

Emperia Holding



CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER OF 2015

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

LUBLIN, FEBRUARY 2016

Emperia Group means:

Emperia
Holding

- being credible and prioritising shareholder interests



- customer-centric culture

- growth and openness



- working together

- effectiveness



- reliability and engagement

Being credible and prioritising shareholder interests

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

Customer-centric culture



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

Growth and openness



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

Working together



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

Reliability and engagement



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

Effectiveness



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

Welcome!

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1. Selected financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 31 Dec 2015	For the period from 1 Jan 2014 to 31 Dec 2014	For the period from 1 Jan 2015 to 31 Dec 2015	For the period from 1 Jan 2014 to 31 Dec 2014
I.	Net revenue from sale of products, goods and materials	2 094 727	1 978 010	500 664	472 620
II.	Operating profit (loss)	54 924	39 289	13 127	9 388
III.	Profit (loss) before tax	54 415	40 564	13 006	9 692
IV.	Profit (loss) for the period	48 320	30 501	11 549	7 288
V.	Net cash flows from operating activities	84 766	64 855	20 260	15 496
VI.	Net cash flows from investing activities	(33 851)	(77 030)	(8 091)	(18 405)
VII.	Net cash flows from financing activities	(61 555)	(68 543)	(14 712)	(16 377)
VIII.	Total net cash flows	(10 640)	(80 718)	(2 543)	(19 287)
IX.	Total assets	1 014 026	952 228	237 950	223 407
X.	Liabilities and liability provisions	419 156	345 229	98 359	80 996
XI.	Non-current liabilities	22 684	26 220	5 323	6 152
XII.	Current liabilities	396 472	319 009	93 036	74 844
XIII.	Equity	594 870	606 999	139 592	142 411
XIV.	Share capital	13 235	15 180	3 106	3 561
XV.	Number of shares	13 240 268	15 179 589	13 240 268	15 179 589
XVI.	Weighted average number of shares	12 506 772	13 440 114	12 506 772	13 440 114
XVII.	Profit (loss) per ordinary share* (in PLN/EUR)	3.86	2.27	0.92	0.54
XVIII.	Diluted profit (loss) per ordinary share** (in PLN/EUR)	3.86	2.27	0.92	0.54
XIX.	Book value per share* (in PLN/EUR)	47.56	45.16	11.16	10.60
XX.	Diluted book value per share** (in PLN/EUR)	47.56	45.08	11.16	10.58
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

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

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

Weighted average number of shares:

- for Q1-Q4 2015 (January-December): 12 506 772

- for Q1-Q4 2014 (January-December): 13 440 114

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

- 1 Items in the statement of profit and loss and statement of cash flows are translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q4 2015 was EURPLN 4.1839 and for Q1-Q4 2014: EURPLN 4.1852.
- 2 Balance sheet items and book value / diluted book value are translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 December 2015: EURPLN 4.2615; as at 31 December 2014: EURPLN 4.2623.
- 3 Dividend paid out is translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 19 June 2015 was EURPLN 4.1715 and as at 30 June 2014 EURPLN 4.1609.

2. Condensed consolidated statement of financial position

	31 Dec 2015	30 Sep 2015	31 Dec 2014	30 Sep 2014
Non-current assets	620 652	604 794	579 119	594 491
Property, plant and equipment	522 805	509 131	495 910	509 630
Investment properties	-	-	-	-
Intangible assets	4 635	2 929	3 487	3 664
Goodwill	52 044	52 044	52 044	52 044
Interests in equity-accounted entities	-	-	-	-
Financial assets	37	37	92	92
Non-current loans	1 615	420	-	-
Non-current receivables	6 466	6 130	5 206	4 820
Deferred income tax assets	19 677	20 072	18 272	19 732
Other non-current prepayments	13 373	14 031	4 108	4 509
Non-current assets classified as held-for-sale	-	-	-	-
Current assets	393 374	327 001	373 109	342 129
Inventories	198 590	175 504	165 104	175 698
Receivables	70 859	56 764	45 254	58 465
Income tax receivables	1 318	-	1 218	-
Short-term securities	11 138	11 004	30 764	35 252
Prepayments	5 854	8 059	4 041	5 781
Cash and cash equivalents	103 795	75 260	114 435	66 933
Other financial assets	1 820	410	-	-
Current assets classified as held-for-sale	-	-	12 293	-
Total assets	1 014 026	931 795	952 228	936 620
Equity	594 870	590 332	606 999	614 887
Share capital	13 235	13 235	15 180	15 180
Share premium	471 424	471 424	551 988	551 988
Supplementary capital	97 558	97 558	100 084	100 084
Management options provision	2 588	2 472	5 206	4 115
Reserve capital	47 661	47 661	110 593	110 593
Buy-back provision	-	-	-	-
Own shares	(57 487)	(50 866)	(164 553)	(143 956)
Retained earnings	19 891	8 848	(11 499)	(23 117)
Total equity attributable to owners of the parent	594 870	590 332	606 999	614 887
Non-controlling interests	-	-	-	-
Total non-current liabilities	22 684	23 860	26 220	28 660
Credit facilities, loans and debt instruments	1 658	1 942	2 647	2 922
Non-current liabilities	3 357	3 084	1 050	910
Provisions	14 600	15 814	19 842	21 839
Deferred income tax provision	3 069	3 020	2 681	2 989
Total current liabilities	396 472	317 603	319 009	293 073
Credit facilities, loans and debt instruments	988	980	903	897
Current liabilities	367 242	290 710	293 901	266 348
Income tax liabilities	449	511	3 152	2 548
Provisions	19 087	17 950	15 551	17 163
Deferred revenue	8 706	7 452	5 502	6 117
Liabilities assigned to assets classified as held-for-sale	-	-	-	-
Total equity and liabilities	1 014 026	931 795	952 228	936 620

