

# Emperia Holding



## CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER OF 2015

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

LUBLIN, NOVEMBER 2015

## Emperia Group means:

**Emperia**  
Holding

- being credible and prioritising shareholder interests



- customer-centric culture

- growth and openness



- working together

- effectiveness



- reliability and engagement

## Being credible and prioritising shareholder interests

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

## Customer-centric culture



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

## Growth and openness



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

## Working together



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

## ***Reliability and engagement***



- We are ***honest*** with our employees, business partners and clients
- We are socially involved. We run an employee-based Foundation and get involved in employee volunteer activities
- ***Loyalty and engagement*** are the prerequisites of each and every member of our team

## ***Effectiveness***



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

***Welcome!***

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## 1. Selected financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 30 Sep 2015	For the period from 1 Jan 2014 to 30 Sep 2014	For the period from 1 Jan 2015 to 30 Sep 2015	For the period from 1 Jan 2014 to 30 Sep 2014
I.	Net revenue from sale of products, goods and materials	1 501 932	1 466 010	361 172	350 695
II.	Operating profit (loss)	42 566	24 616	10 236	5 889
III.	Profit (loss) before tax	42 146	25 542	10 135	6 110
IV.	Profit (loss) for the period	37 257	17 474	8 959	4 180
V.	Net cash flows from operating activities	24 143	(2 043)	5 806	(489)
VI.	Net cash flows from investing activities	(8 572)	(77 477)	(2 061)	(18 534)
VII.	Net cash flows from financing activities	(54 746)	(48 700)	(13 165)	(11 650)
VIII.	Total net cash flows	(39 175)	(128 220)	(9 420)	(30 672)
IX.	Total assets	931 795	952 228	219 836	223 407
X.	Liabilities and liability provisions	341 463	345 229	80 560	80 996
XI.	Non-current liabilities	23 860	26 220	5 629	6 152
XII.	Current liabilities	317 603	319 009	74 931	74 844
XIII.	Equity	590 332	606 999	139 275	142 411
XIV.	Share capital	13 235	15 180	3 122	3 561
XV.	Number of shares	13 235 495	15 179 589	13 235 495	15 179 589
XVI.	Weighted average number of shares	12 571 219	13 620 284	12 571 219	13 620 284
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	4.00	1.30	0.96	0.31
XVIII.	Diluted profit (loss) per ordinary share, annualised** (in PLN/EUR)	4.00	1.29	0.96	0.31
XIX.	Book value per share* (in PLN/EUR)	46.96	45.16	11.08	10.60
XX.	Diluted book value per share** (in PLN/EUR)	46.94	45.08	11.07	10.58
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

\* 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 2015 (January-September): 12 571 219

- for Q3 2014 (January-September): 13 620 284

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

- 1 Items in the statement of profit and loss and statement of cash flows are translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q3 2015 was EURPLN 4.1585 and for Q1-Q3 2014: EURPLN 4.1803.
- 2 Balance sheet items and book value / diluted book value are translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 30 September 2015: EURPLN 4.2386; as at 31 December 2014: EURPLN 4.2623.
- 3 Dividend paid out is translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 19 June 2015 was EURPLN 4.1715 and as at 30 June 2014 EURPLN 4.1609.

## 2. Condensed consolidated statement of financial position

	30 Sep 2015	30 Jun 2015	31 Dec 2014	30 Sep 2014
<b>Non-current assets</b>	<b>604 794</b>	<b>581 729</b>	<b>579 119</b>	<b>594 491</b>
Property, plant and equipment	509 131	498 344	495 910	509 630
Investment properties	-	-	-	-
Intangible assets	2 929	3 118	3 487	3 664
Goodwill	52 044	52 044	52 044	52 044
Interests in equity-accounted entities	-	-	-	-
Financial assets	37	92	92	92
Non-current loans	420	-	-	-
Non-current receivables	6 130	5 421	5 206	4 820
Deferred income tax assets	20 072	19 287	18 272	19 732
Other non-current prepayments	14 031	3 423	4 108	4 509
Non-current assets classified as held-for-sale	-	-	-	-
<b>Current assets</b>	<b>327 001</b>	<b>317 821</b>	<b>373 109</b>	<b>342 129</b>
Inventories	175 504	171 416	165 104	175 698
Receivables	56 764	49 299	45 254	58 465
Income tax receivables	-	-	1 218	-
Short-term securities	11 004	30 467	30 764	35 252
Prepayments	8 059	7 877	4 041	5 781
Cash and cash equivalents	75 260	58 510	114 435	66 933
Other financial assets	410	252	-	-
Current assets classified as held-for-sale	-	-	12 293	-
<b>Total assets</b>	<b>931 795</b>	<b>899 550</b>	<b>952 228</b>	<b>936 620</b>
<b>Equity</b>	<b>590 332</b>	<b>585 474</b>	<b>606 999</b>	<b>614 887</b>
Share capital	13 235	13 192	15 180	15 180
Share premium	471 424	469 374	551 988	551 988
Supplementary capital	97 558	97 558	100 084	100 084
Management options provision	2 472	3 517	5 206	4 115
Reserve capital	47 661	47 661	110 593	110 593
Buy-back provision	-	-	-	-
Own shares	(50 866)	(46 535)	(164 553)	(143 956)
Retained earnings	8 848	707	(11 499)	(23 117)
<b>Total equity attributable to owners of the parent</b>	<b>590 332</b>	<b>585 474</b>	<b>606 999</b>	<b>614 887</b>
Non-controlling interests	-	-	-	-
<b>Total non-current liabilities</b>	<b>23 860</b>	<b>22 947</b>	<b>26 220</b>	<b>28 660</b>
Credit facilities, loans and debt instruments	1 942	2 195	2 647	2 922
Non-current liabilities	3 084	969	1 050	910
Provisions	15 814	17 157	19 842	21 839
Deferred income tax provision	3 020	2 626	2 681	2 989
<b>Total current liabilities</b>	<b>317 603</b>	<b>291 129</b>	<b>319 009</b>	<b>293 073</b>
Credit facilities, loans and debt instruments	980	973	903	897
Current liabilities	290 710	262 915	293 901	266 348
Income tax liabilities	511	773	3 152	2 548
Provisions	17 950	18 430	15 551	17 163
Deferred revenue	7 452	8 038	5 502	6 117
Liabilities assigned to assets classified as held-for-sale	-	-	-	-
<b>Total equity and liabilities</b>	<b>931 795</b>	<b>899 550</b>	<b>952 228</b>	<b>936 620</b>

	30 Sep 2015	30 Jun 2015	31 Dec 2014	30 Sep 2014
Book value	590 332	585 474	606 999	614 887
Number of shares	13 235 495	13 192 018	15 179 589	15 179 589
Weighted average number of shares	12 571 219	12 684 364	13 440 114	13 620 284
Diluted number of shares	12 575 404	12 716 468	13 465 487	13 669 412
Book value per share (in PLN)*	46.96	46.16	45.16	45.14
Diluted book value per share (in PLN)**	46.94	46.04	45.08	44.98

\* 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 2015	Nine months ended 30 Sep 2015	Three months ended 30 Sep 2014	Nine months ended 30 Sep 2014
Revenue from sales	519 501	1 501 932	484 207	1 466 010
Cost of sales	(373 465)	(1 071 101)	(349 338)	(1 048 776)
<b>Profit on sales</b>	<b>146 036</b>	<b>430 831</b>	<b>134 869</b>	<b>417 234</b>
Other operating revenue	1 775	13 473	1 414	4 312
Selling costs	(120 869)	(346 391)	(114 518)	(336 735)
Administrative expenses	(16 604)	(49 721)	(17 357)	(53 997)
Other operating expenses	(1 060)	(5 626)	(1 385)	(6 198)
<b>Operating profit</b>	<b>9 278</b>	<b>42 566</b>	<b>3 023</b>	<b>24 616</b>
Finance income	555	1 100	519	1 973
Finance costs	(89)	(1 520)	(155)	(1 047)
<b>Profit before tax</b>	<b>9 744</b>	<b>42 146</b>	<b>3 387</b>	<b>25 542</b>
Income tax	(1 559)	(4 889)	(3 268)	(8 068)
- current	(1 618)	(5 354)	(1 946)	(5 991)
- deferred	59	465	(1 322)	(2 077)
Share of the profit of equity-accounted entities	-	-	-	-
<b>Profit for the period</b>	<b>8 185</b>	<b>37 257</b>	<b>119</b>	<b>17 474</b>
Profit for the period attributable to owners of the parent	8 185	37 257	119	17 474
Profit for the period attributable to non-controlling interests	-	-	-	-



Annualised profit	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Profit (loss) for the period (annualised), including:</b>	<b>50 284</b>	<b>17 672</b>
Weighted average number of ordinary shares	12 571 219	13 620 284
Weighted average diluted number of ordinary shares*	12 575 404	13 669 412
Profit (loss) per ordinary share, annualised (in PLN)	4.00	1.30
Diluted profit (loss) per ordinary share, annualised* (in PLN)	4.00	1.29

\* Weighted average diluted number of ordinary shares:

