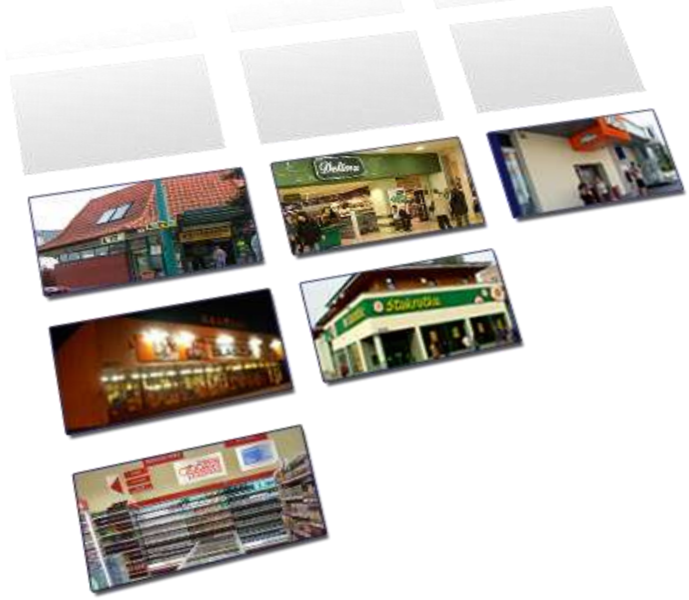

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER OF 2013

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

LUBLIN, MARCH 2014

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

Contents

Lublin, 3 March 2014

Dear Shareholders,

The fourth quarter of 2013 was a period of time in which we continued to implement our growth strategy. The Group's financial results were thus impacted not only by the on-going initiatives and a difficult macroeconomic background, but also by a weaker holiday effect and strong competitive pressure.

In retail, which is a key area for us, the past quarter was another significant period for all of our formats. With the opening of numerous stores in a modern, customer-friendly supermarket standard, the Stokrotka chain took a leap towards broadening its offering and strengthening the foundations for performance improvement across the board. A new corporate identity will continue to be gradually rolled out in the existing stores.

We have been hard at work looking for new growth directions for Stokrotka. In November, we opened a pilot store to test the newly-designed supermarket franchise concept. This is an on-going project, and we should be able to have a market-wide solution ready in the first quarter of 2014.

In Q4 2013, we also initiated the merger of Stokrotka with two smaller companies within the Group, i.e. Maro Markety sp. z o.o. and Społem Tychy S.A. The merger not only means organisational changes for the Group, but is also an effect of a decision to commence work on a new store format of smaller supermarkets. Next year, the Stokrotka Market stores, which will feature 200-400sqm floors, should contribute towards organic growth in the supermarket area as well as constitute a foundation for further sales growth of the entire Stokrotka chain.

One of the key elements in our growth strategy remains the implementation of an in-house supply chain solution for Stokrotka stores. An in-house logistics system will enable us to optimise operating costs, substantially reduce the role of intermediaries in the supply chain and improve sales margins. Just as important is the fact that the new solution allows us to fend off stiff competition in the market by improving pricing appeal and assortment quality. Implementing new assortment to be handled by our in-house logistics is nearly complete. The last categories were introduced at the beginning of 2014. Achieving our product delivery targets will allow us to meet the original cost and operational objectives.

2013's last quarter was very good for our companies operating in the property and IT segments. They are generating stable revenue and profits in line with expectations.

We continue to believe that our shares are priced below fair value, and thus continue the buy-back programme. The on-going share repurchase process is an important tool to distribute cash to our shareholders.

I hope you enjoy reading the report.

Dariusz Kalinowski

CEO, Emperia Holding S.A.

(amounts in PLN 000's, unless otherwise stated)

1. Selected financial data

	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2013 to 31 Dec 2013	For the period from 1 Jan 2013 to 31 Dec 2012	For the period from 1 Jan 2013 to 31 Dec 2013	For the period from 1 Jan 2013 to 31 Dec 2012
I.	Net revenue from sale of products, goods for resale and materials	1 967 447	1 948 976	467 216	466 977
II.	Operating profit (loss)	15 427	(15 965)	3 664	(3 825)
III.	Profit (loss) before tax	20 232	10 558	4 805	2 530
IV.	Profit (loss) for the period	15 225	20 803	3 616	4 984
V.	Net cash flows from operating activities	61 173	105 513	14 527	25 281
VI.	Net cash flows from investing activities	(24 959)	(8 719)	(5 927)	(2 089)
VII.	Net cash flows from financing activities	(56 380)	(959 480)	(13 389)	(229 893)
VIII.	Total net cash flows	(20 166)	(862 686)	(4 789)	(206 701)
IX.	Total assets	1 065 251	978 402	256 860	239 323
X.	Liabilities and liability provisions	417 121	290 477	100 579	71 053
XI.	Non-current liabilities	38 247	42 401	9 222	10 372
XII.	Current liabilities	378 874	248 076	91 357	60 681
XIII.	Equity	648 130	687 925	156 281	168 271
XIV.	Share capital	15 115	15 115	3 645	3 697
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	14 235 425	14 503 689	14 235 425	14 503 689
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	1.07	1.43	0.25	0.34
XVIII.	Diluted profit (loss) per ordinary share, annualised* (in PLN/EUR)	1.06	1.43	0.25	0.34
XIX.	Book value per share* (in PLN/EUR)	45.53	47.43	10.98	11.60
XX.	Diluted book value per share** (in PLN/EUR)	45.20	47.19	10.90	11.54
XXI.	Paid out dividend per share (in PLN/EUR)	0.93	56.41	0.21	13.06

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

Weighted average number of shares:
- for Q1-Q4 2013 (January-December): 14 235 425;
- for Q1-Q4 2012 (January-December): 14 503 689;

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

1. Items in the statement of profit and loss and statement of cash flows were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q4 2013 was EURPLN 4.2110 and for Q1-Q4 2012: EURPLN 4.1736.
2. Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 December 2013: EURPLN 4.1472; as at 31 December 2012: EURPLN 4.0882.
3. Dividend paid out was translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 26 June 2013 was EURPLN 4.3348 and as at 14 June 2012 EURPLN 4.3207.

(amounts in PLN 000's, unless otherwise stated)

2. Condensed consolidated statement of financial position

	31 Dec 2013	30 Sep 2013	31 Dec 2012	30 Sep 2012
Non-current assets	**586 912**	**583 748**	**588 652**	**572 367**
Property, plant and equipment	498 185	496 386	499 621	482 104
Investment property	-	-	-	-
Intangible assets	5 776	6 007	6 570	6 463
Goodwill	52 044	49 186	49 186	49 186
Financial assets	92	92	194	295
Non-current borrowings	-	-	-	-
Non-current receivables	4 767	4 614	4 065	3 829
Deferred income tax assets	20 179	21 108	21 148	21 959
Other non-current prepayments	5 869	6 355	7 868	8 531
Non-current assets classified as held-for-sale	-	-	-	-
Current assets	**478 339**	**370 211**	**389 750**	**367 246**
Inventory	169 483	124 609	103 767	93 895
Receivables	105 427	42 223	63 341	60 751
Income tax receivables	1 027	740	2 583	803
Short-term securities	-	-	-	-
Prepayments	4 242	6 131	4 746	6 796
Cash and cash equivalents	195 127	196 488	215 293	205 001
Other financial assets	-	-	-	-
Current assets classified as held-for-sale	3 033	20	20	-
Total assets	**1 065 251**	**953 959**	**978 402**	**939 613**
Equity	**648 130**	**656 330**	**687 925**	**675 313**
Share capital	15 115	15 115	15 115	15 115
Share premium	549 559	549 559	549 559	50 559
Supplementary capital	100 084	100 084	100 084	100 084
Management options provision	5 010	5 010	5 031	5 031
Reserve capital	110 525	110 525	110 303	110 303
Buy-back provision	-	-	-	499 000
Own shares	(106 616)	(96 792)	(65 020)	(65 020)
Retained earnings	(25 547)	(27 171)	(27 147)	(39 759)
Total equity attributable to owners of the parent	**648 130**	**656 330**	**687 925**	**675 313**
Non-controlling interests	-	-	-	-
Total non-current liabilities	**38 247**	**40 541**	**42 401**	**45 735**
Credits, loans and debt instruments	3 455	3 818	-	-
Non-current liabilities	980	960	1 120	1 521
Provisions	31 591	33 599	39 289	41 627
Deferred income tax provision	2 221	2 164	1 992	2 587
Total current liabilities	**378 874**	**257 088**	**248 076**	**218 565**
Credits, loans and debt instruments	804	819	-	-
Current liabilities	349 896	236 402	229 772	200 903
Income tax liabilities	1 820	1 344	1 872	1 215
Provisions	19 774	16 040	14 409	14 150
Deferred revenue	6 580	2 483	2 023	2 297
Liabilities assigned to assets classified as held-for-sale	-	-	-	-
Total equity and liabilities	**1 065 251**	**953 959**	**978 402**	**939 613**

(amounts in PLN 000's, unless otherwise stated)

	31 Dec 2013	30 Sep 2013	31 Dec 2012	30 Sep 2012
Book value	648 130	656 330	687 925	675 313
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Diluted number of shares	14 338 143	14 445 608	14 578 832	14 564 312
Book value per share (in PLN)*	45.53	45.76	47.43	46.55
Diluted book value per share (in PLN)**	45.20	45.43	47.19	46.37

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

(amounts in PLN 000's, unless otherwise stated)

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

	Three months ended 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Revenue	511 671	1 967 447	507 044	1 948 976
Cost of sales	(378 183)	(1 477 460)	(386 178)	(1 478 048)
Profit from sales	**133 488**	**489 987**	**120 866**	**470 928**
Other operating revenue	6 273	12 501	1 493	13 645
Distribution costs	(115 326)	(405 932)	(89 662)	(413 007)
Administrative expenses	(18 471)	(71 761)	(18 601)	(68 668)
Other operating expenses	(3 367)	(9 368)	(3 238)	(18 863)
Operating profit	**2 597**	**15 427**	**10 858**	**(15 965)**
Finance income	1 044	5 376	2 178	28 171
Finance costs	(161)	(571)	(43)	(1 648)
Profit before tax	**3 480**	**20 232**	**12 993**	**10 558**
Income tax	(1 856)	(5 007)	(381)	10 245
- current	(870)	(3 809)	(166)	(4 278)
- deferred	(986)	(1 198)	(215)	14 523
Share of the profit of equity-accounted investees	-	-	-	-
Profit for the period	**1 624**	**15 225**	**12 612**	**20 803**
Profit for the period attributable to owners of the parent	1 624	15 225	12 612	20 803
Profit for the period attributable to non-controlling interests	-	-	-	-

Profit (loss) for the period (annualised), including:	15 225	20 803
Weighted average number of ordinary shares	14 235 425	14 503 689
Weighted average diluted number of ordinary shares*	14 338 143	14 578 832
Profit (loss) per ordinary share, annualised (in PLN)	1.07	1.43
Diluted profit (loss) per ordinary share, annualised* (in PLN)	1.06	1.43

* Weighted average diluted number of ordinary shares:
– for Q1-Q4 2013 (January-December): 14 338 143, 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-Q4 2012 (January-December): 14 578 832, 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 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Profit for the period	1 624	15 225	12 612	20 803
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**1 624**	**15 225**	**12 612**	**20 803**
Comprehensive income attributable to shareholders of the parent	1 624	15 225	12 612	20 803
Comprehensive income attributable to non-controlling interests	-	-	-	-

(amounts in PLN 000's, unless otherwise stated)

4. Condensed consolidated statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 October 2013	**15 115**	**549 559**	**100 084**	**5 010**	**110 525**	**-**	**(96 792)**	**(27 171)**	**656 330**
Correction of fundamental errors 2012	-	-	-	-	-	-	-	-	-
1 October 2013, corrected	**15 115**	**549 559**	**100 084**	**5 010**	**110 525**	**-**	**(96 792)**	**(27 171)**	**656 330**
Comprehensive income for the three months ended 31 December 2013	**-**	**-**	**-**	**-**	**-**	**-**	**-**	1 624	1 624
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-
2012 profit distribution - transfer to equity	-	-	-	-	-	-	-	-	-
Measurement of 2nd management options programme	-	-	-	-	-	-	-	-	-
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(9 824)	-	(9 824)
Redemption of own shares	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2012 profit distribution	-	-	-	-	-	-	-	-	-
31 Dec 2013	**15 115**	**549 559**	**100 084**	**5 010**	**110 525**	**-**	**(106 616)**	**(25 547)**	**648 130**

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2013	**15 115**	**549 559**	**100 084**	**5 031**	**110 303**	**-**	**(65 020)**	**(27 147)**	**687 925**
Correction of fundamental errors 2012	-	-	-	-	-	-	-	-	-
1 January 2013, corrected	**15 115**	**549 559**	**100 084**	**5 031**	**110 303**	**-**	**(65 020)**	**(27 147)**	**687 925**
Comprehensive income for the 12 months ended 31 December 2013	**-**	**-**	**-**	**-**	**-**	**-**	-	15 225	15 225
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	(53)	(53)
2012 profit distribution - transfer to equity	-	-	-	-	222	-	-	(222)	-
Measurement of 2nd management options programme	-	-	-	(21)	-	-	-	21	-
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	(41 596)	-	(41 596)
Redemption of own shares	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2012 profit distribution	-	-	-	-	-	-	-	(13 372)	(13 372)
31 Dec 2013	**15 115**	**549 559**	**100 084**	**5 010**	**110 525**	**-**	**(106 616)**	**(25 547)**	**648 130**

