-	-
Prior-year profit distribution - transfer to equity	-	-	-	-	221	-	-	(221)	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	(13 372)	(13 372)
30 Sep 2013	15 115	549 559	2 526	3 145	63 200	-	(65 020)	10 708	579 233

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 July 2012	15 115	50 559	2 526	3 144	62 979	499 000	(65 020)	8 633	576 937
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 July 2012, corrected	15 115	50 559	2 526	3 144	62 979	499 000	(65 020)	8 633	576 937
Comprehensive income for the three months ended 30 September 2012	-	-	-	-	-	-	-	1 849	1 849
Management options measurement	-	-	-	-	-	-	-	-	-
Prior-year profit distribution - transfer to equity	-	-	-	-	-	-	-	-	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	-	-
30 Sep 2012	15 115	50 559	2 526	3 144	62 845	499 000	(65 020)	10 482	578 785

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2012	15 115	50 559	2 526	3 144	62 845	499 000	(53 774)	817 805	1 397 221
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 January 2012, corrected	15 115	50 559	2 526	3 144	62 845	499 000	(53 774)	817 805	1 397 221
Comprehensive income for the nine months ended 30 September 2012	-	-	-	-	-	-	-	10 482	10 482
Management options measurement	-	-	-	-	-	-	-	-	-
Prior-year profit distribution - transfer to equity	-	-	-	-	134	-	-	(134)	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(11 246)	-	(11 246)
Change in equity as a result of mergers	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	(817 671)	(817 671)
30 Sep 2012	15 115	50 559	2 526	3 144	62 979	499 000	(65 020)	10 482	578 785

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Retained earnings	Own shares	Total equity
As at the beginning of period: 1 January 2012	15 115	50 559	2 526	3 145	62 845	499 000	817 805	(53 774)	1 397 221
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
As at the beginning of period, corrected	15 115	50 559	2 526	3 145	62 845	499 000	817 805	(53 774)	1 397
Profit for the period	-	-	-	-	-	-	13 593	-	13 593
Prior-year profit distribution - transfer to equity	-	-	-	-	134	-	(134)	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	(817 671)	-	(817 671)
Purchase of own shares	-	-	-	-	-	-	-	(11 246)	(11 246)
Management options provision	-	-	-	-	-	-	-	-	-
Release of buy-back provision	-	499 000	-	-	-	(499 000)	-	-	-
Release of buy-back provision due to purchase of own shares	-	-	-	-	-	-	-	-	-
As at the end of period: 31 December 2012	15 115	549 559	2 526	3 145	62 979	-	13 593	(65 020)	581 897

8.5 Condensed separate statement of cash flows

	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
Profit (loss) for the period	10 708	10 482
Adjusted by:	(11 300)	(14 300)
Depreciation	1 282	1 306
Interest and shares of profit (dividend)	(12 710)	(14 252)
Income tax	1 292	1 011
Profit (loss) on investing activities	(724)	(1 914)
Change in provisions	445	(690)
Change in inventory	20	11
Change in receivables	887	17 622
Change in prepayments	431	1 191
Change in liabilities	(241)	(15 240)
Other corrections	-	-
Income tax paid	(1 982)	(3 345)
Net cash from operating activities	(592)	(3 818)
Inflows	1 763 152	2 140 395
Disposal of property, plant and equipment and intangible assets	1 495	10 657
Disposal of financial assets	1 738 481	2 080 884
Dividends received	5 774	7 880
Interest received	602	930
Repayment of borrowings	16 800	40 040
Other inflows	-	4
Outflows	(1 714 889)	(1 228 603)
Purchase of property, plant and equipment and intangible assets	(1 271)	(1 549)
Purchase of subsidiaries and associates	(50)	(50 150)
Purchase of financial assets	(1 713 555)	(1 142 864)
Borrowings granted	(13)	(34 040)
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	48 263	911 792
Inflows	-	-
Proceeds from loans and borrowings incurred	-	-
Issue of short-term debt instruments	-	-
Other inflows	-	-
Outflows	(13 372)	(828 917)
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Dividends paid	(13 372)	(817 671)
Purchase of own shares	-	(11 246)
Other outflows	-	-
Net cash flows from financing activities	(13 372)	(828 917)
Change in cash and cash equivalents	34 298	79 055
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	73 300	2 638
Cash and cash equivalents at the end of period	107 598	81 693

Lublin, November 2013

Signatures of all Management Board members:

2013-11-12 Dariusz Kalinowski President of the Management Board
.....
Signature

2013-11-12 Cezary Baran Vice-President of the Management Board, Finance Director
.....
Signature

Person responsible for book-keeping

2013-11-12 Elżbieta Świniarska Economic Director
.....
Signature