– for Q1-Q3 2015 (January-September): 12 575 404, 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 2014 (January-September): 13 669 412, 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 2015	Nine months ended 30 Sep 2015	Three months ended 30 Sep 2014	Nine months ended 30 Sep 2014
Profit for the period	8 185	37 257	119	17 474
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>8 185</b>	<b>37 257</b>	<b>119</b>	<b>17 474</b>
Comprehensive income attributable to shareholders of the parent	8 185	37 257	119	17 474
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	Own shares	Retained earnings	Total equity
<b>1 July 2015</b>	<b>13 192</b>	<b>469 374</b>	<b>97 558</b>	<b>3 517</b>	<b>47 661</b>	<b>(46 535)</b>	<b>707</b>	<b>585 474</b>
Correction of fundamental errors 2014	-	-	-	-	-	-	-	-
<b>1 July 2015, adjusted</b>	<b>13 192</b>	<b>469 374</b>	<b>97 558</b>	<b>3 517</b>	<b>47 661</b>	<b>(46 535)</b>	<b>707</b>	<b>585 474</b>
<b>Comprehensive income for the three months ended 30 September 2015</b>	-	-	-	-	-	-	8 185	8 185
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	(44)	(44)
2014 profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Bond issuance - incentive scheme	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	43	2 050	-	(1 045)	-	-	-	1 048
Purchase of own shares	-	-	-	-	-	(4 331)	-	(4 331)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2014 profit	-	-	-	-	-	-	-	-
<b>30 Sep 2015</b>	<b>13 235</b>	<b>471 424</b>	<b>97 558</b>	<b>2 472</b>	<b>47 661</b>	<b>(50 866)</b>	<b>8 848</b>	<b>590 332</b>

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 Jan 2015</b>	<b>15 180</b>	<b>551 988</b>	<b>100 084</b>	<b>5 206</b>	<b>110 593</b>	<b>(164 553)</b>	<b>(11 499)</b>	<b>606 999</b>
Correction of fundamental errors 2014	-	-	-	-	-	-	-	-
<b>1 Jan 2015, adjusted</b>	<b>15 180</b>	<b>551 988</b>	<b>100 084</b>	<b>5 206</b>	<b>110 593</b>	<b>(164 553)</b>	<b>(11 499)</b>	<b>606 999</b>
<b>Comprehensive income for the nine months ended 30 September 2015</b>	-	-	-	-	-	-	37 255	37 255
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	(44)	(44)
2014 profit distribution - transfer to equity	-	-	-	-	337	-	(337)	-
Bond issuance - incentive scheme	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	87	3 708	-	(2 734)	-	-	-	1 061
Purchase of own shares	-	-	-	-	-	(38 411)	-	(38 411)
Redemption of own shares	(2 032)	(84 273)	(2 526)	-	(63 268)	152 099	-	-
Dividend from 2014 profit	-	-	-	-	-	-	(16 528)	(16 528)
<b>30 Sep 2015</b>	<b>13 235</b>	<b>471 424</b>	<b>97 558</b>	<b>2 472</b>	<b>47 661</b>	<b>(50 866)</b>	<b>8 848</b>	<b>590 332</b>

	Share capital	Share premium	Supplement ary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 July 2014</b>	<b>15 115</b>	<b>549 559</b>	<b>100 084</b>	<b>5 010</b>	<b>110 593</b>	<b>(133 292)</b>	<b>(23 237)</b>	<b>623 832</b>
Correction of fundamental errors 2013	-	-	-	-	-	-	-	-
<b>1 July 2014, adjusted</b>	<b>15 115</b>	<b>549 559</b>	<b>100 084</b>	<b>5 010</b>	<b>110 593</b>	<b>(133 292)</b>	<b>(23 237)</b>	<b>623 832</b>
<b>Comprehensive income for the three months ended 30 September 2014</b>	-	-	-	-	-	-	119	119
2013 profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Bond issuance - incentive scheme	-	-	-	1 599	-	-	-	1 599
Share issuance - incentive scheme	65	2 429	-	(2 494)	-	-	-	-
Purchase of own shares	-	-	-	-	-	(10 664)	-	(10 664)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	-	-
<b>30 Sep 2014</b>	<b>15 180</b>	<b>551 988</b>	<b>100 084</b>	<b>4 115</b>	<b>110 593</b>	<b>(143 956)</b>	<b>(23 117)</b>	<b>614 887</b>

	Share capital	Share premium	Supplement ary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 Jan 2014</b>	<b>15 115</b>	<b>549 559</b>	<b>100 084</b>	<b>5 010</b>	<b>110 525</b>	<b>(106 616)</b>	<b>(26 973)</b>	<b>646 704</b>
Correction of fundamental errors 2013	-	-	-	-	-	-	(1 442)	(1 442)
<b>1 January 2014, adjusted</b>	<b>15 115</b>	<b>549 559</b>	<b>100 084</b>	<b>5 010</b>	<b>110 525</b>	<b>(106 616)</b>	<b>(28 415)</b>	<b>645 262</b>
<b>Comprehensive income for the nine months ended 30 September 2014</b>	-	-	-	-	-	-	17 474	17 474
2013 profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Bond issuance - incentive scheme	-	-	-	1 599	-	-	-	1 599
Share issuance - incentive scheme	65	2 429	-	(2 494)	-	-	-	-
Purchase of own shares	-	-	-	-	-	(37 340)	-	(37 340)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	(12 109)	(12 109)
<b>30 Sep 2014</b>	<b>15 180</b>	<b>551 988</b>	<b>100 084</b>	<b>4 115</b>	<b>110 593</b>	<b>(143 956)</b>	<b>(23 117)</b>	<b>614 887</b>

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

## 5. Condensed consolidated statement of cash flows

Operating activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Profit (loss) for the period</b>	<b>37 257</b>	<b>17 474</b>
<b>Adjusted by:</b>	<b>(13 114)</b>	<b>(19 517)</b>
Share of the net profit (loss) of equity-accounted entities	-	-
Depreciation / amortisation	33 008	35 275
(Profit) loss on exchange differences	51	182
Interest and shares of profit (dividends)	(21)	229
Income tax	4 889	8 068
Profit (loss) on investing activities	(7 871)	535
Change in provisions	(1 629)	(14 064)
Change in inventories	(10 400)	1 651
Change in receivables	(12 067)	43 083
Change in prepayments	(11 989)	(513)
Change in liabilities	682	(94 424)
Other adjustments	6	5 727
Income tax paid	(7 773)	(5 266)
<b>Net cash from operating activities</b>	<b>24 143</b>	<b>(2 043)</b>

Investing activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Inflows</b>	<b>41 369</b>	<b>7 720</b>
Disposal of property, plant and equipment and intangible assets	14 397	7 720
Disposal of financial assets	26 967	-
Disposal of interests in subsidiaries	-	-
Dividends received	-	-
Interest received	-	-
Repayment of loans issued	-	-
Cash of entities acquired, at acquisition date	-	-
Other inflows	-	-
<b>Outflows</b>	<b>(49 941)</b>	<b>(85 197)</b>
Purchase of property, plant and equipment and intangible assets	(42 111)	(50 162)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	(7 000)	(35 035)
Borrowings granted	(830)	-
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
<b>Net cash from investing activities</b>	<b>(8 572)</b>	<b>(77 477)</b>

Financing activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Inflows</b>	<b>1 061</b>	<b>1 600</b>
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	0	1
Proceeds from equity issuance	1 061	1 599
Other inflows	-	-
<b>Outflows</b>	<b>(55 807)</b>	<b>(50 300)</b>
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	0	(1)
Payment of finance lease liabilities	(680)	(621)
Interest and fees paid	(187)	(229)
Dividends paid	(16 528)	(12 109)
Purchase of own shares	(38 412)	(37 340)
Other outflows	-	-
<b>Net cash from financing activities</b>	<b>(54 746)</b>	<b>(48 700)</b>
<b>Change in cash and cash equivalents</b>	<b>(39 175)</b>	<b>(128 220)</b>
Exchange differences	-	-
<b>Cash and cash equivalents at the beginning of period</b>	<b>114 435</b>	<b>195 153</b>
<b>Cash and cash equivalents at the end of period</b>	<b>75 260</b>	<b>66 933</b>

## 6. Additional information

### 6.1 Description of Group structure

#### **Name, registered office and economic activities of the parent entity**

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

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

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

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

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

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

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

#### **Information on consolidation**

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

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

During the first three quarters of 2015, Emperia Group's structure was subject to changes (compared with the 2014 year-end). Subsidiaries EKON Sp. z o.o. and P2 EKON Sp. z o.o. S.K.A. were merged on 7 July 2015. Detailed information on this subject is presented in point 6.2.11 a).

No.	Entity name	Registered office	Main economic activity	Registration authority	Type of control	Means of consolidation	Acquisition date / date from which significant control is exerted	% of share capital held	Share of the total number of votes at general meeting
1	Stokrotka Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Retail sale of food, beverages and tobacco	16977, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	1999-01-27	100.00%	100.00%
2	Infinite Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	IT operations	16222, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	1997-03-11	100.00%	100.00%
3	ELPRO EKON Sp. z o.o. S.K.A. (1)	20-209 Lublin, ul. Projektowa 1	Property development	392753, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2001-02-15	100.00%	100.00%
4	P3 EKON Sp. z o.o. S.K.A. (2)	20-209 Lublin, ul. Projektowa 1	Property management	407301, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2007-11-29	100.00%	100.00%
5	Elpro Development S.A.	20-209 Lublin, ul. Projektowa 1	Renting and operating of own or leased real estate	509157, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%
6	EKON Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Property management	367597, District Court for Lublin-Wschód based in Świdnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%
7	EMP Investment Ltd. (3)	Themistokli Dervi 3, JULIA HOUSE, P.C. 1066; Nicosia, Cyprus	Investments in property	HE 272278, Ministry of Commerce, Industry and Tourism, Company Registration Department Nicosia, Cyprus	Subsidiary	Full	2010-09-03	100.00%	100.00%



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

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

**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 2015**

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

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

## 6.2 Description of key accounting principles

### 6.2.1 Basis for preparing consolidated financial statements

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

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

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

### 6.2.3 Segment reporting

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

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

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

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

The Group applies uniform accounting principles for all segments. Inter-segment transactions are done on market terms. These transactions are subject to exclusion from consolidated financial statements, and in information about segment results (note 7.2) they are presented in the column "exclusions."