	31 Dec 2015	30 Sep 2015	31 Dec 2014	30 Sep 2014
Book value	594 870	590 332	606 999	614 887
Number of shares	13 240 268	13 235 495	15 179 589	15 179 589
Weighted average number of shares	12 506 772	12 571 219	13 440 114	13 620 284
Diluted number of shares	12 508 001	12 575 404	13 465 487	13 669 412
Book value per share (in PLN)*	47.56	46.96	45.16	45.14
Diluted book value per share (in PLN)**	47.56	46.94	45.08	44.98

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

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

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

	Three months ended 31 Dec 2015	12 months ended 31 Dec 2015	Three months ended 31 Dec 2014	12 months ended 31 Dec 2014
Revenue from sales	592 795	2 094 727	512 000	1 978 010
Cost of sales	(428 672)	(1 499 773)	(366 935)	(1 415 711)
Profit on sales	164 123	594 954	145 065	562 299
Other operating revenue	2 684	16 157	5 299	9 611
Selling costs	(130 704)	(477 095)	(113 460)	(450 195)
Administrative expenses	(20 030)	(69 751)	(17 928)	(71 925)
Other operating expenses	(3 715)	(9 341)	(4 303)	(10 501)
Operating profit	12 358	54 924	14 673	39 289
Finance income	376	1 476	743	2 716
Finance costs	(465)	(1 985)	(394)	(1 441)
Profit before tax	12 269	54 415	15 022	40 564
Income tax	(1 206)	(6 095)	(1 995)	(10 063)
- current	(1 752)	(7 106)	(1 814)	(7 805)
- deferred	546	1 011	(181)	(2 258)
Share of the profit of equity-accounted entities	-	-	-	-
Profit for the period	11 063	48 320	13 027	30 501
Profit for the period attributable to owners of the parent	11 063	48 320	13 027	30 501
Profit for the period attributable to non-controlling interests	-	-	-	-

Earnings per share	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Profit (loss) for the period, including:	48 320	30 501
Weighted average number of ordinary shares	12 506 772	13 440 114
Weighted average diluted number of ordinary shares*	12 508 001	13 465 487
Profit (loss) per ordinary share (in PLN)	3.86	2.27
Diluted profit (loss) per ordinary share (in PLN)*	3.86	2.27

* Weighted average diluted number of ordinary shares:

– for Q1-Q4 2015 (January-December): 12 508 001, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

- for 2014 (January-December): 13 465 487, 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 2015	12 months ended 31 Dec 2015	Three months ended 31 Dec 2014	12 months ended 31 Dec 2014
Profit for the period	11 063	48 320	13 027	30 501
Other comprehensive income	(22)	(22)	-	(107)
Comprehensive income for the period	11 041	48 298	13 027	30 394
Comprehensive income attributable to shareholders of the parent	11 041	48 298	13 027	30 394
Comprehensive income attributable to non-controlling interests	-	-	-	-

4. Condensed consolidated statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Oct 2015	13 235	471 424	97 558	2 472	47 661	(50 866)	8 848	590 332
Correction of fundamental errors 2014	-	-	-	-	-	-	-	-
1 Oct 2015, adjusted	13 235	471 424	97 558	2 472	47 661	(50 866)	8 848	590 332
Comprehensive income for the three-month period ended 31 Dec 2015	-	-	-	-	-	-	11 043	11 043
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2014 profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Bond issuance - incentive scheme	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	-	-	-	116	-	-	-	116
Purchase of own shares	-	-	-	-	-	(6 622)	-	(6 622)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2014 profit	-	-	-	-	-	-	-	-
31 Dec 2015	13 235	471 424	97 558	2 588	47 661	(57 487)	19 891	594 870