(amounts in PLN 000's, unless otherwise stated)

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 October 2012	**15 115**	**50 559**	**100 084**	**5 031**	**110 303**	**499 000**	**(65 020)**	**(39 759)**	**675 313**
Correction of fundamental errors 2011	-	-	-	-	-	-	-	-	-
1 October 2012, corrected	**15 115**	**50 559**	**100 084**	**5 031**	**110 303**	**499 000**	**(65 020)**	**(39 759)**	**675 313**
Comprehensive income for the three months ended 31 December 2012	-	-	-	-	-	-	-	12 612	12 612
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	-
Sale of properties restated in prior years	-	-	-	-	-	-	-	-	-
Release of buy-back provision	-	499 000	-	-	-	(499 000)	-	-	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Redemption of own shares	-	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-	-
Dividend for shareholders from 2011 profit distribution	-	-	-	-	-	-	-	-	-
31 Dec 2012	**15 115**	**549 559**	**100 084**	**5 031**	**110 303**	**-**	**(65 020)**	**(27 147)**	**687 925**

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

(amounts in PLN 000's, unless otherwise stated)

5. Condensed consolidated statement of cash flows

	Three months ended 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Profit (loss) for the period	**1 624**	**15 225**	**12 612**	**20 803**
Adjusted by:	**13 238**	**45 948**	**27 200**	**84 710**
Share of the net profit (loss) of equity-accounted investees	-	-	-	-
Depreciation	11 304	41 831	8 718	40 830
(Profit) loss on exchange differences	(182)	(182)	-	-
Interest and shares of profit (dividend)	7	78	(9 931)	(9 460)
Income tax	1 856	5 007	381	(10 245)
Profit (loss) on investing activities	(5 689)	(8 108)	17 378	13 003
Change in provisions	1 726	(2 335)	(3 090)	43 291
Change in inventory	(44 474)	(65 317)	(9 596)	15 533
Change in receivables	(66 595)	(43 136)	(5 118)	17 065
Change in prepayments	6 478	7 069	2 437	1 803
Change in liabilities	109 479	113 335	35 059	(18 961)
Other corrections	9	12	(7 749)	(5)
Income tax paid	(681)	(2 306)	(1 289)	(8 144)
Net cash from operating activities	**14 862**	**61 173**	**39 812**	**105 513**
Inflows	**14 053**	**19 739**	**2 927**	**134 128**
Disposal of property, plant and equipment and intangible assets	14 050	19 696	2 373	51 317
Disposal of financial assets	-	-	-	2
Disposal of subsidiaries	-	-	-	-
Dividends received	-	-	-	-
Interest received	-	-	407	658
Repayment of borrowings	-	-	-	82 000
Cash of entities acquired, at acquisition date	3	43	-	-
Proceeds from use of investment properties	-	-	-	-
Other inflows	-	-	147	151
Outflows	**(19 341)**	**(44 698)**	**(32 396)**	**(142 847)**
Purchase of property, plant and equipment and intangible assets	(17 058)	(42 412)	(32 390)	(60 841)
Purchase of investment properties	-	-	-	-
Purchase of subsidiaries and associates	(2 279)	(2 279)	-	-
Purchase of financial assets	-	-	-	-
Borrowings granted	-	-	-	(82 000)
Cash of subsidiaries at disposal date	-	-	-	-
Expenditures on maintenance of investment properties	-	-	-	-
Other outflows	(4)	(7)	(6)	(6)
Net cash from investing activities	**(5 288)**	**(24 959)**	**(29 469)**	**(8 719)**
Inflows	-	-	-	-
Proceeds from loans and borrowings incurred	-	-	-	-
Issue of short-term debt instruments	-	-	-	-
Other inflows	-	-	-	-
Outflows	**(10 935)**	**(56 380)**	**(51)**	**(959 480)**
Repayment of borrowings	(906)	(906)	(12)	(130 102)
Buy-back of short-term debt instruments	-	-	-	-
Payment of finance lease liabilities	(197)	(428)	-	-

(amounts in PLN 000's, unless otherwise stated)

Interest and fees paid	(8)	(78)	(39)	(461)
Dividends paid	-	(13 372)	-	(817 671)
Purchase of own shares	(9 824)	(41 596)	-	(11 246)
Other outflows	-	-	-	-
Net cash flows from financing activities	**(10 935)**	**(56 380)**	**(51)**	**(959 480)**
Change in cash and cash equivalents	**(1 361)**	**(20 166)**	**10 292**	**(862 686)**
Exchange differences	-	-	-	-
Cash and cash equivalents at the beginning of period	**196 488**	**215 293**	**205 001**	**1 077 979**
Cash and cash equivalents at the end of period	**195 127**	**195 127**	**215 293**	**215 293**

6. Additional information

6.1 Description of Group structure

Name, registered office and objects of the parent entity

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

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

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

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

The financial year for Group companies is the calendar year. Group companies have been established for an indefinite period of time.
The consolidated financial statements were prepared for the period from 1 January 2013 to 31 December 2013, and the comparative financial data covers the period from 1 January 2012 to 31 December 2012. The consolidated financial statements do not contain combined data, and the companies do not have internal organisational entities which draft financial statements on their own.

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

Information on consolidation

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

As at 31 December 2013, consolidation includes Emperia Holding S.A. and 13 subsidiaries: Stokrotka Sp. z o.o., Infinite Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., Maro Markety Sp. z o.o., Społem Tychy S.A., P3 EKON Sp. z o.o. S.K.A., EMP Investment Limited, Ekon Sp. z o.o., IPOPEMA 55 FIZAN, P1 Sp. z o.o., Eldorado Sp. z o.o. (formerly P4 Sp. z o.o.), P5 EKON Sp. z o.o. S.K.A., “PILAWA” Kuczek, Skarba, Szydełko Sp. z o.o.

During the four quarters of 2013, Emperia Group's structure was subject to a change (compared with the 2012 year-end). On 2 January 2013, subsidiaries Infinite Sp. z o.o., Emperia Info Sp. z o.o. and Tradis S.A. were merged. In addition, on 3 October 2013, Stokrotka Sp. z o.o. purchased 100% of shares in “PILAWA” Sp. z o.o.

(amounts in PLN 000's, unless otherwise stated)

Emperia Holding S.A. subsidiaries subject to consolidation within the Group, included in the consolidated financial statements as at 31 December 2013

	Entity name	Company logo	Registered office	Main object	Registration authority	Type of control	Means of consolidation	Acquisition date / date from which significant control is exerted	% of share capital held	Share of the total number of votes at general meeting
1	Stokrotka Sp. z o.o. (1)		20-209 Lublin, ul. Projektowa 1	Retail sale of food, beverages and tobacco	16977, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	1999-01-27	100.00%	100.00%
2	Infinite Sp. z o.o.		20-209 Lublin, ul. Projektowa 1	IT operations	16222, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	1997-03-11	100.00%	100.00%
3	ELPRO EKON Sp. z o.o. S.K.A. (2)		20-209 Lublin, ul. Projektowa 1	Property development	946, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2001-02-15	100.00%	100.00%
4	Społem Tychy S.A. (7)		43-100 Tychy, Damrota 72	Retail sale of food, beverages and tobacco	389530, District Court in Katowice, 8th Commercial Division of the National Court Register	Subsidiary	Full	2007-07-06	100.00%	100.00%
5	Maro-Markety Sp. z o.o.(7)		61-615 Poznań, Skwierzyńska 20	Retail sale of food, beverages and tobacco	102596, District Court in Poznan, 20th Commercial Division of the National Court Register	Subsidiary	Full	2007-09-12	100.00%	100.00%
6	P3 EKON Sp. z o.o. S.K.A. (3)		20-209 Lublin, ul. Projektowa 1	Property management	71049, District Court in Czestochowa, 17th Commercial Division of the National Court Register	Subsidiary	Full	2007-11-29	100.00%	100.00%
7	P1 Sp. z o.o.		20-209 Lublin, ul. Projektowa 1	Activities of head offices; management consultancy activities	365614, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%

(amounts in PLN 000's, unless otherwise stated)

8	EKON Sp. z o.o.	20-209 Lublin, ul. Projektowa 1	Property management	367597, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2010-09-06	100.00%	100.00%
9	EMP Investment Ltd.(6)	Themistokli Dervi 3, JULIA HOUSE, P.C. 1066; Nicosia, Cyprus	Investments in property	HE 272278, Ministry of Commerce, Industry and Tourism, Company Registration Department Nicosia, Cyprus	Subsidiary	Full	2010-09-03	100.00%	100.00%
10	Ipopema 55 FIZAN (4)	00-850 Warsaw, Waliców 11	Trusts, funds and similar financial entities	RFI 591, Investment Fund Register maintained by the District Court in Warsaw	Subsidiary	Full	2010-12-09	100.00%	100.00%
11	Eldorado Sp. z o.o. (formerly P4 Sp. z o.o.)	20-209 Lublin, ul. Projektowa 1	Activities of head offices; management consultancy activities	400637, District Court for Lublin-Wschód based in Swidnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	03-10-2011	100.00%	100.00%
12	P5 EKON Sp. z o.o. S.K.A. (formerly P5 Sp. z o.o.) (5)	20-209 Lublin, ul. Projektowa 1	Renting and operating of own or leased real estate	403506, District Court for Lublin-Wschód based in Swidnik, 6th Commercial Division of the National Court Register	Subsidiary	Full	24-11-2011	100.00%	100.00%
13	"PILAWA" Kuczek, Skarba, Szydełko Spółka z o.o.	37-300 Leżajsk, ul. Kopernika 5A	Retail sale of food, beverages and tobacco	414358, District Court in Rzeszów, 12th Commercial Division of the National Court Register	Subsidiary	Full	10-12-2013	100.00%	100.00%

(1) directly by Emperia Holding (125 475 shares, 96.78%) and Stokrotka (4 181 shares, 3.22%)
(2) indirectly by IPOPEMA 55 FIZAN (80 825 shares), EKON Sp. z o.o. (contribution)
(3) indirectly by IPOPEMA 55 FIZAN (138 427 shares; 99.95%), EKON Sp. z o.o. (contribution)
(4) indirectly by EMP Investment Limited
(5) indirectly by IPOPEMA 55 FIZAN (56 047 shares), EKON Sp. z o.o. (contribution)
(6) directly by Emperia Holding S.A. (94 454 shares; 80.27%), indirectly by Stokrotka Sp. z o.o. (20 235 shares; 17.20%), Społem Tychy Sp. z o.o. (2 976 shares; 2.53%)
7. indirectly by Stokrotka Sp. z o.o.

Subsidiaries excluded from the consolidated financial statements as at 31 December 2013, together with the legal basis for exclusion

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

(1) indirectly by Stokrotka Sp. z o.o.
(2) indirectly by Społem Tychy S.A.
(3) indirectly by IPOPEMA 55 FIZAN

Entities other than subsidiaries, associates and jointly controlled entities, with indication of name and registered office, in which related parties hold more than 20% of shares as at 31 December 2013

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

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

6.2 Description of significant accounting policies

6.2.1 Basis for preparing the consolidated financial statements

The consolidated financial statements were prepared under the historical cost convention, except for financial assets measured at fair value.
These consolidated financial statements are approved by Emperia Holding S.A.'s Management Board on the date on which they are signed.

6.2.2 Statement of compliance

The consolidated financial statements of Emperia Holding S.A. were prepared in accordance with International Accounting Standards (IAS 34 - Interim Financial Reporting) and the related interpretations concerning interim financial reporting published in the form of Commission Regulations and endorsed by the European Union.
The consolidated financial statements reliably present the Group's financial situation, financial performance and cash flows.
These consolidated financial statements were prepared in accordance with the Ordinance of the Minister of Finance dated 19 October 2005 on current and periodic information disclosed by issuers of securities.

6.2.3 Segment reporting

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

In 2013, the Group operated through the following segments:

1. **Retail sales** (retail segment), covering all operations of the following subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy S.A, "PILAWA" Kuczek, Skarba, Szydełko Sp. z o.o.

2. **Property** (property segment), covering Emperia Group's property assets, including the following companies: Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., Ekon Sp. z o.o., P5 EKON Sp. z o.o. S.K.A., EMP Investment Limited, IPOPEMA 55 FIZAN;

3. **Central Management** (central management segment), covering the management functions, holding services and advisory within the Group. The segment comprises the following companies: Emperia Holding S.A., P1 Sp. z o.o., Eldorado Sp. z o.o. (formerly P4 Sp. z o.o.)

4. **IT** (IT segment), covering the operations of Infinite Spółka z o.o. - an IT services provider.

From 2014, P1 Sp. z o.o. will be included in the property segment. In December 2013, the company acquired a substantial group of property assets through intra-group transactions.
The Group applies uniform accounting principles for all segments. Inter-segment transactions are done on market terms and are subject to exclusion from the consolidated financial statements.