#### **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 is presented in PLN 000s (unless stated otherwise).

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

#### **6.2.5 Discontinued operations**

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

#### **6.2.6 Accounting policy applied to these consolidated financial statements**

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

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

#### **6.2.7 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.

#### **6.2.8 Application of standards and interpretations effective from 1 January 2015**

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

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

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

### 6.2.9 Accounting estimates

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

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

### 6.2.10 Correction of errors

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

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

### 6.2.11 Mergers, share purchases or disposals, capital increases

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

On 7 June 2015, the District Court in Lublin-Wschód, based in Świdnik, 6th Commercial Division of the National Court Register, registered the merger of subsidiaries EKON Sp. z o.o. and P2 EKON Sp. z o.o. S.K.A. The merger was effected by EKON Sp. z o.o. acquiring all of the assets of EKON Sp. z o.o. S.K.A. In exchange for shares in the acquired companies with total nominal value of PLN 50 000 and book value of PLN 7 637.67, the acquired company's shareholder - Emperia Holding S.A. - received 76 new shares in the acquiring company, with total value of PLN 7 600, together with a cash contribution of PLN 37.67. Given the fact that the general partner who made a contribution to a different capital than share capital of the acquired company is the acquiring company, then following the merger this shareholder will not be issued shares in the increased share capital of the acquiring company.

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

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

On 9 September 2015, the Issuer introduced to stock-market trading 25 527 ordinary bearer shares series P, with nominal value of PLN 1 each. Furthermore, on 30 September 2015, the Issuer introduced to stock-market trading 17 950 ordinary bearer shares series P, with nominal value of PLN 1 each.

Introducing the series P shares to trading was part of Emperia Holding S.A.'s Management Options Programme. The Company announced via current reports the terms and deadlines for registering the series P shares by the KDPW, as well as admission and introduction of the series P shares to stock-market trading.

From 30 September 2015, the Issuer's share capital amounts to PLN 13 235 495 and is divided into 13 235 495 ordinary bearer shares, with nominal value of PLN 1 each. The total number of voting rights carried by all of the Issuer's outstanding shares is 13 235 495.

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

No such events occurred at the Group after the end of the reporting period.

## 7. Notes to the financial statements

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

The Group considers this year's third-quarter results to be positive.

All business segments delivered satisfactory results in line with management expectations and are continuing on their growth paths so far in 2015. The dynamically developing retail segment deserves particular attention, with 35 new Stokrotka stores opened in this year's third quarter.

Revenue from sales in the third quarter of 2015 was 7.29% than in the same period last year, while revenue for Q1-Q3 2015 was up by 2.45% on a year-to-year basis. This revenue growth was the effect of higher revenue in the retail segment, generated despite continuing deflation (-0.9% for food and non-alcoholic beverage products in Q3 2015 and -2.2% YTD, according to GUS) and strong pricing competition in the retail segment.

For the third quarter of 2015, profit was PLN 8 185 000, compared with PLN 119 000 in the same period last year, denoting 6 778.15% growth. Net profit for the first three quarters of 2015 was PLN 37 257 000, versus PLN 17 474 000 in Q1-Q3 2014, denoting 113.21% growth year-on-year.

The Group's significantly higher net profit generated so far in 2015 resulted from much stronger results in the retail segment.

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

- in Q3 2015, the Group generated PLN 466 000 in gross profit on financing activities, compared with PLN 364 000 in Q3 2014. Cumulatively for Q1-Q3 2015 the Group posted a PLN 420 000 gross loss on financing activities, versus PLN 926 000 in gross profit for Q1-Q3 2014,
- in Q3 2015, the Group generated PLN 215 000 in gross profit on property disposals, compared with PLN 532 000 in Q3 2014. Cumulatively for Q1-Q3 2015 the Group posted a PLN 7 965 000 gross profit on property disposals, versus PLN 1 175 000 in gross profit for Q1-Q3 2014,
- in Q3 2015, the retail segment did not incur any one-off expenses connected with store closures, compared with PLN 605 000 in Q3 2014. In Q1-Q3 2015, the retail segment incurred PLN 1 429 000 in one-off store closure costs, versus PLN 2 403 000 in Q1-Q3 2014,
- in Q3 2015, the retail segment incurred PLN 13 000 in costs connected with contractual penalties and compensation, which did not arise in Q3 2014. In Q1-Q3 2015, these costs amounted to PLN 2 198 000, versus PLN 1 012 000 in Q1-Q3 2014,
- costs connected with launching new stores in Q3 2015 came to PLN 2 760 100 (25 own stores opened), versus PLN 514 200 in Q3 2014 (4 own stores opened),
- in Q1-Q3 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset,
- in Q1-Q3 2014, Emperia Holding was awarded PLN 1 634 000 in a court dispute with Ernst & Young Sp. z o.o.
- in Q1-Q3 2014, the retail segment incurred additional costs connected with the merger of retail companies (Maro-Markety Sp. z o.o., Społem Tychy S.A. and Pilawa Sp. z o.o.) of PLN 1 033 000.

### Changes in key items from the statement of profit and loss

Item	Q3 2015	Q3 2014	%
Revenue from sales	519 501	484 207	7.29%
Profit on sales	146 036	134 869	8.28%
EBITDA	20 351	14 896	36.62%
Operating profit	9 278	3 023	206.91%
Profit before tax	9 744	3 387	187.69%
Profit for the period	8 185	119	6 778.15%

Item	Q1-Q3 2015	Q1-Q3 2014	%
Revenue from sales	1 501 932	1 466 010	2.45%
Profit on sales	430 831	417 234	3.26%
EBITDA	75 574	59 891	26.19%
Operating profit	42 566	24 616	72.92%
Profit before tax	42 146	25 542	65.01%
Profit for the period	37 257	17 474	113.21%
Current-period earnings per share, annualised* (in PLN)	4,00	1,30	207.70%

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

### Changes in key balance sheet items

Item	Q3 2015	Q3 2014	%
Total assets	931 795	936 620	-0.52%
Non-current assets	604 794	594 491	1.73%
Current assets	327 001	342 129	-4.42%
Cash and cash equivalents	75 260	66 933	12.44%
Liabilities and liability provisions	341 464	321 733	6.13%
Total current liabilities	317 603	293 073	8.37%
Net assets	590 332	614 887	-3.99%
Share capital (in PLN)	13 235 495	15 179 589	-12.81%

### Operational performance and ability to meet liabilities

Item	Q1-Q3 2015	Q1-Q3 2014
Return on invested capital <i>(profit for the period / equity at the end of the period) in %</i>	6.31%	2.84%
Return on assets <i>(profit for the period / assets at the end of the period) in %</i>	4.00%	1.87%
Sales margin <i>(profit from sales for the period / revenue from sales for the period) in %</i>	28.69%	28.46%
EBITDA margin <i>(EBITDA / revenue from sales for the period) in %</i>	5.03%	4.09%
Operating margin <i>(operating profit for the period / revenue from sales for the period) in %</i>	2.83%	1.68%
Gross margin <i>(profit before tax for the period / revenue from sales for the period) in %</i>	2.81%	1.74%
Net margin <i>(profit for the period / revenue from sales for the period) in %</i>	2.48%	1.19%

### Turnover cycles for key components of working capital

Methodology	Q1-Q3 2015	Q1-Q3 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*273)</i>	45.5	46.5
Receivables turnover days <i>(current receivables / revenue from sales*273)</i>	10.3	10.9
Payables turnover days <i>[(current liabilities - current borrowings) / value of goods for resale and materials sold*273]</i>	82.1	77.3
Asset productivity <i>(revenue from sales / total assets)</i>	1.6	1.6
Non-current asset productivity <i>(revenue from sales / non-current assets)</i>	2.5	2.5

In the first three quarters of 2015, inventory turnover ratio decreased by 1.0 days, receivables turnover by 0.6 days, while payables turnover increased by 4.8 days. Changes in the above turnover ratios resulted in an extension of the cash conversion cycle in 2015 by 6.4 days, but had no effect on asset turnover.



## Retail segment



	Q3 2015	Q3 2014	%
Segment revenue	508 524	473 711	7.35%
Profit on sales	142 750	130 036	9.78%
EBITDA	7 725	890	767.98%
Operating result	(522)	(7 092)	-
Gross profit	(794)	(8 287)	-
<b>Net segment result</b>	<b>(774)</b>	<b>(9 394)</b>	-

	Q1-Q3 2015	Q1-Q3 2014	%
Segment revenue	1 465 750	1 432 968	2.29%
Profit on sales	417 406	403 773	3.38%
EBITDA	30 734	20 908	47.00%
Operating result	6 491	(2 524)	-
Gross profit	4 337	(6 452)	-
<b>Net segment result</b>	<b>3 844</b>	<b>(9 207)</b>	-

Retail-segment revenue in Q3 2015 was up 7.35%, and up 2.29% in Q1-Q3 2015. The revenue growth resulted largely from a larger number of sales locations opened in 2015 (35 new stores in Q3), which was achieved despite lingering deflation (-0.9% for food and non-alcoholic beverage products in Q3 2015 and -2.2% YTD, according to GUS) and strong pricing competition in the retail segment.

The retail segment closed the third quarter of 2015 with a small loss of PLN 774 000. During the period Q1-Q3 2015, the retail segment generated PLN 3 844 000 in net profit, compared with PLN 9 207 000 net loss in the comparative period.

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

- in Q3 2015, the retail segment did not incur any one-off expenses connected with store closures, compared with PLN 605 000 in Q3 2014. In Q1-Q3 2015, the retail segment incurred PLN 1 429 000 in one-off store closure costs, versus PLN 2 403 000 in Q1-Q3 2014,
- in Q3 2015, the retail segment incurred PLN 13 000 in costs connected with contractual penalties and compensation, which did not arise in Q3 2014. In Q1-Q3 2015, these costs amounted to PLN 2 198 000, versus PLN 1 012 000 in Q1-Q3 2014,
- costs connected with launching new stores in Q3 2015 came to PLN 2 760 100 (25 own stores opened), versus PLN 514 200 in Q3 2014 (4 own stores opened),
- in Q1-Q3 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset,
- in Q1-Q3 2014, the retail segment incurred additional costs connected with the merger of retail companies (Maro-Markety Sp. z o.o., Społem Tychy S.A. and Pilawa Sp. z o.o.) of PLN 1 033 000.