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2015	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999
Correction of fundamental errors 2014	-	-	-	-	-	-	-	-
1 Jan 2015, adjusted	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999
Comprehensive income for the 12 months ended 31 Dec 2015	-	-	-	-	-	-	48 298	48 298
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	(44)	(44)
2014 profit distribution - transfer to equity	-	-	-	-	337	-	(337)	-
Bond issuance - incentive scheme	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	87	3 708	-	(2 618)	-	-	-	1 177
Purchase of own shares	-	-	-	-	-	(45 033)	-	(45 033)
Redemption of own shares	(2 032)	(84 273)	(2 526)	-	(63 268)	152 099	-	-
Dividend from 2014 profit	-	-	-	-	-	-	(16 528)	(16 528)
31 Dec 2015	13 235	471 424	97 558	2 588	47 661	(57 487)	19 891	594 870

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Oct 2014	15 180	551 988	100 084	4 115	110 593	(143 956)	(23 117)	614 887
Correction of 2013 error	-	-	-	-	-	-	(1 301)	(1 301)
1 Oct 2014, adjusted	15 180	551 988	100 084	4 115	110 593	(143 956)	(24 418)	613 586
Comprehensive income for the three-month period ended 31 Dec 2014	-	-	-	-	-	-	13 027	13 027
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2013 profit distribution - transfer to equity	-	-	-	-	-	-	(107)	(107)
Equity-settled employee considerations	-	-	-	-	-	-	-	-
Bond issuance - incentive scheme	-	-	-	1 091	-	-	-	1 091
Share issuance - incentive scheme	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(20 597)	-	(20 597)
Redemption of own shares	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	-	-
31 Dec 2014	15 180	551 988	100 084	5 206	110 593	(164 553)	(11 499)	606 999

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

5. Condensed consolidated statement of cash flows

Operating activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Profit (loss) for the period	48 321	30 501
Adjusted by:	36 445	34 354
Share of the net profit (loss) of equity-accounted entities	-	-
Depreciation / amortisation	44 503	44 020
(Profit) loss on exchange differences	13	130
Interest and shares of profit (dividends)	(105)	380
Income tax	6 095	10 063
Profit (loss) on investing activities	(9 590)	(3 407)
Change in provisions	(1 735)	(17 804)
Change in inventories	(33 486)	12 245
Change in receivables	(24 718)	55 925
Change in prepayments	(7 872)	968
Change in liabilities	73 245	(67 162)
Other adjustments	5	5 693
Income tax paid	(9 910)	(6 697)
Net cash from operating activities	84 766	64 855

Investing activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Inflows	42 136	22 042
Disposal of property, plant and equipment and intangible assets	15 144	16 986
Disposal of financial assets	26 968	5 056
Disposal of interests in subsidiaries	-	-
Dividends received	-	-
Interest received	19	-
Repayment of loans issued	5	-
Cash of entities acquired, at acquisition date	-	-
Other inflows	-	-
Outflows	(75 987)	(99 072)
Purchase of property, plant and equipment and intangible assets	(65 547)	(63 976)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	(7 000)	(35 096)
Borrowings granted	(3 440)	-
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	(33 851)	(77 030)

Financing activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Inflows	1 178	2 692
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	0	1
Proceeds from equity issuance	1 178	2 691
Other inflows	-	-
Outflows	(62 733)	(71 235)
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	0	(1)
Payment of finance lease liabilities	(917)	(838)
Interest and fees paid	(255)	(383)
Dividends paid	(16 528)	(12 109)
Purchase of own shares	(45 033)	(57 904)
Other outflows	-	-
Net cash from financing activities	(61 555)	(68 543)

Change in cash and cash equivalents	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Change in cash and cash equivalents	(10 640)	(80 718)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	114 435	195 153
Cash and cash equivalents at the end of period	103 795	114 435

6. Additional information

6.1 Description of Group structure

Name, registered office and economic activities of the parent entity

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

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

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

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

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

The consolidated financial statements are prepared for the period from 1 January 2015 to 31 December 2015, and the comparative financial data covers the period from 1 January 2014 to 31 December 2014. The consolidated financial statements do not contain combined data, and the companies do not have integral organisational entities that draft financial statements on their own.

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

Information on consolidation

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

As at 31 December 2015, consolidation includes Emperia Holding S.A. and nine subsidiaries: Stokrotka Sp. z o.o., Infinite Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., EMP Investment Limited, Ekon Sp. z o.o., IPOPEMA 55 FIZAN, Elpro Development S.A., Eldorado Sp. z o.o., P5 EKON Sp. z o.o. S.K.A.