6.2.4 Functional currency

Items in the consolidated financial statements are measured in the currency of the economic environment in which the Group operates, which is the Group's functional currency.
The functional and presentation currency of all items in the consolidated financial statements is PLN. Data in the consolidated financial statements and all explanatory data are presented in PLN 000's (unless stated otherwise).

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

6.2.5 Discontinued operations

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

6.2.6 Changes in adopted accounting principles

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

6.2.7 Application of standards and interpretations effective from 1 January 2013

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

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

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

b) IFRS 10 Consolidated Financial Statements

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

c) IFRS 11 Joint Arrangements

On 12 May 2011, the IASB issued IFRS 11, which will supersede IAS 31 Interests in Joint Ventures and interpretation SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 classifies joint contractual arrangements as either a joint operation or joint venture. A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires interests in joint arrangements to be accounted for using the equity method. Classification of joint arrangements depends upon the parties' rights and obligations arising from the arrangement. The standard applies to annual periods beginning on or after 1 January 2013, with early adoption permitted under certain circumstances.

d) IFRS 12 Disclosure of Interests in Other Entities

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

e) IFRS 13 Fair Value Measurement

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

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

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

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

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

h) IAS 19 Employee Benefits

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

i) Amendments to IAS 1 Government Loans

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

j) Amendments to IFRSs (2009-2011)

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

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

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

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

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

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

Standards issued, but not yet effective:

a) IAS 32 Financial Instruments: Presentation

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

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

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

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

On 27 June 2013, the IASB issued 'Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39 'Financial Instruments: Recognition and Measurement'). Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.
A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to benefit from the amended guidance, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

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

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

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The overall effect of the amendment is a reduction in the events where recoverable value of an asset or a cash-generating unit requires disclosure, clarification of disclosure requirements and introduction of formal requirements for the disclosure of discount rates applied to recognise impairment or reverse an impairment loss (based on fair value less costs of disposal) measured based on current value.
The amendments apply to annual periods beginning on or after 1 January 2014. Early application is permitted if IFRS 13 is applied.

<u>Earlier application of standards and applications:</u>

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

<u>Standards and interpretations not yet endorsed by the European Union:</u>

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

On 16 December 2011, the IASB deferred the effective date for IFRS 9 to 1 January 2015. The amendment eliminates the requirement to restate comparative data which are subject to disclosure (under IFRS 7) so as to enable users of financial statements to understand their effects after application of IFRS 9. This standard has not yet been endorsed by the European Union.

b) New interpretation IFRIC 21 Levies

On 20 May 2013, the IASB issued interpretation IFRIC 21 Levies, which provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that 'economic compulsion' and the going concern principle do not create or imply that an obligating event has occurred.
IFRIC 21 provides guidance on progressive recognition of a liability to pay levies if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold.
IFRIC 21 applies to annual periods beginning on or after 1 January 2014. The interpretation does not supersede IFRIC 6 Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment, which remains in force and is consistent with IFRIC 21.

c) Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

On 19 November 2013, the IASB issued amendments concerning disclosure requirements and restatement of comparative-period financial statements for the initial application of the classification and measurement requirements of IFRS 9 Financial Instruments (2009) and IFRS Financial Instruments (2010). Amendments to IFRS 7 require additional disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. If IFRS 9 is adopted on or after 1 January 2013, the restatement of comparative-period financial statements for the initial application is not required. In the case of early application of IFRS 9 in 2012, the entity has the choice to restate comparative-period financial statements or present additional disclosures, in accordance with the amended IFRS 7. In the case of early application of IFRS 9 before 2012, the entity is not required to restate comparative-period financial statements or present additional disclosures as required by the amended IFRS 7.

d) Amendment of IAS 19 Employee Benefits

On 21 November 2013, the IASB published amendments applicable to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

e) Amendments to IFRS 2010-2012

On 12 December 2013, the IASB published annual improvements to IFRS 2010-2012, containing eight amendments to seven standards. The main changes were as follows: clarifies the definition of 'vesting condition' from attachment A to IFRS 2, clarifies the legal aspects of accounting for contingent consideration in a business combination, amends paragraph 22 of IFRS 8 by introducing a disclosure requirement regarding factors used to identify reporting segments in a business combination, amends paragraph 28(c) of IFRS 8 by clarifying that reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the unit's decision makers, clarifies the IASB's justifications regarding the removal of paragraph B5.4.12 of IFRS 9 and paragraph OS79 of IAS 39, disclosure requirements concerning the revaluation model from IAS 16 and IAS 38, clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

f) Amendments to IFRS 2011-2013

On 12 December 2013, the IASB published annual improvements to IFRS 2011-2013, containing four amendments. The main changes were as follows: clarifies the meaning of "each IFRS effective at the end of the reporting period in which IFRS were first applied" paragraph 7 of IFRS 1; clarifies that paragraph 2(a) of IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement as defined in IFRS 11 and that the exception concerns only the financial statements of joint ventures and joint operations; clarifies that the scope of the portfolio exception defined in paragraph 48 of IFRS 13 includes all contracts accounted for within the scope of IAS 39, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32; clarifies that determining whether a specific transaction meets the definition of both business combination as defined in IFRS 3 and investment property requires the use of judgement and that the judgement must be based on guidelines in IFRS 3.

g) New standard IFRS 14 Regulatory Deferral Accounts

On 30 January 2014, the IASB issued a new standard the objective of which is to increase the comparability of financial statements of rate-regulated entities. This standard provides a framework for recognising items constituting revenue or costs qualified for recognition as a result of the rate-regulating laws in effect and which do not qualify as assets or liabilities under the requirements of other IFRSs. IFRS 14 will apply from 2016. Early application is permitted.

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

6.2.8 Accounting estimates

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

(amounts in PLN 000's, unless otherwise stated)

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

6.2.9 Correction of errors

Errors may relate to the recognition, measurement and presentation of items in financial statements, or to information disclosures. Errors identified during the preparation of financial statements are corrected in the statements being prepared.
Errors identified in subsequent reporting periods are corrected by amending the comparative data presented in the financial statements for the period in which they were identified. The Group corrects prior-period errors using the retrospective approach and retrospective restatement of data, as long as this is practicable.

6.2.10 Mergers, acquisitions and disposals of subsidiaries and other entities; capital increases

a) Purchase of shares in "PILAWA" Kuczek, Skarba, Szydełko Sp. z o.o.

On 3 October 2013, Stokrotka Sp. z o.o. purchased 100% of shares in "Pilawa" for a total of PLN 2 550 000 (agreement containing a condition precedent). The condition precedent was met on 10 December 2013.

Name and address of the acquired entity Pilawa Sp. z o.o.
Main objects: retail
Date on which control was assumed: 10 December 2013
Number and % of shares held: 100 shares, 100%
Purchase price: PLN 2 619 000

Components of the purchase price:
Share purchase price (cash): PLN 2 550 000
Legal advice and due diligence: PLN 42 000
Civil-law tax: PLN 25 000
Other transaction costs: PLN 2 000

Total purchase price: PLN 2 619 000

	Fair value on 10 December 2013	Book value on 10 December 2013 (IAS)	Adjustments	Book value on 10 December 2013 (Polish accounting standards)
Non-current assets	**1 905.2**	**1 905.2**	**0**	**1 905.2**
Property, plant and equipment	1 905.2	1 905.2		1 905.2
Investment property				
Intangible assets				
Goodwill				
Financial assets				

Non-current receivables and other prepayments				
Deferred income tax assets				
Current assets	**700.7**	**700.7**	**0**	**700.7**
Inventory	399.2	399.2		399.2
Current receivables	292.5	292.5		292.5
Advance for income tax				
Short-term securities				
Prepayments	6.8	6.8		6.8
Cash and cash equivalents	2.2	2.2		2.2
Other financial assets				
Assets classified as 'held for sale'				
Non-current liabilities	**0.0**	**0.0**	**0**	**0.0**
Credits, loans, debt instruments and other financial liabilities				
Non-current liabilities				
Provisions				
Deferred income tax provision				
Current liabilities	**2 845.3**	**2 845.3**	**0**	**2 845.3**
Credits, loans, debt instruments and other financial liabilities	906.3	906.3		906.3
Current liabilities	1 939.0	1 939.0		1 939.0
Income tax liabilities				
Provisions				
Deferred revenue				
Net assets	**-239.4**	**-239.4**	**0**	**-239.4**
Net assets allocated to the 100% stake purchased	**-239**			
Purchase price	**2 619**			
Goodwill on control assumption date	**2 858**	**PLN thousands**		

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

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

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

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

d) Share capital increase at Stokrotka Sp. z o.o.

On 26 November 2013, Stokrotka Sp. z o.o.'s Extraordinary General Meeting adopted a resolution on increase of the company's share capital by PLN 13 501 000, i.e. from PLN 51 326 500 to PLN 64 828 000, through the issue of 27 003 new shares with a nominal value of PLN 500 each. All of the newly-issued shares were purchased by Emperia Holding S.A., paid for by an in-kind contribution, valued at PLN 13 501 500, of 2 110 shares in Maro-Markety (valued at PLN 6 618 000) and 871 810 000 shares in Społem Tychy S.A. (valued at PLN 6 883 500).

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

a) Sale of shares in subsidiary Lider Sp. z o.o. w likwidacji

On 15 January 2014, subsidiary Stokrotka Sp. z o.o. sold 100 shares with a nominal value of PLN 500 each, constituting 100% of the share capital of Lider Sp. z o.o. w likwidacji.

b) Sale of shares in subsidiary Społem Domy Handlowe Sp. z o.o.

On 23 January 2014, subsidiary Społem Tychy S.A. sold six shares with a nominal value of PLN 1 000 each, constituting 100% of the share capital of Społem Domy Handlowe Sp. z o.o.

c) Merger of subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o. and Społem Tychy S.A.

On 31 January 2014, the District Court in Lublin-Wschód based in Swidnik, 6th Commercial Division of the National Court Register, registered a merger of subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o. and Społem Tychy S.A. The merger was done through a transfer of all assets of Maro Markety Sp. z o.o. and Społem Tychy S.A. (the acquired companies) to Stokrotka Sp. z o.o. (the acquiring company)

d) Acquisition of substantial assets by Emperia Holding S.A.

On 12 February 2014, the Management Board of Emperia Holding S.A. announced that it entered an agreement concerning purchase of shares in EMP Investment Limited from subsidiary Stokrotka Sp. z o.o. Emperia Holding S.A. is the sole shareholder of Stokrotka Sp. z o.o. Prior to the transaction, Emperia Holding S.A. held a 80.27% stake in EMP Investment Limited's share capital and voting rights.
The subject of the above agreement is transfer of 23 211 shares in EMP Investment Limited, constituting 19.73% of share capital and voting rights, to Emperia Holding S.A. The shares were purchased for PLN 69 780 394.44 in cash.
Following the transaction, Emperia Holding S.A. directly held 100% of EMP Investment Limited's share capital and voting rights.

6.2.11 Property, plant and equipment

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

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

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

- office furniture,
- PVC curtains,

the value criterion for these items has been set at PLN 3 500 (low-value assets in aggregate are not a significant item from the Company's viewpoint).
Property, plant and equipment are recognised at purchase price or cost of manufacture less depreciation and impairment.

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

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

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

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

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

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

Due to the specific nature of its operations, the Group frequently incurs expenditures on investments in third-party facilities. This concerns leased warehousing and retail facilities. For these assets, the Group specifies periods of useful economic life of expenditures which are not always corresponding with the leasing agreement in place at the time. In the case of investments in third-party facilities, if the lease term is shorter than the planned period for balance sheet depreciation, and the lease is not expected to be extended, depreciation is based on the period of useful economic life. However, in the event that a lease contract is extended the non-depreciated net value is allocated to the remaining useful economic life.
At the end of each reporting period, the Group also tests property, plant and equipment for impairment and the necessity to recognise impairment losses. This happens when the Group gains sufficient certainty that a given asset will not yield the expected economic benefits in the future or that those will be significantly lower.
Impairment losses are recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the two amounts: fair value less selling costs or the usable value.
Impairment losses are recognised as costs appropriate to the functions performed by the given asset in the period in which impairment was identified, however no later than at the end of the financial year.
If the Group gains sufficient certainty that the reason for recognising an impairment loss has ceased to exist, the previously recognised impairment loss is reversed, either in full or partially, through a correction in operating expenses (depreciation costs).

Upon the sale of a property, plant and equipment, its initial value and accumulated depreciation are taken off the books, and the result of the disposal is recognised through profit or loss under other operating revenue or other operating expenses. The result on the sale of property, plant and equipment is recognised, after offsetting, through profit or loss.
Regardless of whether a given asset constitutes a single item of property, plant and equipment, its elements may have

different periods of useful economic life. If certain criteria are met as regards the recognition of property, plant and equipment, all of the costs of such an item may be divided into its elements, recognising each one separately (components). Such a recognition necessitates, however, the application of depreciation rates appropriate to the useful period of a given component, taking into consideration its period of useful economic life.
Due to the solution above, the replacement costs of a component will increase its value. In other cases, expenses connected with the use of tangible assets, together with the replacement of components, are recognised in the statement of profit and loss upon incurrence.