In Q3 2015, Stokrotka Sp. z o.o. continued processes aimed at optimising its in-house logistics system. Logistics performance is improving from quarter to quarter.

Key information on logistics performance:

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014 */	Q1 2015	Q2 2015	Q3 2015
Total Stokrotka store deliveries during the period	352 878	406 919	374 197	388 154	386 554	403 626	371 832	381 262	403 303
Stokrotka store deliveries using in-house logistics during the period	165 010	276 759	296 490	326 974	321 745	332 915	311 708	313 165	333 511
% of Stokrotka store supply going through in-house logistics (supply of Stokrotka stores with products through in-house logistics / overall product supply for Stokrotka stores)	<b>46.76%</b>	<b>68.01%</b>	<b>79.23%</b>	<b>84.24%</b>	<b>83.23%</b>	<b>82.48%</b>	<b>83.83%</b>	<b>82.14%</b>	<b>82.69%</b>
Total value of products delivered to the Group's store via in-house logistics	166 710	282 381	300 932	328 409	324 328	337 082	317 019	320 902	344 949
Logistics costs*	15 219	20 384	19 411	20 296	20 550	23 640	21 621	22 527	23 996
Logistics revenue	3	35	119	236	420	1 978	2 559	3 752	3 924
Net logistics costs	15 216	20 349	19 292	20 060	20 130	21 662	19 062	18 775	20 072
including: - cost of warehouse maintenance	1 983	2 363	2 293	2 601	2 545	2 626	2 726	2 657	2 611
- cost of product handling logistics	6 104	8 057	8 128	8 726	8 493	9 818	8 084	7 778	8 373
- cost of transport	6 820	9 544	8 687	8 555	8 886	9 011	8 086	8 145	8 921
- general costs	309	385	184	178	206	208	166	195	167
Logistics cost ratio (logistics costs / value of products delivered by in-house logistics)	<b>9.13%</b>	<b>7.21%</b>	<b>6.41%</b>	<b>6.11%</b>	<b>6.21%</b>	<b>6.43%</b>	<b>6.01%</b>	<b>5.85%</b>	<b>5.82%</b>
Revenue from sales	473 018	470 774	468 347	489 368	473 248	500 409	471 718	484 261	508 081
Cost of sales	356 732	350 568	336 406	349 114	343 674	360 829	337 017	344 306	364 021
Gross sales margin	116 286	120 206	131 941	140 254	129 574	139 580	134 701	139 955	144 060
Gross sales margin (in %) (result on sales / revenue from sales)	24.58%	25.53%	28.17%	28.66%	27.38%	27.89%	28.56%	28.90%	28.35%

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



Logistics cost ratio in Q3 2015 was 5.82%, up 0.39% from the third quarter last year.

The Company will continue improving logistics effectiveness in subsequent periods through:

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

Gross sales margin from the moment implementation of in-house logistics had begun significantly improved, reaching 28.35% in Q3 2015, up 0.97% on Q3 2014.

### Cash conversion cycle in the retail segment

	Q3 2015	Q3 2014
Inventory turnover days ( <i>inventory / value of goods for resale and materials sold*182</i> )	44.2	46.9
Receivables turnover days ( <i>trade receivables / revenue from sales*182</i> )	5.1	5.8
Payables turnover days ( <i>trade payables / value of goods for resale and materials sold*182</i> )	63.8	61.1
Cash conversion cycle ( <i>difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle</i> )	-14.4	-8.4

In the third quarter of 2015, inventory turnover ratio decreased by 2.7 days, receivables turnover by 0.7 days, while payables turnover increased by 2.7 days. Thanks to these changes, the retail segment's cash conversion cycle lengthened by 6 days.

### Stokrotka supermarkets



	Q3 2015	Q3 2014
<b>Number of stores at the beginning of period</b>	<b>264</b>	<b>241</b>
- stores opened	35	6
- stores shut-down*/	0	1
- stores acquired by Stokrotka through the merger of retail companies	-	-
<b>Number of stores at the end of period, including:</b>	<b>299</b>	<b>246</b>
- own supermarkets	234	217
- own markets	48	26
- franchise stores	17	3
Average total store surface - stores opened (in sqm)	525	477
Capex on own stores opened	14 035	3 543

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

As at the end of Q3 2015, the Stokrotka retail segment comprised 299 retail stores, vs. 246 at the end of H1 2013. A record number of stores (35, including 25 own stores and 10 franchise stores) were opened in Q3 2015. In 2015 YTD, Stokrotka has opened 51 stores (37 own stores and 14 franchise stores) and closed four stores.

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

	Q1-Q3 2015	Q1-Q3 2014
Revenue from product sales	1 282.2	1 343.8
Store operating costs	297.3	314.8
<i>Operating costs as % of revenue</i>	23.2%	23.4%
EBITDA	82.0	65.0
<i>% EBITDA</i>	6.4%	4.8%

Data - 232 Stokrotka stores operating at the end of 2013

### Stokrotka headquarters

	Q1-Q3 2015	Q1-Q3 2014
<i>central management costs as % of revenue from sales</i>	2.3%	2.5%
<i>marketing costs as % of revenue from sales</i>	0.9%	1.1%

## Property segment

	Q3 2015	Q2 2014	%
Segment revenue	17 680	17 498	1.04%
EBITDA	10 708	10 458	2.39%
Operating result	7 768	7 458	4.16%
Gross profit	7 759	7 135	8.75%
<b>Net segment result</b>	<b>6 736</b>	<b>5 975</b>	<b>12.74%</b>



	Q1-Q3 2015	Q1-Q3 2014	%
Segment revenue	53 597	52 462	2.16%
EBITDA	39 482	31 033	27.23%
Operating result	30 561	21 938	39.31%
Gross profit	29 687	21 012	41.29%
<b>Net segment result</b>	<b>26 572</b>	<b>17 757</b>	<b>49.64%</b>



In the third quarter of 2015, the property segment showed 1.04% growth in revenue from sales, and 2.16% for Q1-Q3 2015, from the same period last year.

The segment's net result in Q3 2015 came to PLN 6 736 000 and was 12.74% higher than in the comparative period, while in Q1-Q3 2015 it was PLN 26 572 000, i.e. 49.64% higher than in the same period last year. The segment's results in 2015 are significantly impacted by property disposal transactions. In the first three quarters of 2015, the segment generated PLN 7 924 000 in net profit on property disposals, compared to PLN 952 000 in Q1-Q3 2014 (details on the transaction can be found in point 7.11).

	Q3 2015	Q3 2014
Number of properties at the end of period	92	94
including: properties in progress	8	11
operating properties	84	83
including: retail properties	78	77
other properties	6	6
average monthly net operating income from leasable facilities*	<b>3 562</b>	<b>3 585</b>
including: retail properties	<b>3 244</b>	<b>3 425</b>

	Q3 2015	Q3 2014
leasable area of retail facilities (sqm)	86 442	91 646
including: related tenants	54 197	56 222
other tenants	32 245	35 425
average lease rate (PLN per sqm)	41.8	42.4
including: related tenants	43.4	43.7
other tenants	39.1	40.5

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

## IT segment

**infinite**  
IT Solutions

	Q3 2015	Q3 2014	%
Segment revenue	9 277	8 428	10.07%
EBITDA	2 628	3 913	-32.84%
Operating result	2 378	3 634	-34.56%
Gross profit	2 492	3 714	-32.90%
<b>Net segment result</b>	<b>2 005</b>	<b>3 003</b>	<b>-33.23%</b>



	Q1-Q3 2015	Q1-Q3 2014	%
Segment revenue	28 206	26 654	5.82%
EBITDA	7 056	9 139	-22.79%
Operating result	6 331	8 265	-23.40%
Gross profit	6 581	8 560	-23.12%
<b>Net segment result</b>	<b>5 293</b>	<b>6 911</b>	<b>-23.41%</b>

	Q3 2015	Q3 2014	%
Revenue from sale of services	6 916 563	7 070 616	-2.18%
including: external	4 858 985	4 804 600	1.13%
Revenue from sale of goods and materials	2 359 765	1 357 616	73.82%
including: external	573 915	124 929	359.39%
Total revenue	9 276 328	8 428 232	10.06%
including: external	5 432 899	4 929 529	10.21%

	Q1-Q3 2015	Q1-Q3 2014	%
Revenue from sale of services	20 585	20 210	1.86%
<i>including: external</i>	14 369	13 763	4.40%
Revenue from sale of goods and materials	7 621	6 444	18.27%
<i>including: external</i>	4 655	2 549	82.62%
Total revenue	28 206	26 654	5.82%
<i>including: external</i>	19 024	16 312	16.63%

Segment revenue in Q3 2015 was up 10.07% and 5.82% in Q1-Q3 2015 on a year-on-year basis. This resulted from stronger product sales in 2015.

In Q3 2015, segment revenue to external customers constituted 58.57% of total revenue from sales, while in Q3 2014 it accounted for 58.50%. In Q1-Q3 2015, segment revenue to external customers constituted 67.45% of total revenue from sales, while in Q1-Q3 2014 it accounted for 61.20%.

The segment's net profit for Q3 2015 was PLN 2 005 000, down 33.23% from the comparative period. The segment's net profit for Q1-Q3 2015 was PLN 5 293 000, down 23.41% from the comparative period. The declines in profit in 2015 resulted from: higher share of lower-margin products in sales and a margin squeeze in IT services, caused by growth in staff costs in 2015 due to strong market demand for IT professionals.

## Central management segment

	Q3 2015	Q3 2014	%
Segment revenue	199	945	-78.94%
EBITDA	(710)	(415)	-
Operating result	(798)	(693)	-
Gross profit	(165)	1 110	-
<b>Net segment result</b>	<b>(194)</b>	<b>877</b>	<b>-</b>

	Q1-Q3 2015	Q1-Q3 2014	%
Segment revenue	1 086	2 223	-51.15%
EBITDA	(1 197)	(1 109)	-
Operating result	(1 635)	(1 955)	-
Gross profit	9 533	10 934	-12.81%
<b>Net segment result</b>	<b>9 474</b>	<b>10 088</b>	<b>-6.09%</b>

The central management segment does not contribute significant value to the Group's consolidated financial statements. The segment's economic significance is currently low.

The key item in this segment's results - in both reporting periods - constituted dividend income and other income from cash flows. Dividend income for the first three quarters of 2015 was PLN 9 000 000, compared with PLN 7 566 000 in Q1-Q3 2014. Other cash flow-based income for the first three quarters of 2015 was PLN 2 168 000, compared with PLN 4 787 000 in Q1-Q3 2014. In addition, the 2014 result was substantially impacted by the PLN 1 827 000 in amounts awarded in a court dispute with E&Y.

## 7.2 Revenue and profit by operating segment

In 2015, the Group operated through the following segments:

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

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

Emperia Group's operating segments in Q1-Q3 2015:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	1 465 750	53 597	1 086	28 206	46 707	<b>1 501 932</b>
External revenue	1 465 691	17 183	34	19 024	-	<b>1 501 932</b>
Inter-segment revenue	59	36 414	1 052	9 182	46 707	-
Total segment costs	(1 459 510)	(30 546)	(3 346)	(21 855)	(48 044)	<b>(1 467 213)</b>
Profit on sales	6 240	23 051	(2 260)	6 351	(1 337)	<b>34 719</b>
Result on other operating activities	251	7 510	625	(20)	519	<b>7 847</b>
Result on financing activities	(2 154)	(874)	11 168	250	8 810	<b>(420)</b>
Gross result	4 337	29 687	9 533	6 581	7 992	<b>42 146</b>
Tax	(493)	(3 115)	(59)	(1 288)	(66)	<b>(4 889)</b>
Share of the profit of equity-accounted entities	-	-	-	-	-	-
<b>Net segment result</b>	<b>3 844</b>	<b>26 572</b>	<b>9 474</b>	<b>5 293</b>	<b>7 926</b>	<b>37 257</b>

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	451 293	1 296 697	543 931	27 545	1 387 670	<b>931 795</b>
Goodwill	39 200	12 844	-	-	-	<b>52 044</b>

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(33 538)	(8 575)	-	(529)	(532)	<b>(42 111)</b>
Depreciation / amortisation	(24 243)	(8 921)	(438)	(725)	(1 319)	<b>(33 008)</b>

Emperia Group's operating segments in Q1-Q3 2014:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	1 432 968	52 462	2 223	26 654	48 297	<b>1 466 010</b>
External revenue	1 432 799	16 879	20	16 312	-	<b>1 466 010</b>
Inter-segment revenue	169	35 583	2 203	10 342	48 297	-
Total segment costs	(1 432 534)	(31 234)	(4 660)	(18 454)	(47 374)	<b>(1 439 508)</b>
Profit (loss) on sales	434	21 228	(2 437)	8 200	923	<b>26 502</b>
Result on other operating activities	(2 958)	710	482	65	185	<b>(1 886)</b>
Result on financing activities	(3 928)	(926)	12 889	295	7 403	<b>926</b>
Gross result	(6 452)	21 012	10 934	8 560	8 511	<b>25 542</b>
Tax	(2 754)	(3 255)	(846)	(1 648)	(436)	<b>(8 068)</b>
Share of the profit of equity-accounted entities	-	-	-	-	-	-
<b>Net segment result</b>	<b>(9 207)</b>	<b>17 757</b>	<b>10 088</b>	<b>6 911</b>	<b>8 076</b>	<b>17 474</b>

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	426 996	1 257 269	540 268	19 931	1 307 844	<b>936 620</b>
Goodwill	39 200	12 844	-	-	-	<b>52 044</b>

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(41 832)	(5 089)	(2 810)	(1 117)	(686)	<b>(50 162)</b>
Depreciation / amortisation	(23 432)	(9 095)	(846)	(874)	1 028	<b>(35 275)</b>

### 7.3 Effects of changes in group structure

All changes in the Group's structure are presented in detail in points 6.1 and 6.2.11

### 7.4 Management's position regarding previously published forecasts

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



## 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 periodic report was published	% in share capital as at the date on which the previous period report was published	Number of votes at general meeting, as at report publication date	% of votes at general meeting at report publication date
Ipopema TFI	1 458 583	11.02%	-	1 458 583	11.06%	1 458 583	11.02%
Altus TFI	1 449 528	10.95%	-	1 449 528	10.99%	1 449 528	10.95%
AXA OFE	977 481	7.39%	-	977 481	7.41%	977 481	7.39%
Aviva OFE	834 991	6.31%	-	834 991	6.33%	834 991	6.31%
NN OFE	755 713	5.71%	-	755 713	5.73%	755 713	5.71%

Emperia Holding S.A. and subsidiary Elpro Development S.A. held a total of 923 652 shares in Emperia Holding S.A., entitling to 923 652 (6.979%) votes at the Issuer's general meeting and constituting 6.979% of the Issuer's share capital.

On 9 September 2015, the Issuer introduced to stock-market trading 43 477 ordinary bearer shares series P. Detailed information on this subject is presented in point 6.2.11 b).

## 7.6 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 30 September 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Dariusz Kalinowski	26 094	0.197%	32.81%	19 647	0.149%
Cezary Baran	600	0.005%	42.86%	420	0.003%

Supervisory Board members	Shares held, as at 30 September 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Jarosław Wawerski	19 494	0.147%	29.96%	15 000	0.099%
Artur Kawa	6 447	0.049%	-	-	-

## 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 arbitration proceeding was consequently initiated, which ended in an arrangement consisting of the sale of shares for a price lower than that resulting from the investment agreement between the Company and Eurocash S.A.

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

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

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

## **7.8 Significant related-party transactions**

In Q3 2015, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the ordinary course of business on market terms.

All inter-group mergers in Q3 2015 are presented in point 6.2.11. Short-term bonds were issued as part of the Group's cash flow management, as described in note 7.14.5.

## **7.9 Credit facilities, loans, sureties and guarantees**

In Q3 2015, the parent, Emperia, did not issue new credit sureties 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 Extraordinary factors and events having an impact on annual financial performance

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

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Proceeds from disposal of properties	460 085	716 000	14 224 649	4 360 200
Costs of disposal of properties	(245 825)	(184 433)	(14 992 097)	(3 185 220)
Reversal of consolidation adjustments	-	-	8 732 106	-
Gross profit	214 260	531 567	7 964 658	1 174 980
Current tax	(40 709)	(100 998)	(40 709)	(223 246)
Deferred tax	-	-	-	-
<b>Net result</b>	<b>173 551</b>	<b>430 569</b>	<b>7 923 949</b>	<b>951 734</b>

## 7.12 Factors having potential impact on results over at least the next quarter

### External:

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

### Internal:

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

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

### Management Board

In Q3 2015, 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 2015:



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



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

### Supervisory Board

The composition of Emperia Holding S.A.'s Supervisory Board did not change during Q3 2015.

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

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

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

1. Artur Kawa – Chairperson of the Supervisory Board
2. Michał Kowalczewski – Independent Member of the Supervisory Board
3. Aleksander Widera – 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 cyclicality

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

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

Employee benefit provisions	Change in Q1-Q3 2015	Change in 2014
<b>Non-current</b>		
As at the beginning of period	796	1 159
<i>Increases / decreases during the period</i>	-	(363)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
<b>As at the end of period</b>	<b>796</b>	<b>796</b>

<b>Current</b>		
As at the beginning of period	5 878	7 200
<i>Increases / decreases during the period</i>	1 102	(1 322)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
<b>As at the end of period</b>	<b>6 980</b>	<b>5 878</b>

Other provisions	Change in Q1-Q3 2015	Change in 2014
<b>Non-current</b>		
As at the beginning of period	19 046	30 432
<i>Increases / decreases during the period</i>	(4 028)	(11 386)
<i>Increases / decreases during the period as a result of acquisitions</i>	-	-
<b>As at the end of period</b>	<b>15 018</b>	<b>19 046</b>

<b>Current</b>		
As at the beginning of period	9 673	11 849
<i>Increases / decreases during the period</i>	1 297	(2 176)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
<b>As at the end of period</b>	<b>10 970</b>	<b>9 673</b>

#### 7.14.5 Issue, redemption and repayment of debt and equity securities

##### Bonds issued

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

Subsidiary ELPRO EKON Sp. z o.o. S.K.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by ELPRO EKON Sp. z o.o. S.K.A. during Q1-Q3 2015 and 2014:

Issue and buy-back of bonds in Q1-Q3 2015	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P5 EKON Sp. z o.o. S.K.A.
As at the beginning of period	33 500	-	33 500	-	-
<i>Issue of bonds</i>	268 000	-	268 000	-	-
<i>Buy-back of bonds</i>	(268 000)	-	(268 000)	-	-
<b>As at the end of period</b>	<b>33 500</b>	<b>-</b>	<b>33 500</b>	<b>-</b>	<b>-</b>

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

##### b) Stokrotka Sp. z o.o.

Subsidiary Stokrotka Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by Stokrotka Sp. z o.o. during Q1-Q3 2015 and 2014:

Issue and buy-back of bonds in Q1-Q3 2015	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
<b>As at the beginning of period</b>	<b>100 000</b>	-	<b>100 000</b>	-
<i>Issue of bonds</i>	489 887	-	489 887	-
<i>Buy-back of bonds</i>	(554 887)	-	(554 887)	-
<b>As at the end of period</b>	<b>35 000</b>	-	<b>35 000</b>	-

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

**c) Elpro Development S.A.**

Subsidiary Elpro Development S.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 250 000 000. Issue and buy-back of bonds (presented at par values) by Elpro Development S.A. in Q1-Q3 2015 and in 2014:

Issue and buy-back of bonds in Q1-Q3 2015	Total	External issuance	Emperia Holding S.A.	Elpro Ekon S.K.A	P5 EKON Sp. z o.o. S.K.A	P3 EKON Sp. z o.o. S.K.A	Infinite Sp. z o.o.
<b>As at the beginning of period</b>	180 500	-	-	-	58 000	111 500	11 000
<i>Issue of bonds</i>	1 550 100	-	-	61 000	469 600	906 000	113 500
<i>Buy-back of bonds</i>	(1 515 600)	-	-	(34 000)	(468 600)	(904 000)	(109 000)
<b>As at the end of period</b>	<b>215 000</b>	-	-	<b>27 000</b>	<b>59 000</b>	<b>113 500</b>	<b>15 500</b>

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

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

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

A proposal to purchase bonds was submitted to Millennium Dom Maklerski S.A. In the course of 2014 and 2015, Emperia Holding S.A. bought back 152 016 series A and B bonds.

Debt instrument liabilities as at 30 September 2015

Issuer	Series	Par value	Maturity date	As at 30 September 2015
Stokrotka Sp. z o.o.	0142*	35 000	2015-10-23	
Elpro Ekon Sp. z o.o. S.K.A.	0163*	33 500	2015-10-23	
Elpro Development S.A.	0037*	2 000	2015-10-23	
Elpro Development S.A.	0038*	11 000	2015-10-23	
Elpro Development S.A.	0039*	13 000	2015-10-23	
Elpro Development S.A.	0041*	15 500	2015-12-30	
Elpro Development S.A.	0041*	59 000	2015-12-30	
Elpro Development S.A.	0041*	113 500	2015-12-30	
Elpro Development S.A.	0041*	1 000	2015-12-30	
<b>All bond issuance by the Group</b>				-
Other				-
<b>Total debt instrument liabilities</b>				

Short-term

-

Long-term

-

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

Debt liabilities as at 31 December 2014

Issuer	Series	Par value	Maturity date	As at 31 Dec 2014
Stokrotka Sp. z o.o.	0132*	100 000	2015-01-23	
Elpro Ekon Sp. z o.o. S.K.A.	0155*	33 500	2015-01-23	
Elpro Development S.A.	0023*	11 000	2015-01-23	
Elpro Development S.A.	0023*	58 000	2015-01-23	
Elpro Development S.A.	0023*	111 500	2015-01-23	
<b>All bond issuance by the Group</b>				-
Other				-
<b>Total debt instrument liabilities</b>				

Short-term

-

Long-term

-

\* The bonds were purchased by Group companies that 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 2015.

##### Dividends received:

- Infinite Sp. z o.o. paid a PLN 9 million dividend to Emperia Holding S.A.



- Elpro Development S.A. paid a PLN 10 million dividend to Emperia Holding S.A.
- Elpro Ekon Sp. z o.o. S.K.A. paid PLN 501 000 in dividend to IPOPEMA 55 FIZAN
- Elpro Ekon Sp. z o.o. S.K.A. paid PLN 6 in dividend to EKON Sp. z o.o.

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

#### 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 2015	Credit facilities	Bank guarantees	Security interests
<b>Transfer of ownership / pledge / assignment of current assets</b>			
As at the beginning of period	-	15 000	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
<b>As at the end of period</b>	-	<b>15 000</b>	-
<b>Guarantees</b>			
As at the beginning of period	-	47 500	23 246
<i>Increases during the period</i>	-	-	2 000
<i>Decreases during the period</i>	-	-	(12 500)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
<b>As at the end of period</b>	-	<b>47 500</b>	<b>12 746</b>

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

#### 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 on property, plant and equipment, inventory and receivables did not change in relation to those applied in the annual consolidated financial statements.

	Change in Q1-Q3 2015
<b>Impairment of property, plant and equipment</b>	
As at the beginning of period	<b>8 864</b>
<i>Recognition</i>	129
<i>Reversal</i>	(1 267)
<i>Changes as a result of acquisitions / disposals</i>	-
<b>As at the end of period</b>	<b>7 726</b>
<b>Impairment of receivables</b>	
As at the beginning of period	11 236
<i>Recognition</i>	1 495
<i>Reversal</i>	(1 155)
<i>Changes as a result of acquisitions / disposals</i>	-
<i>Derecognised from statement of profit and loss*</i>	(812)
<b>As at the end of period</b>	<b>10 765</b>
<b>Impairment of inventories</b>	
As at the beginning of period	<b>15 774</b>
<i>Recognition</i>	12 762
<i>Reversal</i>	(8 928)
<i>Changes as a result of acquisitions / disposals</i>	-
<b>As at the end of period</b>	<b>19 608</b>
<b><u>including: Impairment losses on inventory control</u></b>	
As at the beginning of period	4 754
<i>Recognition</i>	11 212
<i>Reversal</i>	(8 928)
<i>Changes as a result of acquisitions / disposals</i>	-
<b>As at the end of period</b>	<b>7 038</b>
<b><u>including: Impairment losses on bonuses</u></b>	
As at the beginning of period	10 880
<i>Recognition</i>	1 549
<i>Reversal</i>	-
<i>Changes as a result of acquisitions / disposals</i>	-
<b>As at the end of period</b>	<b>12 429</b>
<b><u>including: Impairment of slow-moving inventories</u></b>	
As at the beginning of period	141
<i>Recognition</i>	-
<i>Reversal</i>	-
<i>Changes as a result of acquisitions / disposals</i>	-
<b>As at the end of period</b>	<b>141</b>

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

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

#### 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 assets	Change in Q1-Q3 2015	Change in FY 2014
As at the beginning of period	18 272	20 053
<i>Increase</i>	2 863	2 822
<i>Decrease</i>	(1 063)	(3 696)
<i>Change as a result of acquisition</i>	-	-
<b>As at the end of period</b>	<b>20 072</b>	<b>18 272</b>

Deferred income tax provision	Change in Q1-Q3 2015	Change in FY 2014
As at the beginning of period	2 681	2 229
<i>Recognition</i>	624	2 496
<i>Reversal</i>	(285)	(2 044)
<i>Change as a result of acquisition</i>	-	-
<b>As at the end of period</b>	<b>3 020</b>	<b>2 681</b>

### 7.14.11 Financial and operating leasing

#### a) Finance lease liabilities

Finance lease liabilities	30 Sep 2015	
	Minimum payments	Present value of minimum payments
Within 1 year	1 203	980
Within 1 to 5 years	2 107	1 942
Within more than 5 years	-	-
<b>Total</b>	<b>3 310</b>	<b>2 922</b>

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

#### b) Operating leasing

Did not occur during the reporting period or comparative period.

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

Q1-Q3 2015	Term of agreement	As at 30 Sep 2015	As at 30 Sep 2016	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	67 238	92 207	367 850	459 758
	unspecified	1 923	2 390	9 558	11 948
Technical equipment and machinery	specified	4	-	-	-
	unspecified	72	96	384	480
Means of transport	specified	5 213	6 970	22 568	-
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

#### 2014

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

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

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

Did not take place in Q3 2015.

#### **7.14.13 Correction of prior-period errors**

Did not take place in Q3 2015.

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

Did not take place in Q3 2015.

#### **7.14.15 Charitable work at Emperia Group**

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



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

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

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



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



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



#### Blood drive

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



#### Share-a-Meal Programme

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



#### Environmental protection

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

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



### Mammobuses

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



### Feeding Hungry Animals

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

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

## Miesięczne Praktyki Bezpłatne

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

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

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

Benefits for interns:

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

## Letnia Szkoła Menadżera

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

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

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

We later hire many of the graduates of these internships.



### Open Days

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



### Internship and Job Fair

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



### Facebook profile for students

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





### Employee Rewards

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



### Sponsorship

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



### Running team

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



### Stokrotka Passions

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

#### 7.14.16 Other significant events

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

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

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
6 July 2015	18 923	PLN 1	67.41	18 923	0.143%
17 July 2015	22 500	PLN 1	66.94	22 500	0.171%
6 August 2015	9 619	PLN 1	68.23	9 619	0.073%
9 September 2015	13 100	PLN 1	67.60	13 100	0.099%

Following the transaction, Elpro Development S.A. held 868 372 of the Issuer's shares, entitling to 868 372 (6.570%) votes at the Issuer's general meeting and constituting 6.570% of the Issuer's share capital.

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

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

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

On 8 September 2015, Emperia Holding S.A.'s Management Board announced that it had received information from Millennium DM S.A. on the buyback of 16 522 series B bonds with pre-emptive rights to series P Shares. Buyback and redemption of the Bonds by the Company from the Authorised Persons was part of the Incentive Programme.

##### c) Intra-group bond issuance and redemption

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

On 11 September 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds that were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 257.5 million.

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

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

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

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

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

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

**f) Purchase of shares in Emperia Holding S.A. by members of Emperia Holding S.A.'s Management Board**

On 9 September 2015, the Management Board of Emperia Holding S.A. announced that it received notification from a person on Emperia Holding S.A.'s Management Board regarding registration in his securities accounts of a total of 180 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.40 each.

On 30 September 2015, the Management Board of Emperia Holding S.A. announced that it received notification from a person on Emperia Holding S.A.'s Management Board regarding registration in his securities accounts of a total of 6 447 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.40 each.