6.2.12 External financing costs

External financing costs are capitalised as part of the cost of manufacture of property, plant and equipment, investment properties and intangible assets. External financing costs comprise interest calculated using effective interest rates, finance lease liabilities and exchange differences arising in connection with external financing up to an amount corresponding to the correction of interest costs.
Proceeds from investments resulting from short-term investing of external borrowed funds intended for the purchase or manufacture of an asset being adapted decrease the value of external financing costs which are subject to capitalisation.

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

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

6.2.13 Non-current assets held for sale

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

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

6.2.14 Intangible assets

Intangible assets are recognised at purchase price adjusted by amortisation and impairment losses.
The Group has adopted the following periods of useful economic life for the particular groups of intangible assets:

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

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

Intangible assets not yet handed over for use (in progress) may be recognised at the end of the reporting period.

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

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

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

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

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

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

6.2.15 Investments and other financial assets

Property investments

Investment properties are those properties which the Company considers as lease income sources or maintains them due to their growing value, or both of these benefits at the same time. On initial recognition, investment properties are measured at purchase price or cost of manufacture.
The measurement takes into consideration transaction costs. The purchase price for investments in properties acquired as a result of a merger is equal to their fair value at transaction date. As at the end of the reporting period, investment properties are measured at purchase price or cost of manufacture less accumulated amortisation and impairment losses.
Amortisation charges on investment properties (excluding land) are recognised using the straight-line approach throughout the useful period of a given tangible asset.

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

Investments and other financial assets covered by IAS 39

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

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

b) Loans and receivables
c) Investments held to maturity
d) Available-for-sale financial assets

On initial recognition, a financial asset is measured at fair value, increased, in the case of a component of assets not classified as measured at fair value through profit or loss, by transaction costs, which can be directly attributed.
The classification of financial assets occurs upon initial recognition and - where permissible and appropriate - is subsequently verified at the end of each financial year.

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

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

Financial assets are classified as held for trading if they may be purchased for further sale in the short-term. Derivatives are also classified as held for trading unless they are effective hedging instruments or financial guarantee contracts. Profit or loss on investments held for trading is recognised in the statement of profit and loss.
On initial recognition, financial assets may be classified in the category 'at fair value through profit or loss' if the following criteria are met:

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

b) Loans and receivables

Loans and receivables are financial assets, other than derivatives, that have defined maturities and are not traded on an active market. After initial measurement, loans and receivables are measured at amortised cost using the effective interest rate approach.
Loans and receivables are classified as current assets if they mature in less than 12 months from the end of the reporting period, and as non-current assets if they mature in more than 12 months away from the end of the reporting period.

c) Investments held to maturity

Financial assets, other than derivatives, whose payments are or can be defined and which have defined maturities, and towards which the Company has a clear intent and is able to hold them to maturity are classified as investments held to maturity.
Investments which the Company intends to hold for an indefinite period of time are classified in this category. Other non-current investments, such as bonds, which the Company intends to hold to maturity are measured at amortised cost.

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

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

d) Available-for-sale financial assets

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

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

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

Impairment of financial assets

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

If such proof is available in the case of available-for-sale financial assets, the accumulated losses recognised in equity, i.e. the difference between the purchase price and the current fair value, less any impairment previously recognised in the statement of profit and loss, are excluded from equity and recognised in the statement of profit and loss. Impairment losses are recognised in the statement of profit and loss, and those concerning equity instruments are not subject to a reversal corresponding with the statement of profit and loss. The reversal of an impairment loss on debt instruments is recognised in the statement of profit and loss if - during reporting periods subsequent to the recognition of an impairment loss - the fair value of these instruments increases as a result of events occurring thereafter.

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

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

Derivative instruments

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

Estimated fair value corresponds with the recoverable amount or amount which must be paid in order to close an outstanding position as at the end of the reporting period. Measurement is based on market prices.
Recognition of the effects of changes in fair value or profit and losses on realising derivatives depends on their purpose. Derivatives are classified as either hedging instruments or trading instruments. There are two types of hedging instruments: fair value hedges and cash flow hedges.

Recognition of trading derivatives

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

6.2.16 Investments in subsidiaries and associates

Subsidiaries

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

Associates

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

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

The carrying amounts of such investments are subject to impairment testing. Any identified impairment is recognised in the statement of profit and loss as finance costs. The reversal of an impairment loss is recognised in the statement of profit and loss as finance income and occurs upon changes in the estimates used to determine the Company's rate of return on investment.

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

Mergers of jointly controlled entities are recognised at book value.

6.2.17 Leasing

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

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

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

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

6.2.18 Inventory

The company classified the following as inventory:
- materials
- goods for resale

Inventory items are measured at purchase prices. Because they are insignificant, the Group does not include transport costs in purchase prices. The FIFO principle is used in respect to inventory items.
At the end of the reporting period, inventory is recognised at purchase price which may not, however, be higher than its net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

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

The rounding of prices connected with the purchase of materials is recognised directly in the statement of profit and loss as cost of sales.
Stock losses and a negative balance of inventory deficits regarded as unintentional are recognised directly as operating expenses.

6.2.19 Trade and other receivables

Receivables are carried at amortised cost less impairment. Non-recoverable receivables are recognised as other expenses at the date on which they are classified as non-recoverable.
Impairment of receivables is recognised when there is objective proof that the Group will not be able to receive all due amounts as per the original terms of the receivable.

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

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

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

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

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

6.2.20 Prepayments and deferred revenue

The Group recognises prepayments if the expenses concern subsequent periods after the period in which they are incurred.
The most significant prepayment items are as follows: prepaid rent, compensation fees (amounts paid to take over a store site from the previous lessee), insurance and subscriptions.
The Group classified prepayments as either short-term or long-term (those which will be realised in a period longer than 12 months from the end of the reporting period). In the statement of financial position, prepayments are presented as a separate asset item.
Deferred revenue constitutes funds received for future considerations. In the statement of financial position, deferred revenue is recognised in a separate liability item.

6.2.21 Cash and cash equivalents

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

6.2.22 Equity

The company's equity comprises:
- share capital
- supplementary capital
- reserve capital
- own shares
- retained earnings

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

Emperia Holding S.A.'s supplementary capital is divided into the following categories:
- share premium provision - the premiums received from share issues, less issue costs,
- supplementary capital - created from profit generated in successive years in an amount equal to at least 8% of the given financial year's profit until the supplementary capital reaches one third of share capital,
- management options provision - established in connection with management options programmes,

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

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

Retained earnings cover the following categories:
- unallocated profit or outstanding losses brought forward (accumulated profit / losses from prior years),
- current-period result.

6.2.23 Net earnings per share

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

6.2.24 Credit facilities

Credit facilities are recognised at fair value less acquisition costs. In subsequent periods, credit facilities are measured at amortised cost using the effective interest rate method.
Long-term credit facilities are those facilities with maturities longer than 12 months from the end of the reporting period.

6.2.25 Provisions

The Group creates provisions if there is an expected present, legal or customary obligation of a likely payment to arise, resulting from past events. There must be a higher likelihood that an outflow will be required in order to meet the obligation than that it will not be required, and its amount should be reliably estimated.
Receivables provisions are recognised as operating expenses or other operating expenses.
If there is a likelihood that a part or all of the economic benefits required to settle the provision may be recovered from a third party, the receivable is recognised as an asset, provided that the likelihood is sufficiently high and that it can be reliably estimated.
In the event that the time value of money is substantial, the size of the provision is determined through discounting future cash flows to present value using a gross interest rate reflecting the current market valuations of the time value of money and any risk associated with the given obligation. If discounting is applied, increasing the provision with passage of time is recognised as finance costs.
The amount of provisions created is verified and updated at the end of each reporting period in order to adjust estimates to the company's present level of knowledge.
Provisions in the consolidated financial statements are presented as either current or non-current.

6.2.26 Liabilities

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

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

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

At the end of the reporting period, non-current liabilities are measured at amortised cost using the effective interest rate method.
Current liabilities are liabilities that fall due for payment within 12 months from the end of the reporting period. Current liabilities include in particular: trade payables, credit liabilities, loan liabilities, wages and salaries, taxes, excise duties, insurance and other benefits.
In the case of liabilities that fall due for payment within 12 months, discount is excluded due to its insignificance.
Trade payables are recognised at nominal value. Interest is recognised upon receipt of bills from suppliers.
Non-financial liabilities are measured at the amount due.

6.2.27 Employee benefits

6.2.27.1 Employee benefits

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

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

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

6.2.27.2 Share-based payments

The Group has the following incentive schemes:
- Management Options Programme I 2008-2009,
- Management Options Programme II 2010-2012 (programme was not used in 2012)

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

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

6.2.28 Income tax

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

a) *Current tax*

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

b) *Deferred tax*

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

Deferred income tax assets constitute tax which is to be returned in the future and is calculated using the balance sheet method, as regards the temporary differences between the tax value of assets and liabilities, and in the financial

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax is recognised in the statement of profit and loss, and - if related to share-based payments - in equity.

Fundamental temporary differences concern the differences between the carrying amount and tax base of assets and liabilities settled over time.
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences can be realised. Deferred income tax assets and liabilities are recognised in the balance sheet as non-current assets and liabilities.

6.2.29 Revenue

Revenue is recognised at the fair value of the consideration received or receivable, less tax on goods and services and any discounts.
Revenue is the gross inflow of economic benefits arising during the Company's ordinary course of business.
Revenue from activities other than the Company's ordinary course of business is recorded in other operating revenue.
Revenue connected with financing the Company's operations is recognised as finance income, together with proceeds from disposal of financial assets, dividends and interest income derived from financial instruments.

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

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

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

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

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

6.2.30 Costs

Costs constitute a probable decrease in economic benefits during the reporting period as either a decrease in assets or increase in liabilities and provisions, which reduce equity in a manner other than withdrawal by shareholders.

The Group recognises costs in the statement of profit and loss during the reporting period such as correspond to the revenue generated in that period (matching principle).

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

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

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

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

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

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

6.2.31 Foreign-currency transactions and exchange differences

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

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

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

(amounts in PLN 000's, unless otherwise stated)

7. Notes to the financial statements

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

Fourth-quarter revenue was PLN 511 671 000, up 0.91% to the same period the previous year. FY 2013 revenue was PLN 1 967 447 000, slightly higher (0.95%) than in the comparative period.

The fourth quarter saw a PLN 1 624 000 profit, compared with PLN 12 612 000 in the previous year. Throughout 2013, the Group generated PLN 15 225 000 in profit, vs. PLN 20 803 000 in 2012.

The year-on-year decrease in profit resulted from a PLN 31 186 000 loss recorded in the retail segment. Other operating segments (property, IT and central management) recorded a total of PLN 47 546 000 in 2013 profit (as per segment reporting, without consolidation exclusions).
The retail segment's loss was a direct effect of the in-house logistics project launched in Q3 2013. From July, Stokrotka Sp. z o.o. began accepting product deliveries at its new central hub and re-distributing to retail stores via regional warehouses. Logistics performance has not yet reached a level ensuring the segment's profitability.

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

- during 2012, the Group posted a PLN 26 523 000 profit on financing activities (only PLN 4 805 000 in the current period), in connection with funds held during the first half-year from sale of the distribution business.
- during 2012, the Group recorded PLN 2 872 000 in costs connected with the sale of its retail operations,
- during 2012, the Group recognised an impairment loss concerning investment in third-party non-current assets, as well as provisions related to Delima stores, in the amount of PLN 54 170 000, and deferred income tax assets amounting to PLN 10 292 000.
- during 2012, the Group recognised a deferred income tax asset in connection with an in-kind contribution of property, valued at PLN 5 378 000, to P5 Ekon Sp. z o.o.
- during 2013, the Group incurred PLN 39 360 000 in logistics costs,
- during 2013, the Group posted a PLN 1 758 000 loss on stores which were closed, compared with a PLN 933 000 loss in the comparative period,
- during 2013, the Group recorded a PLN 7 667 000 gain on property sales, vs. a PLN 3 400 000 gain in the comparative period,
- during 2013, the Group ramped up marketing activities - expenditures connected with building a positive image, raising brand awareness and designing a new logo for Stokrotka stores amounted to PLN 8 625 000, vs. PLN 2 283 000 in the comparative period.