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

On 9 September 2015, the Management Board of Emperia Holding S.A. announced that it received notification from a person on Emperia Holding S.A.'s Supervisory Board regarding registration in his securities accounts of a total of 4 494 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.40 each.

On 30 September 2015, the Management Board of Emperia Holding S.A. announced that it received notification from a person on Emperia Holding S.A.'s Supervisory Board regarding registration in his securities accounts of a total of 6 447 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.40 each.

#### 7.14.17 Significant events after the end of the reporting period

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

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2014 of Emperia Holding S.A.'s Supervisory Board of 8 April 2014, subsidiary P1 Sp. z o.o. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
13 October 2015	7 754	PLN 1	64.03	7 754	0,059 %
28 October 2015	24 093	PLN 1	65.50	24 093	0.182%
13 November 2015	23 433	PLN 1	67.19	23 433	0.177%

Emperia Holding S.A. and subsidiary Elpro Development S.A. held a total of 923 652 shares in Emperia Holding S.A., entitling to 923 652 (6.979%) votes at the Issuer's general meeting and constituting 6.979% of the Issuer's share capital.

On 2 November 2015, the Management Board of Emperia Holding S.A. passed a resolution concerning increase of the size of a buyback programme being carried out by Elpro Development S.A. by PLN 20 million to PLN 90 million.

##### b) Intra-group bond issuance and redemption

On 23 October 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 95.5 million.

On 12 November 2015, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 30 December 2015, which were acquired by P3 Ekon Sp. z o.o. S.K.A. The total par value of the issued bonds was PLN 68.5 million.

Moreover, on 12 November 2015 subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. completed early redemption of all of the bonds issued on 23 October 2015 and purchased by Emperia Holding S.A., with total par value of PLN 68.5 million. On that same day, subsidiary Elpro Development S.A. redeemed early some of the bonds issued on 11 September 2015, purchased by P3 Ekon Sp. z o.o. S.K.A. and Infinite Sp. z o.o. - par value of the bought back portion was PLN 78 million.

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

On 9 November 2015, Emperia Holding S.A.'s Management Board announced that it had received information from Millennium DM S.A. on the buyback of 135 series B bonds with pre-emptive rights to series P Shares. Buyback and redemption of the Bonds by the Company from the Authorised Persons was part of the Incentive Programme.

**d) Payment for the shares was made by Emperia Holding S.A. to Elpro Development S.A.**

On 12 November 2015, Emperia Holding S.A.'s Management Board announced that the company had made a PLN 93 137 647.64 payment to subsidiary Elpro Development S.A. for own shares purchased by the Issuer on 30 October 2014.

**e) Purchase of shares in Emperia Holding S.A. from subsidiary Elpro Development S.A.**

On 13 November 2015, the Management Board of Emperia Holding S.A. announced that it acquired, with shareholder consent, 900 219 shares of Emperia Holding S.A., with nominal value of PLN 1 each, from subsidiary Elpro Development S.A. for cancellation. The purchased shares constitute 6.802% of Emperia Holding S.A.'s share capital and entitle to 900 219 (6.802%) of votes at the general meeting. The average per-share price paid was PLN 61.78.

**f) Extraordinary General Meeting of Emperia Holding S.A.**

On 13 November 2015, the Management Board of Emperia Holding S.A. announced that it had called an Extraordinary General Meeting, the subject of which will be adoption of resolutions concerning cancellation of 900 219 shares purchased by Emperia Holding S.A. and reduction in the company's share capital by PLN 900 219, together with adoption of a resolution regarding authorisation for the Supervisory Board to establish a consolidated text of the company's articles of association and adoption of a resolution on use of supplementary capital to settle the costs of purchasing own shares for cancellation.

## 8. Issuer's condensed separate financial statements

### 8.1 Selected separate financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 30 Sep 2015	For the period from 1 Jan 2014 to 30 Sep 2014	For the period from 1 Jan 2015 to 30 Sep 2015	For the period from 1 Jan 2014 to 30 Sep 2014
I.	Net revenue from sale of products, goods and materials	11 531	10 252	2 773	2 452
II.	Operating profit (loss)	3 797	2 900	913	694
III.	Profit (loss) before tax	25 142	15 618	6 046	3 736
IV.	Profit (loss) for the period	23 959	13 838	5 761	3 310
V.	Net cash flows from operating activities	(301)	14 548	(72)	3 480
VI.	Net cash flows from investing activities	(14 245)	(86 234)	(3 426)	(20 629)
VII.	Net cash flows from financing activities	(15 467)	10 510	(3 719)	2 514
VIII.	Total net cash flows	(30 013)	(82 195)	(7 217)	(19 662)
IX.	Total assets	599 851	595 384	141 521	139 686
X.	Liabilities and liability provisions	96 398	100 423	22 743	23 561
XI.	Total non-current liabilities	677	786	160	184
XII.	Total current liabilities	95 721	99 637	22 583	23 376
XIII.	Equity	503 453	494 961	118 778	116 125
XIV.	Share capital	13 235	15 180	3 122	3 561
XV.	Number of shares	13 235 495	15 179 589	13 235 495	15 179 589
XVI.	Weighted average number of shares	12 571 219	13 620 284	12 571 219	13 620 284
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	2.15	1.12	0.52	0.27
XVIII.	Diluted profit (loss) per ordinary share, annualised** (in PLN/EUR)	2.15	1.12	0.52	0.27
XIX.	Book value per share* (in PLN/EUR)	40.05	36.83	9.45	8.64
XX.	Diluted book value per share** (in PLN/EUR)	40.03	36.76	9.44	8.62
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

\* 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 2015 (January-September): 12 571 219

- for Q3 2014 (January-September): 13 620 284

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

- 1 Items in the statement of profit and loss and statement of cash flows are translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q3 2015 was EURPLN 4.1585 and for Q1-Q3 2014: EURPLN 4.1803.
- 2 Balance sheet items and book value / diluted book value are translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 30 September 2015: EURPLN 4.2386; as at 31 December 2014: EURPLN 4.2623.
- 3 Dividend paid out is translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 19 June 2015 was EURPLN 4.1715 and as at 30 June 2014 EURPLN 4.1609.

## 8.2 Condensed separate statement of financial position

	30 Sep 2015	30 Jun 2015	31 Dec 2014	30 Sep 2014
<b>Non-current assets</b>	<b>483 596</b>	<b>484 005</b>	<b>372 467</b>	<b>390 520</b>
Property, plant and equipment	56 307	56 636	34 580	52 628
Investment properties	-	-	-	-
Intangible assets	1 191	1 266	1 588	1 777
Financial assets	426 009	426 014	336 204	336 041
Non-current receivables	-	-	-	-
Deferred income tax assets	88	87	94	73
Other non-current prepayments	1	2	1	1
<b>Current assets</b>	<b>116 255</b>	<b>113 753</b>	<b>222 917</b>	<b>197 568</b>
Inventories	-	-	-	-
Current receivables	2 363	24 162	1 232	1 511
Income tax receivables	-	-	-	-
Short-term securities	79 385	83 810	163 997	188 609
Prepayments	205	138	88	88
Cash and cash equivalents	15 294	5 643	45 307	7 360
Other financial assets	19 008	-	-	-
Assets classified as held for sale	-	-	12 293	-
<b>Total assets</b>	<b>599 851</b>	<b>597 758</b>	<b>595 384</b>	<b>588 088</b>
<b>Equity</b>	<b>503 453</b>	<b>500 688</b>	<b>494 961</b>	<b>584 031</b>
Share capital	13 235	13 192	15 180	15 180
Share premium	465 315	463 265	551 988	551 988
Supplementary capital	-	-	2 526	2 526
Management options provision	607	1 652	3 341	2 250
Reserve capital	337	337	63 268	63 269
Buy-back provision	-	-	-	-
Own shares	-	-	(158 208)	(65 020)
Retained earnings	23 959	22 242	16 865	13 838
<b>Equity attributable to owners of the parent</b>	<b>503 453</b>	<b>500 688</b>	<b>494 961</b>	<b>584 031</b>
Non-controlling interests	-	-	-	-
<b>Total non-current liabilities</b>	<b>677</b>	<b>609</b>	<b>786</b>	<b>697</b>
Credit facilities, loans and debt instruments	-	-	-	-
Non-current liabilities	60	60	90	111
Provisions	26	26	26	21
Deferred income tax provision	591	523	670	565
<b>Total current liabilities</b>	<b>95 721</b>	<b>96 461</b>	<b>99 637</b>	<b>3 360</b>
Credit facilities, loans and debt instruments	0	0	0	1
Current liabilities	94 150	94 304	97 308	1 595
Income tax liabilities	28	116	1 399	1 040
Provisions	261	758	848	705
Deferred revenue	1 282	1 283	82	19
<b>Total equity and liabilities</b>	<b>599 851</b>	<b>597 758</b>	<b>595 384</b>	<b>588 088</b>

	30 Sep 2015	30 Jun 2015	31 Dec 2014	30 Sep 2014
Book value	503 453	500 688	494 961	584 031
Number of shares	13 235 495	13 192 018	15 179 589	15 179 589
Weighted average number of shares:	12 571 219	12 684 364	13 440 114	13 620 284
Diluted number of shares	12 575 404	12 716 468	13 465 487	13 669 412
Book value per share (in PLN)*	40,05	39,47	36,83	42,88
Diluted book value per share (in PLN)**	40,03	39,37	36,76	42,73