Changes in key items from the statement of profit and loss

Item	Q4 2013	Q4 2012	%
Revenue	511 671	507 044	0.91%
EBITDA	13 901	19 577	- 28.99%
Operating profit (loss)	2 597	10 858	- 76.08%
Profit (loss) before tax	3 480	12 993	- 73.22%
Profit for the period	1 624	12 612	- 87.12%

(amounts in PLN 000's, unless otherwise stated)

Item	Q1-Q4 2013	Q1-Q4 2012	%
Revenue	1 967 447	1 948 976	0.95%
EBITDA	57 258	24 865	130.2 %
Operating profit (loss)	15 427	(15 965)	-
Profit (loss) before tax	20 232	10 558	91.63%
Profit for the period	15 225	20 803	- 26.81%

Changes in key balance sheet items

Item	Q1-Q4 2013	Q1-Q4 2012	%
Total assets	1 065 251	978 402	8.88%
Non-current assets	586 912	588 652	-0.30%
Current assets	478 339	389 750	22.73%
Cash and cash equivalents	195 127	215 293	-9.37%
Liabilities and liability provisions	417 121	290 477	43.60%
Total current liabilities	378 874	248 076	52.72%
Net assets	648 130	687 925	-5.78%
Share capital (in PLN)	15 115 161	15 115 161	-
Current-period earnings per share, annualised (in PLN)	1.07	1.43	-25.17%

Operational performance and ability to meet liabilities

Item	Q1-Q4 2013	Q1-Q4 2012
Return on invested capital *(profit for the period / equity at the end of the period) in %*	2.35%	3.02%
Return on assets *(profit for the period / assets at the end of the period) in %*	1.43%	2.13%
Sales margin *(profit from sales for the period / revenue from sales for the period) in %*	24.90 %	24.16%
EBITDA margin *(EBITDA / revenue from sales for the period) in %*	2.91%	1.28%
EBIT operating margin *(operating profit for the period / revenue from sales for the period) in %*	0.78%	-0.82%
Gross margin *(profit before tax for the period / revenue from sales for the period) in %*	1.03%	0.54%
Net margin *(profit for the period / revenue from sales for the period) in %*	0.77%	1.07%

(amounts in PLN 000's, unless otherwise stated)

Rotation cycles for key components of working capital

Methodology	Q1-Q4 2013	Q1-Q4 2012
Inventory turnover days *(inventory / value of goods for resale and materials sold*365)*	43	26
Receivables turnover days *(current receivables / revenue from sales*365)*	20	12
Payables turnover days *([current liabilities - current borrowings] / value of goods for resale and materials sold*365)*	95	63
Asset productivity *(revenue from sales / total assets)*	1.85	1.99
Non-current asset productivity *(revenue from sales / non-current assets)*	3.35	3.31

Receivables turnover and payables turnover were significantly affected by property disposals executed by the Group in December 2013, especially as regards VAT payment on these transactions. This resulted in an increase in receivables turnover by 8 days (VAT to be paid) and an increase in payables turnover by 11 days (VAT to be received).

Turnover cycles for key working capital components, without VAT on property disposals

Methodology	Q1-Q4 2013	Q1-Q4 2012
Inventory turnover days *(inventory / value of goods for resale and materials sold*365)*	43	26
Receivables turnover days *(current receivables / revenue from sales*365)*	12	12
Payables turnover days *([current liabilities - current borrowings] / value of goods for resale and materials sold*365)*	84	63

In 2013, inventory turnover increased by 17 days and payables turnover by 21 days, resulting from the launch of in-house logistics and additionally from higher inventory levels due to sales seasonality in the preceding quarter.

Retail segment

	Q4 2013	Q4 2012	%
Segment revenue	500 618	490 495	2.06%
EBITDA	(1 059)	8 838	-
Operating result	(8 502)	2 026	-
Gross profit	(12 715)	(8 916)	-
Net segment profit	**(12 299)**	**(8 044)**	**-**

	Q1-Q4 2013	Q1-Q4 2012	%
Segment revenue	1 923 419	1 896 806	1.40%
EBITDA	4 569	(12 612)	-
Operating result	(23 919)	(41 985)	-
Gross profit	(31 368)	(57 441)	-
Net segment profit	**(31 186)**	**(47 370)**	**-**

As at 31 December 2013, the retail segment comprised 247 retail stores, vs. 240 as at 2012 year-end. Eight new stores were opened and one closed during Q4 2013.

(amounts in PLN 000's, unless otherwise stated)

Revenue growth in the retail segment during the fourth quarter of 2013 was 2.06%, a positive result particularly in light of the weaker market conditions and significant competition in retail.

In Q4 2013, Stokrotka Sp. z o.o. continued to implement its in-house logistics system. Key logistics metrics are continually improving, however they are not at a level ensuring profitability for the entire initiative.

	Q3 2013	Q4 2013
Total Stokrotka store deliveries during the period	352 878	406 919
Stokrotka store deliveries using in-house logistics during the period	165 010	276 759
% shares of deliveries to Stokrotka via in-house logistics	46,76%	68,01%
Total value of products delivered to the Group's store via in-house logistics	166 710	282 381
Logistics costs	15 219	20 384
- cost of warehouse maintenance	1 983	2 363
- cost of product handling logistics	6 106	8 092
- cost of transport	6 821	9 544
- general costs	309	385
Logistics cost ratio *(logistics costs / value of products delivered by in-house logistics)*	9.13%	7.22%

The share of in-house logistics deliveries is continually growing, reaching 77.8% in December 2013, against a target of 85%, which means that all planned store deliveries will soon be covered by the in-house system. The remaining 15% constitutes regional products, frozen foods and bread - delivered directly by producers and suppliers.

Logistics cost ratio - shows logistics performance; also decreasing, but still relatively high. The Company will work on improving logistics effectiveness in subsequent periods through:
- increased product deliveries to the central hub, allowing to generate higher sales margins,
- improved productivity of logistics staff,
- allocation of overhead to a larger volume of distributed products,
- improved transport effectiveness.

The achieved margins do not yet fully reflect the margins obtained with supplies to the central hub (the effect is deferred) due to the fact that transferring suppliers to the in-house system first requires the existing inventory to be sold off, at lower margins.

In 2013, Stokrotka Sp. z o.o. incurred substantial expenses connected with marketing activities aimed at building a positive image, raising brand awareness and replacing the old logo of Stokrotka. These expenses amounted to PLN 1 551 000 in Q4 2013 and PLN 8 625 000 in FY 2013, vs. PLN 1 270 000 in Q4 2012 and PLN 2 283 000 in FY 2012.
One-off expenses connected with the closure of three stores in 2013 amounted to PLN 1 758 000, vs. PLN 933 000 spent in 2012 on the closure of three stores as well.
During Q4 2013, subsidiaries Stokrotka Sp. z o.o. and Społem Tychy S.A. recognised an impairment loss on financial assets (shares in EMP Investment Ltd) amounting to PLN 3 042 000, along a PLN 578 000 deferred income tax asset. Intra-group transaction, subject to exclusion from consolidation:

In Q4 2013, a merger of retail-segment companies was commenced: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy S.A.; The merger process is expected to be completed in January 2014.

In December 2013, Stokrotka Sp. z o.o. purchased shares in Pilawa Sp. z o.o., in Leżajsk, a company which runs one supermarket. The merger of the two companies is expected to be completed in Q1 2014.
In November 2013, Stokrotka Sp. z o.o. opened its first franchise store.

(amounts in PLN 000's, unless otherwise stated)

Cash conversion cycle in the retail segment

	Q1-Q4 2013	Q1-Q4 2012
Inventory turnover days *(inventory / value of goods for resale and materials sold*365)*	42.4	26.2
Receivables turnover days *(trade receivables / revenue from sales*365)*	5.8	9.8
Payables turnover days *(trade payables / value of goods for resale and materials sold*365)*	66.2	48.6
Cash conversion cycle *(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)*	-18.0	-12.6

During 2013, cash conversion cycle in the retail segment increased by 5.4 days, resulting from the increase in payables turnover being larger than the increase in inventory turnover (by 1.4 days), along with a decrease in receivables turnover by 4.0 days.

Stokrotka supermarkets

	Q1-Q4 2013	Q1-Q4 2012
Number of stores at the beginning of period	201	197
- stores opened	13	7
- stores shut-down	3	3
Number of stores at the end of period	211	201
Average total store surface - stores opened (in sqm)	866	923
Capex on stores opened	20 490	5 760
Average monthly sales per store sqm*	1 307	1 325

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

Property segment

	Q4 2013	Q4 2012	%
Segment revenue	15 225	16 486	-7.65%
EBITDA	65 116	9 308	599.57%
Operating result	62 375	6 581	847.80%
Gross profit	61 823	4 680	1221%
Net segment profit	**61 823**	**4 678**	**1221.57%**

	Q1-Q4 2013	Q1-Q4 2012	%
Segment revenue	65 079	63 802	2.00%
EBITDA	96 006	28 838	232.91%
Operating result	85 092	18 021	372.18%
Gross profit	80 600	9 327	764.16%
Net segment profit	**80 600**	**9 062**	**789.43%**

(amounts in PLN 000's, unless otherwise stated)

The following property disposals were executed by the Group in December 2013 (a total of 36 properties): P1 Sp. z o.o. and Emperia Holding S.A. As a result of applying market prices for the transactions, the total transaction value was PLN 206 615 000, and the property segment recognised a PLN 56 423 000 result on property disposals in Q4 2013 under other operating revenue. These transactions are excluded from consolidation. The transactions were carried out in connection with the restructuring of the segment.
Segment results after eliminating the transactions:

	Q4 2013	Q4 2012	%
Segment revenue	15 225	16 486	-7.65%
EBITDA	8 693	9 308	-6.61%
Operating result	5 952	6 581	-9.56%
Gross profit	5 400	4 680	15.38%
Net segment profit	**5 400**	**4 678**	**15.43%**

	Q1-Q4 2013	Q1-Q4 2012	%
Segment revenue	65 079	63 802	2.00%
EBITDA	39 583	28 838	37.26%
Operating result	28 669	18 021	59.09%
Gross profit	24 177	9 327	159.22%
Net segment profit	**24 177**	**9 062**	**166.80%**

The property segment posted good results in Q4 2013 as well as in FY 2013.
Segment earnings improved by PLN 722 000 in the fourth quarter and by PLN 15 115 000 in FY 2013, as a result of the following:
- result on property disposals within the Group in Q4 2013 - PLN 2 487 000 in profit, and in Q4 2012 - PLN 343 000 in profit; 2013: PLN 4 879 000 profit, 2012: PLN 4 531 000 loss, respectively.
- 2013 segment revenue growth by PLN 1 277 000,
- decrease in segment costs in 2013 by PLN 3 504 000,
- a PLN 4 202 000 decrease in finance costs.

	Q4 2013	Q4 2012
Number of properties at the end of period	93	94
including: properties in progress	8	11
operating properties	85	83
including: retail properties	80	77
other properties	5	6
average monthly net operating income from leasable facilities*	**3 441**	**3 385**
including: retail properties	**3 271**	**3 122**
leasable area of retail facilities (sqm)	92 742	90 205
including: related lessees	57 368	56 380
other lessees	35 374	33 825
Average lease rate (PLN per sqm)	42.7	40.9
including: related lessees	43.3	41.7
other lessees	41.7	39.5

(amounts in PLN 000's, unless otherwise stated)

IT segment

	Q4 2013	Q4 2012	%
Segment revenue	7 583	11 857	-36.05%
EBITDA	2 833	2 180	29.95%
Operating result	1 937	1 752	10.56%
Gross profit	2 058	1 923	7.02%
Net segment profit	**1 656**	**1 545**	**7.18%**

	Q1-Q4 2013	Q1-Q4 2012	%
Segment revenue	31 084	31 295	-0.67%
EBITDA	11 151	8 457	31.86%
Operating result	8 975	6 761	32.75%
Gross profit	9 409	7 238	29.99%
Net segment profit	**7 570**	**5 827**	**29.91%**

A substantial fall in revenue from sales in Q4 2013 resulted from lower product sales - IT equipment. Segment revenue from IT equipment sales in Q4 2013 was PLN 1 021 000 and PLN 5 304 000 in Q4 2012; FY 2013: PLN 4 012 000, FY 2012: PLN 7 002 000.
Segment revenue from sale of services in 2013 was PLN 26 633 000, compared with PLN 23 729 000 in 2012.
Total segment revenue in 2013 was PLN 31 084 000, including PLN 19 597 000 (63.05%) to external customers, compared with PLN 31 295 000 in 2012, including PLN 22 086 000 (70.57%) to external customers.

The segment generated PLN 7 570 000 in profit for 2013, up 29.91% from the previous year. The earnings growth resulted from cost optimisation.

Central management segment

	Q4 2013	Q4 2012	%
Segment revenue	3 124	2 564	21.84%
EBITDA	1 364	(387)	-
Operating result	940	(739)	-
Gross profit	3 425	4 540	-24.56%
Net segment profit	**3 069**	**3 828**	**-19.83%**

	Q1-Q4 2013	Q1-Q4 2012	%
Segment revenue	8 613	12 057	-28.56%
EBITDA	110	(6 951)	-
Operating result	(1 596)	(8 609)	-
Gross profit	17 447	39 937	-56.31%
Net segment profit	**15 799**	**38 214**	**-58.66%**

From the second quarter of 2012, the segment saw a substantial decrease in revenue which was connected with the reduction of central management functions at Emperia Holding S.A. and their transfer to operating companies. The most significant item of the segment's revenue in both reporting periods was interest and dividend income: PLN 2 654 000 in Q4 2013 and PLN 5 151 000 in Q4 2012; FY 2013: PLN 19 044 000, FY 2012: PLN 48 586 000.

(amounts in PLN 000's, unless otherwise stated)

7.2 Revenue and profit by operating segment

In 2013, the Group operated through the following segments:

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

From 2014, P1 Sp. z o.o. is included in the property segment. In December 2013, the company purchased significant property assets through intra-group transactions.

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

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

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	1 923 419	65 079	8 613	31 084	60 748	**1 967 447**
External revenue	1 921 898	22 055	3 896	19 598	-	**1 967 447**
Inter-segment revenue	1 521	43 024	4 717	11 486	60 748	-
Total segment costs	(1 946 275)	(37 835)	(10 409)	(22 158)	(61 525)	**(1 955 152)**
Profit (loss) on sales	(22 857)	27 244	(1 796)	8 926	(778)	**12 295**
Result on other operating activities	(1 063)	57 848	200	49	53 902	**3 132**
Result on financing activities	(7 448)	(4 492)	19 043	434	2 732	**4 805**
Gross result	(31 368)	80 600	17 447	9 409	55 856	**20 232**
Tax	182	-	(1 648)	(1 840)	1 701	**(5 007)**
Share of the profit of equity-accounted investees	-	-	-	-	-	-
Net segment profit	**(31 186)**	**80 600**	**15 799**	**7 570**	**57 558**	**15 225**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	522 226	744 432	814 905	22 339	1 038 651	**1 065 251**
Goodwill	39 200	12 844	-	-	-	**52 044**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	(30 815)	(6 511)	(209 086)	(2 619)	(206 618)	**(42 413)**
Depreciation	(28 488)	(10 914)	(1 706)	(2 176)	(1 452)	**(41 831)**

(amounts in PLN 000's, unless otherwise stated)

Emperia Group's operating segments in 2012:

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	1 896 806	63 802	12 057	31 295	54 983	**1 948 976**
External revenue	1 895 863	23 350	7 554	22 209	-	**1 948 976**
Inter-segment revenue	943	40 452	4 503	9 086	54 983	**-**
Total segment costs	(1 931 252)	(41 339)	(20 499)	(24 486)	(57 853)	**(1 959 723)**
Profit (loss) on sales	(34 446)	22 463	(8 442)	6 809	(2 870)	**(10 747)**
Result on other operating activities	(7 539)	(4 442)	(167)	(48)	(6 978)	**(5 218)**
Result on financing activities	(15 456)	(8 694)	48 546	477	(1 650)	**26 523**
Gross result	(57 441)	9 327	39 937	7 238	(11 497)	**10 558**
Tax	10 071	(265)	(1 723)	(1 411)	(3 573)	**10 245**
Share of the profit of equity-accounted investees	-	-	-	-	-	**-**
Net segment profit	**(47 370)**	**9 062**	**38 214**	**5 827**	**(15 070)**	**20 803**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	424 764	735 897	661 404	21 820	865 483	**978 402**
Goodwill	36 342	12 844	-	-	-	**49 186**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	(17 275)	(32 222)	(13 842)	(2 853)	(5 351)	**(60 841)**
Depreciation	(29 373)	(10 817)	(1 658)	(1 696)	(2 714)	**(40 830)**

7.3 Effects of changes in group structure

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

7.4 Management's position regarding previously published forecasts

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

(amounts in PLN 000's, unless otherwise stated)

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

Shareholders	Shares held, as at report publication date*	% in share capital	% change	Shares held, as at the date on which the previous interim report was published	% in share capital as at the date on which the previous interim report was published	Number of votes at general meeting, as at report publication date*	% of votes at general meeting as at report publication date*
ALTUS TFI	1 944 678	12.87%	-	1 944 678	12.87%	1 944 678	14.03%
IPOPEMA TFI S.A.	1 433 437	9.48%	-	1 433 437	9.48%	1 433 437	10.34%
AXA OFE	891 992	5.90%	-	891 992	5.90%	891 992	6.44%
ING TFI	810 119	5.36%	9.44%	740 247	4.89%	810 119	5.85%

* Emperia Holding S.A. shareholding structure as at 12 December 2013

Emperia Holding S.A. and subsidiary P1 Sp. z o.o. held a total of 1 298 203 shares in Emperia Holding S.A., entitling to 1 298 203 (8.589%) votes at the Issuer's general meeting and constituting 8.589% of the Issuer's share capital.

7.6 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares as at 31 December 2013	% in share capital	% change	Shares held, as at the date on which the previous quarterly report was published	% in share capital as at the date on which the previous quarterly report was published
Dariusz Kalinowski	19 647	0.13%	-	19 647	0.13%

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

7.7 Information regarding on-going judicial proceedings

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

On 2 January 2014, the Company received a decision by 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 PLN 795 000 plus statutory interest calculated from 6 April 2012 to the payment date as damages for improper performance of an agreement executed between Emperia Holding S.A., Eurocash S.A. and Ernst & Young Audit Sp. z o.o., as well as PLN 839 180 to cover half the court fees. The remaining part of the suit was dismissed.

On 17 February Ernst & Young Audit Sp. z o.o. paid the above amounts as follows: PLN 795 000 for damages, PLN 109 108.77 for interest and PLN 839 180 for half the court fees, bringing the total to PLN 1 827 288.77. The transaction was recorded in Q1 2014.

(amounts in PLN 000's, unless otherwise stated)

7.8 Significant related-party transactions

In Q4 2013, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the normal course of operations on market terms.

All intra-group mergers in Q4 2013 are presented in point 6.2.10. Short-term bonds were issued as part of the Group's cash flow management, as described in note 7.14.5.
In Q4 2013, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the normal course of operations on market terms.

All inter-group mergers in Q4 2013 are presented in point 6.2.10. An issuance of short-term bonds took place as part of the Group's cash flow management, as described in note 7.14.5.

7.9 Credits, loans and guarantees

In Q4 2013, the parent, Emperia, did not issue new credit guarantees for subsidiaries such as would exceed 10% of the Issuer's equity. Information concerning guarantees may be found in note 7.14.7.

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

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

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

In Q4 2013, the Group sold two properties as follows:

Revenues	PLN 10 500 000
Costs of sell	PLN 5 225 000
Result	PLN 5 275 000

Result on property disposals during FY 2013:

Revenues	PLN 17 587 000
Costs of sell	PLN 9 920 000
Result	PLN 7 667 000

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

External:

a) Domestic macroeconomic situation, as measured by indicators: GDP growth, unemployment rate, net household income, inflation

b) Changes in the FMCG market
c) Growth in prices of products and services used by the Group, in particular fuel and electricity
d) Policies of financial institutions with regard to the financing of businesses and consumers (interest rates, loan margins, collateral)
e) Conditions in the job market and costs of employment
f) Conditions in the property market, in particular the development segment

Internal:

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

7.13 Changes in the Issuer's management and supervisory personnel

Management Board

In Q4 2013, the composition of the Management Board of Emperia Holding S.A. did not change.

Composition of Emperia Holding S.A.'s Management Board as at 31 December 2013:

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

Supervisory Board

The composition of Emperia Holding S.A.'s Supervisory Board did not change during Q4 2013.

Composition of Emperia Holding S.A.'s Supervisory Board as at 31 December 2013:

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

7.14 Other significant information and events

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

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

(amounts in PLN 000's, unless otherwise stated)

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

Employee benefit provisions	Change in FY 2013	Change in 2012
Non-current		
As at the beginning of period	1 481	**2 059**
Increases / decreases during the period	(322)	(578)
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**1 159**	**1 481**
Current		
As at the beginning of period	5 111	**6 173**
Increases / decreases during the period	2 089	(1 379)
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**7 200**	**4 794**

Other provisions	Change in FY 2013	Change in 2012
Non-current		
As at the beginning of period	37 808	-
Increases / decreases during the period	(7 376)	37 808
Increases / decreases during the period as a result of acquisitions	-	-
As at the end of period	**30 432**	**37 808**
Current		
As at the beginning of period	**9 298**	**1 164**
Increases / decreases during the period	3 276	8 451
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**12 574**	**9 615**

(amounts in PLN 000's, unless otherwise stated)

7.14.5 Issue, buyback and repayment of debt and equity securities

Bonds outstanding

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

Subsidiary ELPRO EKON Sp. z o.o. S.K.A. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond issue programme with an aggregate value of no more than PLN 150 000 000.
Issue and buy-back of bonds (presented at par values) by ELPRO EKON Sp. z o.o. S.K.A. during the fourth quarter and in Q1-Q4 of 2013 and 2012:

Q4 2013:

Issue and buy-back of bonds in Q4 2013	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	**150 000**	**-**	**88 000**	**7 500**	**49 500**	**5 000**
Issuance of bonds	*320 000*	-	*173 500*	*29 500*	*101 000*	*16 000*
Buy-back of bonds	*(450 000)*	-	*(258 000)*	*(26 000)*	*(150 500)*	*(15 500)*
As at the end of period	**20 000**	**-**	**3 500**	**11 000**	**-**	**5 500**

Q1-Q4 2013

Issue and buy-back of bonds in Q1-Q4 2013	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	**150 000**	**-**	**101 500**	**7 000**	**41 500**	**-**
Issuance of bonds	*1 669 500*		*1 011 000*	*106 000*	*509 000*	*43 500*
Buy-back of bonds	*(1 799 500)*		*(1 109 000)*	*(102 000)*	*(550 500)*	*(38 000)*
As at the end of period	**20 000**		**3 500**	**11 000**	**-**	**5 500**

Q4 2012:

Issue and buy-back of bonds in Q4 2012	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	**150 000**	**-**	**103 600**	**6 900**	**39 500**	**-**
Issuance of bonds	*304 000*	-	*205 000*	*14 000*	*85 000*	-
Buy-back of bonds	*(304 000)*	-	*(207 100)*	*(13 900)*	*(83 000)*	-
As at the end of period	**150 000**	**-**	**101 500**	**7 000**	**41 500**	**-**

Q1-Q4 2012

Issue and buy-back of bonds in Q1-Q4 2012	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	**80 000**	**-**	**35 000**	**7 300**	**4 000**	**33 700**
Issuance of bonds	*1 543 100*	-	*745 900*	*78 000*	*351 400*	*367 800*
Buy-back of bonds	*(1 473 100)*	-	*(679 400)*	*(78 300)*	*(313 900)*	*(401 500)*
As at the end of period	**150 000**	**-**	**101 500**	**7 000**	**41 500**	**0**

(amounts in PLN 000's, unless otherwise stated)

b) Stokrotka Sp. z o.o.

Subsidiary Stokrotka Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond issue programme with an aggregate value of no more than PLN 150 000 000. Issue and buy-back of bonds (presented at par values) by Stokrotka Sp. z o.o. during the fourth quarter of 2013 and 2012, along with Q1-Q4 2013 and Q1-Q4 2012 YTD figures:

Q4 2013:

Issue and buy-back of bonds in Q4 2013	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	**87 000**	**-**	**87 000**	**-**
Issuance of bonds	*336 000*	-	*336 000*	-
Buy-back of bonds	*(295 000)*	-	*(295 000)*	-
As at the end of period	**128 000**	**-**	**128 000**	**-**

Q1-Q4 2013

Issue and buy-back of bonds in Q1-Q4 2013	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	**92 000**	**-**	**92 000**	**-**
Issuance of bonds	*1 219 000*	-	*1 218 000*	*1 000*
Buy-back of bonds	*(1 183 000)*	-	*(1 182 000)*	*(1 000)*
As at the end of period	**128 000**	**-**	**128 000**	**0**

Q4 2012:

Issue and buy-back of bonds in Q4 2012	Total	External issuance	Emperia Holding S.A.	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	**96 000**	**-**	**96 000**	**-**	**-**
Issuance of bonds	*187 000*	-	*187 000*	-	-
Buy-back of bonds	*(191 000)*	-	*(191 000)*	-	-
As at the end of period	**92 000**	**-**	**92 000**	**-**	**-**

Q1-Q4 2012

Issue and buy-back of bonds in Q1-Q4 2012	Total	External issuance	Emperia Holding S.A.	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	**49 000**	**-**	**6 300**	**2 200**	**40 500**
Issuance of bonds	*1 056 000*	-	*795 300*	*18 200*	*242 500*
Buy-back of bonds	*(1 013 000)*	-	*(709 600)*	*(20 400)*	*(283 000)*
As at the end of period	**92 000**	**-**	**92 000**	**0**	**0**

a) P1 Sp. z o.o.

Subsidiary P1 Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond issue programme with an aggregate value of no more than PLN 200 000 000. Issue and buy-back of bonds (presented at par values) by P1 Sp. z o.o. during the fourth quarter of 2013 and 2012, along with Q1-Q4 2013 and Q1-Q4 2012 figures:

Issue and buy-back of bonds in Q4 2013	Total	External issuance	Emperia Holding S.A.	P5 EKON Sp. z o.o. S.K.A	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	-	-		-	-
Issuance of bonds	*233 900*	-	*82 900*	*49 000*	*102 000*
Buy-back of bonds	*(61 900)*	-	*(61 900)*	-	-
As at the end of period	**172 000**	**--**	**21 000**	**49 000**	**102 00**

Issue and buy-back of bonds in Q1-Q4 2013	Total	External issuance	Emperia Holding S.A.	P5 EKON Sp. z o.o. S.K.A	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	-	-		-	-
Issuance of bonds	*233 900*	-	*82 900*	*49 000*	*102 000*
Buy-back of bonds	*(61 900)*	-	*(61 900)*	-	-
As at the end of period	**172 000**	**--**	**21 000**	**49 000**	**102 00**

P1 Sp. z o.o. did not issue bonds in 2012.