\* 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 2015	Nine months ended 30 Sep 2015	Three months ended 30 Sep 2014	Nine months ended 30 Sep 2014
Revenue from sales	3 633	11 531	3 387	10 252
Cost of sales	(1 669)	(5 584)	(1 833)	(5 322)
<b>Profit on sales</b>	<b>1 964</b>	<b>5 947</b>	<b>1 554</b>	<b>4 930</b>
Other operating revenue	30	405	1	1 722
Selling costs	-	-	-	-
Administrative expenses	(824)	(2 544)	(1 028)	(3 072)
Other operating expenses	(1)	(11)	(9)	(680)
<b>Operating profit</b>	<b>1 169</b>	<b>3 797</b>	<b>518</b>	<b>2 900</b>
Finance income	907	21 847	1 803	13 141
Finance costs	100	(502)	(1)	(423)
<b>Profit before tax</b>	<b>2 176</b>	<b>25 142</b>	<b>2 320</b>	<b>15 618</b>
Income tax	(459)	(1 183)	(465)	(1 780)
- current	(392)	(1 257)	(444)	(1 808)
- deferred	(67)	74	(21)	28
<b>Profit for the period</b>	<b>1 717</b>	<b>23 959</b>	<b>1 855</b>	<b>13 838</b>
Profit for the period attributable to owners of the parent	1 717	23 959	1 855	13 838
Profit for the period attributable to non-controlling interests	-	-	-	-



Annualised profit	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Profit (loss) for the period (annualised)</b>	<b>26 986</b>	<b>15 307</b>
Weighted average number of ordinary shares	12 571 219	13 620 284
Weighted average diluted number of ordinary shares*	12 575 404	13 669 412
Profit (loss) per ordinary share, annualised (in PLN)	2.15	1.12
Diluted profit (loss) per ordinary share, annualised* (in PLN)	2.15	1.12

\* Weighted average diluted number of ordinary shares:

- for Q1-Q3 2015 (January-September): 12 575 404, 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 2014 (January-September): 13 669 412, 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 2015	Nine months ended 30 Sep 2015	Three months ended 30 Sep 2014	Nine months ended 30 Sep 2014
<b>Profit for the period</b>	<b>1 717</b>	<b>23 959</b>	<b>1 855</b>	<b>13 838</b>
Other comprehensive income:	-	-	-	-
<b>Comprehensive income for the period</b>	<b>1 717</b>	<b>23 959</b>	<b>1 855</b>	<b>13 838</b>

## 8.4 Condensed separate statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 July 2015</b>	<b>13 192</b>	<b>463 265</b>	-	<b>1 652</b>	<b>337</b>	-	<b>22 242</b>	<b>500 688</b>
Change in accounting standards and policies	-	-	-	-	-	-	-	-
<b>1 July 2015, adjusted</b>	<b>13 192</b>	<b>463 265</b>	-	<b>1 652</b>	<b>337</b>	-	<b>22 242</b>	<b>500 688</b>
Comprehensive income for the three months ended 30 September 2015	-	-	-	-	-	-	1 717	1 717
Share issuance - incentive scheme	43	2 050	-	(1 045)	-	-	-	1 048
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Dividend from prior-year profit	-	-	-	-	-	-	-	-
<b>30 Sep 2015</b>	<b>13 235</b>	<b>465 315</b>	-	<b>607</b>	<b>337</b>	-	<b>23 959</b>	<b>503 453</b>

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 Jan 2015</b>	<b>15 180</b>	<b>551 988</b>	<b>2 526</b>	<b>3 341</b>	<b>63 268</b>	<b>(158 208)</b>	<b>16 865</b>	<b>494 961</b>
Change in accounting standards and policies	-	-	-	-	-	-	-	-
<b>1 Jan 2015, adjusted</b>	<b>15 180</b>	<b>551 988</b>	<b>2 526</b>	<b>3 341</b>	<b>63 268</b>	<b>(158 208)</b>	<b>16 865</b>	<b>494 961</b>
Comprehensive income for the nine months ended 30 September 2015	-	-	-	-	-	-	23 959	23 959
Prior-year profit distribution - transfer to equity	-	-	-	-	337	-	(337)	-
Share issuance - incentive scheme	87	3 708	-	(2 734)	-	-	-	1 061
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Dividend from prior-year profit	-	-	-	-	-	-	(16 528)	(16 528)
Decrease as a result of share redemption	(2 032)	(90 381)	(2 526)	-	(63 268)	158 208	-	-
<b>30 Sep 2015</b>	<b>13 235</b>	<b>465 315</b>	-	<b>607</b>	<b>337</b>	-	<b>23 959</b>	<b>503 453</b>

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 July 2014</b>	<b>15 115</b>	<b>549 559</b>	<b>2 526</b>	<b>3 145</b>	<b>63 269</b>	<b>(65 020)</b>	<b>11 983</b>	<b>580 577</b>
Change in accounting standards and policies	-	-	-	-	-	-	-	-
<b>1 July 2014, adjusted</b>	<b>15 115</b>	<b>549 559</b>	<b>2 526</b>	<b>3 145</b>	<b>63 269</b>	<b>(65 020)</b>	<b>11 983</b>	<b>580 577</b>
Profit for the period	-	-	-	-	-	-	1 855	1 855
Share issuance - incentive scheme	65	2 429	-	-	-	-	-	2 494
Measurement of management options	-	-	-	(895)	-	-	-	(895)
Allocation of previous year's profit - increase of equity	-	-	-	-	-	-	-	-
Allocation of previous year's profit - dividend	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
<b>30 Sep 2014</b>	<b>15 180</b>	<b>551 988</b>	<b>2 526</b>	<b>2 250</b>	<b>63 269</b>	<b>(65 020)</b>	<b>13 838</b>	<b>584 031</b>

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
<b>1 Jan 2014</b>	<b>15 115</b>	<b>549 559</b>	<b>2 526</b>	<b>3 145</b>	<b>63 200</b>	<b>(65 020)</b>	<b>12 177</b>	<b>580 702</b>
Change in accounting standards and policies	-	-	-	-	-	-	-	-
<b>1 January 2014, adjusted</b>	<b>15 115</b>	<b>549 559</b>	<b>2 526</b>	<b>3 145</b>	<b>63 200</b>	<b>(65 020)</b>	<b>12 177</b>	<b>580 702</b>
Profit for the period	-	-	-	-	-	-	13 838	13 838
Share issuance - incentive scheme	65	2 429	-	-	-	-	-	2 494
Measurement of management options	-	-	-	(895)	-	-	-	(895)
Allocation of previous year's profit - increase of equity	-	-	-	-	69	-	(69)	0
Allocation of previous year's profit - dividend	-	-	-	-	-	-	(12 108)	(12 108)
Purchase of own shares	-	-	-	-	-	-	-	-
<b>30 Sep 2014</b>	<b>15 180</b>	<b>551 988</b>	<b>2 526</b>	<b>2 250</b>	<b>63 269</b>	<b>(65 020)</b>	<b>13 838</b>	<b>584 031</b>

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

## 8.5 Condensed separate statement of cash flows

Operating activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Profit (loss) for the period</b>	<b>23 959</b>	<b>13 838</b>
<b>Adjusted by:</b>	<b>(24 260)</b>	<b>710</b>
Depreciation / amortisation	1 354	1 809
(Profit) loss on exchange differences	-	-
Interest and shares of profit (dividends)	(21 127)	(11 844)
Income tax	1 183	1 780
Profit (loss) on investing activities	(490)	342
Change in provisions	(587)	(204)
Change in inventories	-	-
Change in receivables	(1 187)	9 357
Change in prepayments	1 084	2
Change in liabilities	(1 862)	435
Income tax paid	(2 628)	(967)
Other adjustments	-	-
<b>Net cash from operating activities</b>	<b>(301)</b>	<b>14 548</b>

Investing activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Inflows</b>	<b>881 668</b>	<b>1 224 731</b>
Disposal of property, plant and equipment and intangible assets	12 815	4 467
Disposal of financial assets	849 853	1 204 963
Dividends received	19 000	7 566
Interest received	-	39
Repayment of loans issued	-	7 696
Other inflows	-	-
<b>Outflows</b>	<b>(895 913)</b>	<b>(1 310 965)</b>
Purchase of property, plant and equipment and intangible assets	(23 979)	(2 810)
Purchase of subsidiaries and associates	(90 000)	(69 971)
Purchase of financial assets	(762 934)	(1 236 984)
Borrowings granted	(19 000)	(1 200)
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
<b>Net cash from investing activities</b>	<b>(14 245)</b>	<b>(86 234)</b>

Financing activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Inflows</b>	<b>1 062</b>	<b>1 600</b>
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	1	1
Proceeds from equity issuance	1 061	1 599
Other inflows	-	-
<b>Outflows</b>	<b>(16 529)</b>	<b>(12 110)</b>
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	(1)	(1)
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Dividends paid	(16 528)	(12 109)
Purchase of own shares	-	-
Other outflows	-	-
<b>Net cash from financing activities</b>	<b>(15 467)</b>	<b>10 510</b>

Change in cash and cash equivalents Investing activities	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
<b>Change in cash and cash equivalents</b>	<b>(30 013)</b>	<b>(82 195)</b>
Exchange differences	-	-
<b>Cash and cash equivalents at the beginning of period</b>	<b>45 307</b>	<b>89 555</b>
<b>Cash and cash equivalents at the end of period</b>	<b>15 294</b>	<b>7 360</b>

## 8.6 Accounting principles adopted in preparing Emperia Holding S.A.'s condensed financial statements

The accounting principles adopted in preparing the above condensed financial statements are the same as those used in preparing Emperia Group's consolidated financial statements. Details are presented in point 6.2.

Lublin, November 2015

**Signatures of all Management Board members:**

2015-11-16    Dariusz Kalinowski    President of the Management Board

.....  
Signature

2015-11-16    Cezary Baran    Vice-President of the Management Board, Finance Director

.....  
Signature

**Signatures of persons responsible for book-keeping**

2015-11-16    Elżbieta Świniarska    Economic Director

.....  
Signature