Debt instrument liabilities as at 31 December 2013

Issuer	Series	Par value (in PLN 000's)	Maturity date	As at 31 December 2013
Stokrotka Sp. z o.o.	0114*	10 000	2014-01-24	
Stokrotka Sp. z o.o.	0115*	118 000	2014-01-24	
Elpro Ekon Sp. z o.o. S.K.A.	0144*	3 500	2014-01-24	
Elpro Ekon Sp. z o.o. S.K.A.	0144*	11 000	2014-01-24	
Elpro Ekon Sp. z o.o. S.K.A.	0144*	5 500	2014-01-24	
P1 Sp. z o.o.	0004*	21 000	2014-01-24	
P1 Sp. z o.o.	0002*	49 000	2014-01-24	
P1 Sp. z o.o.	0004*	51 000	2014-01-24	
P1 Sp. z o.o.	0005*	51 000	2014-01-24	
All bond issuance by the Group				**-**
Other				-
Total debt instrument liabilities				
Current				-
Non-current				-

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

Debt instrument liabilities as at 31 December 2012

Issuer	Series	Par value (in PLN 000's)	Maturity date	As at 31 December 2012
Stokrotka Sp. z o.o.	0094*	92 000	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	101 500	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	7 000	2013-01-04	
Elpro Ekon Sp. z o.o. S.K.A.	0132*	41 500	2013-01-04	
All bond issuance by the Group				**-**
Other				-
Total debt instrument liabilities				
Current				-
Non-current				-

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

(amounts in PLN 000's, unless otherwise stated)

7.14.6 Paid and received dividends

Dividends paid:

Dividend was not paid out in Q4 2013.

7.14.7 Changes in off-balance sheet liabilities

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

Changes in off-balance sheet liabilities in Q1-Q4 2013	Credit facilities	Bank guarantees	Security interests
Mortgages			
As at the beginning of period	-	-	-
Increases during the period	-	-	-
Decreases during the period	-	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	-	-
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	3 295	-
Increases during the period	-	16 784	-
Decreases during the period	-	(140)	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	**19 939**	-
Transfer of ownership / pledge / assignment of non-current assets			
As at the beginning of period	-	-	-
Increases during the period	-	-	-
Decreases during the period	-	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	-	-
Guarantees			
As at the beginning of period	-	157	251
Increases during the period	-	43 000	21 845
Decreases during the period	-	(157)	(5 000)
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	**43 000**	**17 096**

Changes in off-balance sheet liabilities during 2012	Credit facilities	Bank guarantees	Security interests
Mortgages			
As at the beginning of period	145 287	-	-
Increases during the period	-	-	-
Decreases during the period	(145 287)	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	-	-

Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	9 369	2 631	-
Increases during the period	-	4 767	-
Decreases during the period	(9 369)	(4 102)	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	**-**	**3 295**	**-**
Transfer of ownership / pledge / assignment of non-current assets			
As at the beginning of period	-	-	-
Increases during the period	-	-	-
Decreases during the period	-	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	**-**	**-**	**-**
Guarantees			
As at the beginning of period	128 576	7 177	2 744
Increases during the period	-	74	-
Decreases during the period	(128 576)	(7 094)	(2 493)
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	**-**	**157**	**251**

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

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

Impairment and reversal of impairment losses	**Change in FY 2013**
Impairment of property, plant and equipment	
As at the beginning of period	8 966
Recognition	379
Reversal	(16)
Changes as a result of acquisitions / disposals	-
As at the end of period	**9 329**
Impairment of receivables	
As at the beginning of period	10 121
Recognition	3 066
Reversal	(2 187)
Changes as a result of acquisitions / disposals	-
Derecognised from statement of profit and loss	(982)
As at the end of period	**10 018**
Impairment of financial assets	
As at the beginning of period	-
Recognition	-
Reversal	-
Changes as a result of acquisitions / disposals	-
As at the end of period	**-**
Impairment of inventory	
As at the beginning of period	5 504
Recognition	16 482

(amounts in PLN 000's, unless otherwise stated)

Reversal	(12 080)
Changes as a result of acquisitions / disposals	-
As at the end of period	**9 906**
including: Impairment losses on inventory control	
As at the beginning of period	275
Recognition	12 134
Reversal	(12 021)
Changes as a result of acquisitions / disposals	-
As at the end of period	**388**
including: Impairment losses on bonuses	
As at the beginning of period	5 229
Recognition	4 348
Reversal	(59)
Changes as a result of acquisitions / disposals	-
As at the end of period	**9 518**

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

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

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

7.14.9 Recognition / reversal of cost restructuring provisions

Did not occur during the reporting period or comparative period.

(amounts in PLN 000's, unless otherwise stated)

7.14.10 Deferred income tax

Deferred income tax	Change in FY 2013	Change in 2012
Deferred income tax assets		
As at the beginning of period	21 148	8 987
Increase	*1 807*	*12 248*
Decrease	*(2 776)*	*(87)*
Change as a result of acquisition	*-*	*-*
As at the end of period	**20 179**	**21 148**

Deferred income tax	Change in FY 2013	Change in 2012
Deferred income tax provision		
As at the beginning of period	1 992	4 354
Recognition	*1 863*	*2 408*
Reversal	*(1 634)*	*(4 770)*
Change as a result of acquisition	*-*	*-*
As at the end of period	**2 221**	**1 992**

7.14.11 Financial and operating leasing

a) Finance lease liabilities

Finance lease liabilities	31 Dec 2013	
	Minimum payments	Present value of minimum payments
Within 1 year	*1 204*	*804*
Within 1 to 5 years	*4 212*	*3 636*
Within more than 5 years	*-*	*-*
Total	**5 416**	**4 440**

Did not occur during the comparative period.

b) Operating leasing

Did not occur during the reporting period or comparative period.

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

Q4 2013

Asset	Term of agreement	As at 31 Dec 2013	As at 31 Dec 2014	1 - 5 years	Over 5 years
		Minimum annual payment			
Property	specified	74 588	110 409	437 841	545 220
	unspecified	3 590	3 329	13 316	16 644
Technical equipment and machinery	specified	12	16	4	-
	unspecified	68	74	276	350
Means of transport	specified	3 517	6 353	19 173	2 663
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

(amounts in PLN 000's, unless otherwise stated)

2012

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

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

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

Did not take place in Q4 2013.

7.14.13 Correction of prior-period errors

Did not take place in Q4 2013.

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

Did not take place in Q4 2013.

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 that 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 facilities all around Poland, were worth close to PLN 20 million in total.

Blood drive

On 8 August 2013, the Group's headquarters hosted the second edition of a blood drive organised by our employees. A special bus equipped with mobile blood drawing equipment was brought in for the occasion, and our employees donated blood right in our car park. The August blood drive was a response to the Centre's appeal to replenish drastically low levels of blood stores which are essential to saving lives. Stokrotka employees immediately responded, and nearly 10% of the headquarters' staff gave blood. Of the 30 people that were examined, 15 proceeded to donate blood, therefore we can say that Stokrotka's blood drive substantially helped to increase inventory at the Blood Donation Centre in Lublin.

The Ambassador Programme is directed to students aiming to grow professionally and gain experience while in college. During the school year, the Ambassador will represent Stokrotka in the student community in Lublin, prepare and execute promotional strategies for Stokrotka and support the company in building brand awareness at Lublin's universities.

(amounts in PLN 000's, unless otherwise stated)

Share a Meal

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 means 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.

Student and graduate opportunities

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 to meet the Company and gain first, valuable professional experience.

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

In 2013, we hired 15 people who attended unpaid internships.

7.14.16 Other significant events

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

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

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
1 October 2013	20 060	PLN 1	70,97	20 060	0.133%

(amounts in PLN 000's, unless otherwise stated)

7 October 2013	9 770	PLN 1	71,41	9 770	0.065%
14 October 2013	11 100	PLN 1	71,41	11 100	0.073%
16 October 2013	4 351	PLN 1	70,93	4 351	0.029%

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

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

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

b) Intra-group bond issuance

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

On 15 November 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 20 December 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 245 million.

On 19-20 December 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 24 January 2014, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 257 million.

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

On 16 October 2013, the Management Board of Emperia Holding S.A. adopted a resolution on a share buy-back programme at Emperia Holding S.A. by P1 Sp. z o.o. The aim of the programme is purchasing shares by one of the Company's subsidiaries in order to redeem them on the terms specified in resolution 3 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012. Shares purchased by the subsidiary will be sold to Emperia Holding S.A. on the terms specified in resolution 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012. Commencement of the share purchase programme took place on 17 October 2013. Funds used to buy shares in the Company may not exceed PLN 35 000 000. The programme will be completed on 30 June 2014 at the latest.

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

Pursuant to the authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 12 September 2013, subsidiary P1 Sp. z o.o. purchased for redemption 8 313 shares in Emperia Holding S.A. with a nominal value of PLN 1.00 each, in the following blocks:

(amounts in PLN 000's, unless otherwise stated)

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
8 November 2013	13 343	PLN 1	71.22	13 343	0.088%
15 November 2013	14 950	PLN 1	70.72	14 950	0.099%
22 November 2013	18 130	PLN 1	69.22	18 130	0.120%
5 December 2013	18 925	PLN 1	71.86	18 925	0.125%
13 December 2013	18 015	PLN 1	71.31	18 015	0.119%
30 December 2013	9 436	PLN 1	71.97	9 436	0.062%

From the commencement of the programme, P1 Sp. z o.o. acquired 92 799 shares, entitling to 92 799 votes (0.614%) at the Issuer's general meeting and constituting 0.614% of the Issuer's share capital.
P1 Sp. z o.o. and the Issuer hold a total of 1 265 119 shares in the Issuer, entitling to 1 265 119 (8.370%) votes at the Issuer's general meeting and constituting 8.370% of the Issuer's share capital.

7.14.17 Significant events after the end of the reporting period

a) Strategic decision regarding the split-up of Emperia Holding S.A.

Following the approval of the Company's Supervisory Board, on 16 January 2014 the Management Board adopted a resolution concerning commencement of preparatory work on a planned split-up of Emperia Holding S.A.

The split-up will be executed through a carve out, pursuant to art. 529 § 1 point 4 of the Polish Commercial Companies Code, of an organised part of the enterprise, constituting operations concerning property investments and management of properties held by the Company and other Emperia Group entities. The organised part of enterprise will be contributed in-kid to P1 Sp. z o.o., based in Lublin, which is 100%-owned by Emperia Holding S.A. P1 Sp. z o.o. will become the owner of all assets and liabilities from the Group's property segment. After the split-up, Emperia Holding S.A. will focus predominantly on growth of its retail operations, while P1 will concentrate on property development.

The management expects Emperia Holding S.A.'s split-up to be accompanied by transforming P1 into a public limited company and subsequently introducing its shares to regulated trading on the Warsaw Stock Exchange.

Pursuant to management's expectations, the division procedure should be completed by 2014 year-end. As a result of the split-up, the existing shareholders in Emperia Holding S.A. will become shareholders in P1. The management expects shareholders to receive the same number of shares in P1 than they hold in Emperia Holding S.A.

The objective of the proposed split-up is to create two separate entities that:

- are transparent to shareholders, by simplifying organisational structures and by concentrating on more homogenous business lines,
- are easier to value and compare with their peer group,
- can be active participants in market consolidation processes in their respective industries, especially as regards retail, by acquiring further companies.

The split-up process is subject to Emperia Holding S.A. shareholders approving the draft changes, which will eventually be issued via voting on resolutions at the Company's general meeting tasked with approving the split-up. A further condition is approval by the Polish Financial Supervision Authority of a prospectus for P1 concerning a share issue in connection with the split-up.

(amounts in PLN 000's, unless otherwise stated)

The split-up plan, management report and other documents pertaining to the split-up, as required by law, will be disclosed by the Company as soon as they are ready.

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

Pursuant to the authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 12 September 2013, subsidiary P1 Sp. z o.o. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
16 January 2014	14 667	PLN 1	70.47	14 667	0.097%
4 February 2014	18 407	PLN 1	71.18	18 407	0.122%

From the commencement of the programme, P1 Sp. z o.o. acquired 125 883 shares, entitling to 125 883 votes (0.833%) at the Issuer's general meeting and constituting 0.833% of the Issuer's share capital.
P1 Sp. z o.o. and the Issuer hold a total of 1 298 203 shares in the Issuer, entitling to 1 298 203 (8.589%) votes at the Issuer's general meeting and constituting 8.589% of the Issuer's share capital.

c) Intra-group bond issuance and redemption

On 24 January 2014, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., and P1 Sp. z o.o. issued short-term bonds maturing on 28 February 2014, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 359 million.

On 24 February 2014, subsidiary Stokrotka Sp. z o.o. redeemed early short-term bonds issued on 24 January 2014, maturing on 28 February 2014, which were purchased by Emperia Holding S.A. The total par value of the bonds under early redemption was PLN 67 million.

On 28 February 2014, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., and P1 Sp. z o.o. issued short-term bonds maturing on 4 April 2014, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 257 million.

d) Changes in the buy-back programme

On 4 February 2014, the Management Board of Emperia Holding S.A. announced that due to a significantly low liquidity of Emperia Holding S.A. shares, the average daily purchase under Emperia Holding S.A. share buy-back programme by P1 Sp. z o.o., based in Lublin, may - from 5 February 2014 - exceed the 25% threshold. The buy-back of Emperia Holding S.A.'s shares will not exceed 50% of the average daily value.

(amounts in PLN 000's, unless otherwise stated)

8. Issuer's condensed separate financial statements

8.1 Selected separate financial data

FINANCIAL HIGHLIGHTS (current year)		PLN		EUR	
		For the period from 1 Jan 2013 to 31 Dec 2013	For the period from 1 Jan 2013 to 31 Dec 2012	For the period from 1 Jan 2013 to 31 Dec 2013	For the period from 1 Jan 2013 to 31 Dec 2012
I.	Net revenue from sale of products, goods for resale and materials	6 396	12 155	1 519	2 912
II.	Operating profit (loss)	(3 621)	(8 333)	(860)	(1 997)
III.	Profit (loss) before tax	13 826	15 316	3 283	3 670
IV.	Profit (loss) for the period	12 177	13 593	2 892	3 257
V.	Net cash flows from operating activities	(9 417)	(2 122)	(2 236)	(508)
VI.	Net cash flows from investing activities	39 045	901 701	9 272	216 049
VII.	Net cash flows from financing activities	(13 372)	(828 917)	(3 175)	(198 610)
VIII.	Total net cash flows	16 255	70 662	3 860	16 931
IX.	Total assets	584 017	585 047	140 822	143 106
X.	Liabilities and liability provisions	3 315	3 150	799	771
XI.	Total non-current liabilities	656	813	158	199
XII.	Total current liabilities	2 659	2 337	641	572
XIII.	Equity	580 702	581 897	140 023	142 336
XIV.	Share capital	15 115	15 115	3 645	3 697
XV.	Number of shares	15 115 161	15 115 161	15 115161	15 115161
XVI.	Weighted average number of shares	14 235 425	14 503 689	14235 425	14 503689
`XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.86	0.94	0.20	0.23
XVIII.	Diluted profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.85	0.93	0.20	0.22
XIX.	Book value per share* (in PLN/EUR)	40.79	40.12	9.84	9.81
XX.	Diluted book value per share* (in PLN/EUR)	40.50	39.89	9.77	9.76
XXI.	Declared or paid out dividend per share (in PLN/EUR)	0.93	56.41	0.21	13.06

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

Weighted average number of shares:
- for Q1-Q4 2013 (January-December): 14 235 425;
- for Q1-Q4 2012 (January-December): 14 503 689;

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

1 Items in the statement of profit and loss and statement of cash flows were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q4 2013 was EURPLN 4.2110 and for Q1-Q4 2012: EURPLN 4.1736.

2 Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 December 2013: EURPLN 4.1472; as at 31 December 2012: EURPLN 4.0882.

3 Dividend paid out was translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 26 June 2013 was EURPLN 4.3348 and as at 14 June 2012 EURPLN 4.3207.

(amounts in PLN 000's, unless otherwise stated)

8.2 Condensed separate statement of financial position

	31 Dec 2013	30 Sep 2013	31 Dec 2012	30 Sep 2012
Non-current assets	**321 401**	**285 955**	**286 019**	**274 495**
Property, plant and equipment	51 167	15 369	14 373	2 153
Investment property	-	-	-	-
Intangible assets	3 582	3 870	4 693	4 965
Financial assets	266 493	266 393	266 022	266 074
Non-current receivables	56	226	757	927
Deferred income tax assets	99	97	114	176
Other non-current prepayments	4	-	60	200
Current assets	**262 616**	**296 707**	**299 028**	**306 829**
Inventory	-	-	20	35
Current receivables	11 337	2 262	3 124	4 331
Income tax receivables	-	-	-	-
Short-term securities	152 131	174 815	193 408	198 592
Prepayments	84	319	676	678
Cash and cash equivalents	89 555	107 598	73 300	81 693
Other financial assets	6 497	11 713	28 500	21 500
Assets classified as 'held for sale'	3 012	-	-	-
Total assets	**584 017**	**582 662**	**585 047**	**581 324**
Equity	**580 702**	**579 233**	**581 897**	**578 785**
Share capital	15 115	15 115	15 115	15 115
Share premium	549 559	549 559	549 559	50 559
Supplementary capital	2 526	2 526	2 526	2 526
Management options provision	3 145	3 145	3 145	3 144
Reserve capital	63 200	63 200	62 979	62 979
Buy-back provision	-	-	-	499 000
Own shares	(65 020)	(65 020)	(65 020)	(65 020)
Retained earnings	12 177	10 708	13 593	10 482
Equity attributable to owners of the parent	**580 702**	**579 233**	**581 897**	**578 785**
Non-controlling interests	-	-	-	-
Total non-current liabilities	**656**	**729**	**813**	**654**
Credits, loans and debt instruments	-	-	-	-
Non-current liabilities	15	15	-	-
Provisions	21	29	29	19
Deferred income tax provision	620	685	784	635
Total current liabilities	**2 659**	**2 700**	**2 337**	**1 885**
Credits, loans and debt instruments	-	-	-	-
Current liabilities	1 534	1 666	1 154	741
Income tax liabilities	199	118	725	341
Provisions	909	901	456	791
Deferred revenue	17	15	2	12
Total equity and liabilities	**584 017**	**582 662**	**585 047**	**581 324**

(amounts in PLN 000's, unless otherwise stated)

	31 Dec 2013	30 Sep 2013	31 Dec 2012	30 Sep 2012
Book value	580 702	579 233	581 897	578 785
Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
Diluted number of shares	14 338 143	14 445 608	14 578 832	14 564 312
Book value per share (in PLN)*	40.79	40.38	40.12	39.90
Diluted book value per share (in PLN)**	40.50	40.10	39.89	39.74

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

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

	Three months ended 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Revenue	1 399	6 396	2 577	12 155
Cost of sales	(1 171)	(6 414)	(2 599)	(11 192)
Profit from sales	**228**	**(18)**	**(22)**	**963**
Other operating revenue	34	972	120	2 351
Distribution costs	-	-	-	-
Administrative expenses	(860)	(3 803)	(720)	(9 128)
Other operating expenses	(108)	(772)	(71)	(2 519)
Operating profit	**(706)**	**(3 621)**	**(693)**	**(8 333)**
Finance income	2 533	17 450	4 519	23 748
Finance costs	(1)	(3)	(3)	(99)
Profit before tax	**1 826**	**13 826**	**3 823**	**15 316**
Income tax	(357)	(1 649)	(712)	(1 723)
- current	(423)	(1 798)	(500)	(1 152)
- deferred	66	149	(212)	(571)
Profit for the period	**1 469**	**12 177**	**3 111**	**13 593**
Profit for the period attributable to owners of the parent	1 469	12 177	3 111	13 593
Profit for the period attributable to non-controlling interests	-	-	-	-
Profit (loss) for the period (annualised)		12 177		13 593
Weighted average number of ordinary shares		14 235 425		14 503 689
Weighted average diluted number of ordinary shares*		14 338 143		14 578 832
Profit (loss) per ordinary share, annualised (in PLN)		0.86		0.94
Diluted profit (loss) per ordinary share, annualised* (in PLN)		0.85		0.93

* Weighted average diluted number of ordinary shares:
– for Q1-Q4 2013 (January-December): 14 338 143, 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-Q4 2012 (January-December): 14 578 832, 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 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Profit for the period	1 469	12 177	3 111	13 593
Other comprehensive income:	-	-	-	-
Comprehensive income for the period	**1 469**	**12 177**	**3 111**	**13 593**

(amounts in PLN 000's, unless otherwise stated)

8.4 Condensed separate statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 October 2013	**15 115**	**549 559**	**2 526**	**3 145**	**63 200**	**-**	**(65 020)**	**10 708**	**579 233**
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 October 2013, corrected	**15 115**	**549 559**	**2 526**	**3 145**	**63 200**	**-**	**(65 020)**	**10 708**	**579 233**
Comprehensive income for the three months ended 30 September 2013	-	-	-	-	-	-	-	1 469	1 469
Release of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	-	-
31 Dec 2013	**15 115**	**549 559**	**2 526**	**3 145**	**63 200**	**-**	**(65 020)**	**12 177**	**580 702**

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2013	**15 115**	**549 559**	**2 526**	**3 145**	**62 979**	**-**	**(65 020)**	**13 593**	**581 897**
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 January 2013, corrected	**15 115**	**549 559**	**2 526**	**3 145**	**62 979**	**-**	**(65 020)**	**13 593**	**581 897**
Comprehensive income for the 12 months ended 31 December 2013	-	-	-	-	-	-	-	12 177	12 177
Management options measurement	-	-	-	-	-	-	-	-	-
Prior-year profit distribution - transfer to equity	-	-	-	-	221	-	-	(221)	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	(13 372)	(13 372)
31 Dec 2013	**15 115**	**549 559**	**2 526**	**3 145**	**63 200**	**-**	**(65 020)**	**12 177**	**580 702**

(amounts in PLN 000's, unless otherwise stated)

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 October 2012	**15 115**	**50 559**	**2 526**	**3 145**	**62 979**	**499 000**	**(65 020)**	**10 482**	**578 785**
Changes in accounting standards and policies	-	-	-	-	-	-	-	-	-
1 October 2012, corrected	**15 115**	**50 559**	**2 526**	**3 145**	**62 979**	**499 000**	**(65 020)**	**10 482**	**578 785**
Comprehensive income for the three months ended 31 December 2012	-	-	-	-	-	-	-	3 111	3 111
Management options measurement	-	-	-	-	-	-	-	-	-
Prior-year profit distribution - transfer to equity	-	-	-	-	-	-	-	-	-
Creation of buy-back provision	-	-	-	-	-	-	-	-	-
Release of buy-back provision	-	499 000				(499 000)	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Dividend for shareholders from prior-year profit distribution	-	-	-	-	-	-	-	-	-
31 December 2012	**15 115**	**549 559**	**2 526**	**3 145**	**62 979**	**-**	**(65 020)**	**13 593**	**581 897**

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

(amounts in PLN 000's, unless otherwise stated)

8.5 Condensed separate statement of cash flows

	Three months ended 31 Dec 2013	Twelve months ended 31 Dec 2013	Three months ended 31 Dec 2012	Twelve months ended 31 Dec 2012
Profit (loss) for the period	**1 469**	**12 177**	**3 111**	**13 593**
Adjusted by:	**(10 294)**	**(21 594)**	**(1 415)**	**(15 715)**
Depreciation	424	1 706	352	1 658
Interest and shares of profit (dividend)	(1 889)	(14 599)	(3 396)	(17 648)
Income tax	357	1 649	712	1 723
Profit (loss) on investing activities	30	(694)	(54)	(1 968)
Change in provisions	-	445	(325)	(1 015)
Change in inventory	-	20	14	25
Change in receivables	(9 076)	(8 189)	898	18 520
Change in prepayments	232	663	130	1 321
Change in liabilities	(30)	(271)	370	(14 870)
Income tax paid	(342)	(2 324)	(116)	(3 461)
Net cash from operating activities	**(8 825)**	**(9 417)**	**1 696**	**(2 122)**
Inflows	**632 705**	**2 395 857**	**399 193**	**2 539 588**
Disposal of property, plant and equipment and intangible assets	547	2 042	570	11 227
Disposal of financial assets	614 847	2 353 328	398 100	2 478 984
Dividends received	-	5 774	-	7 880
Interest received	94	696	376	1 306
Repayment of borrowings	17 217	34 017	-	40 040
Other inflows	-	-	147	151
Outflows	**(641 923)**	**(2 356 812)**	**(409 284)**	**(1 637 887)**
Purchase of property, plant and equipment and intangible assets	(39 134)	(40 405)	(12 293)	(13 842)
Purchase of subsidiaries and associates	(421)	(471)	(50)	(50 200)
Purchase of financial assets	(590 368)	(2 303 923)	(389 941)	(1 532 805)
Borrowings granted	(12 000)	(12 013)	(7 000)	(41 040)
Expenditures on maintenance of investment properties	-	-	-	-
Other outflows	-	-	-	-
Net cash from investing activities	**(9 218)**	**39 045**	**(10 091)**	**901 701**
Inflows	-	-	-	-
Proceeds from loans and borrowings incurred	-	-	-	-
Issue of short-term debt instruments	-	-	-	-
Other inflows	-	-	-	-
Outflows	**-**	**(13 372)**	**-**	**(828 917)**
Repayment of borrowings	-	-	-	-
Buy-back of short-term debt instruments	-	-	-	-
Payment of finance lease liabilities	-	-	-	-
Interest and fees paid	-	-	-	-
Dividends paid	-	(13 372)	-	(817 671)
Purchase of own shares	-	-	-	(11 246)
Other outflows	-	-	-	-
Net cash flows from financing activities	**-**	**(13 372)**	**-**	**(828 917)**
Change in cash and cash equivalents	**(18 043)**	**16 255**	**(8 393)**	**70 662**
Exchange differences	-	-	-	-
Cash and cash equivalents at the beginning of period	**107 598**	**73 300**	**81 693**	**2 638**
Cash and cash equivalents at the end of period	**89 555**	**89 555**	**73 300**	**73 300**

(amounts in PLN 000's, unless otherwise stated)

Lublin, March 2014

Signatures of all Management Board members:

2014-03-03	Dariusz Kalinowski	President of the Management Board	.... Signature
2014-03-03	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2014-03-03	Elżbieta Świniarska	Economic Director	.... Signature