During the four quarters of 2015, Emperia Group's structure was subject to changes (compared with the 2014 year-end). Subsidiaries EKON Sp. z o.o. and P2 EKON Sp. z o.o. SKA were merged on 7 July 2015.

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

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

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

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 2015

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

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

6.2 Description of key accounting principles

6.2.1 Basis for preparing consolidated financial statements

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

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

6.2.2 Statement of compliance

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

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

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

6.2.3 Segment reporting

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

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

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

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

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

6.2.4 Functional currency

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

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

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

6.2.5 Discontinued operations

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

6.2.6 Accounting policy applied to these consolidated financial statements

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

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

6.2.7 Changes in adopted accounting principles

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

6.2.8 Application of standards and interpretations effective from 1 January 2015

The interim consolidated financial statements and interim separate financial statements for the fourth quarter of 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) effective as of the reporting date, i.e. 31 December 2015, with the application of the same accounting principles to all periods.

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

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

6.2.9 Accounting estimates

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

events such as are presently justified and rational. In certain significant issues, the management uses independent experts' opinions. However, these may contain a margin of error, and the actual results may differ from estimates.

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

6.2.10 Correction of errors

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

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

6.2.11 Mergers, share purchases or disposals, capital increases

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

On 18 December 2015, the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, registered an increase of the Company's share capital from PLN 270 000 to PLN 320 000, i.e. by PLN 50 000, through the issue of 500 new shares with nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for PLN 50 000 in cash.

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

On 18 December 2015, the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, registered an increase of the Company's share capital from PLN 407 600 to PLN 457 600, i.e. by PLN 50 000, through the issue of 500 new shares with nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for PLN 50 000 in cash.

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

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

On 14 January 2016, the Issuer introduced to stock-market trading 4 773 ordinary bearer shares series P, with nominal value of PLN 1 each.

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

From 14 January 2016, the Issuer's share capital amounts to PLN 13 240 268 and is divided into 13 240 268 ordinary bearer shares, with nominal value of PLN 1 each. The total number of voting rights carried by all of the Issuer's outstanding shares is 13 240 268.

7. Notes to the financial statements

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

The management positively views the Group's results in the fourth quarter and in all of 2015.

All business segments delivered satisfactory results in 2015, in line with management expectations, and achieved their growth plans. The dynamically developing retail segment deserves particular attention, with record 80 new Stokrotka stores opened.

Revenue from sales in the fourth quarter of 2015 was up 15.8% from the same period last year, while revenue for Q1-Q4 2015 was up by 5.9% on a year-to-year basis. Revenue growth largely resulted from stronger sales in the retail segment.

For the fourth quarter of 2015, profit was PLN 11 063 000, compared with PLN 13 027 000 in the same period last year, denoting 15.1% growth. Net profit in 2015 was PLN 48 320 000, compared with PLN 30 501 000 in 2014, up 58.4% y/y.

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

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

- in Q4 2015, the Group generated PLN 89 000 in gross loss on financing activities, compared with gross profit of PLN 349 000 in Q4 2014. Cumulatively for Q1-Q4 2015 the Group posted a PLN 509 000 gross loss on financing activities, versus PLN 1 275 000 gross profit for Q1-Q4 2014,
- in Q4 2015, the Group generated PLN 224 000 in gross profit on property disposals, compared with PLN 3 827 000 in Q4 2014. Cumulatively for Q1-Q4 2015 the Group posted a PLN 8 189 000 gross profit on property disposals, versus PLN 5 002 000 in gross profit for Q1-Q4 2014,
- in Q4 2015, the retail segment did not incur any one-off expenses connected with store closures, compared with PLN 8 000 in Q4 2014. In Q1-Q4 2015, the retail segment incurred PLN 1 429 000 in one-off store closure costs, versus PLN 2 411 000 in Q1-Q4 2014,
- in Q4 2015, the retail segment incurred PLN 1 331 000 in costs connected with contractual penalties and compensation, versus PLN 220 000 in Q4 2014. In Q1-Q4 2015, these costs amounted to PLN 3 519 000, versus PLN 1 232 000 in Q1-Q4 2014,
- costs connected with launching new stores in Q4 2015 came to PLN 1 796 000 (16 own stores opened), versus PLN 750 000 in Q4 2014 (7 own stores opened), costs connected with launching new stores in FY2015 came to PLN 6 032 000 (53 own stores opened), versus PLN 1 798 000 in FY2014 (13 own stores opened),
- in 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset,
- in 2014, Emperia Holding was awarded PLN 1 634 000 in a court dispute with Ernst & Young Sp. z o.o.
- in 2014, the retail segment incurred costs connected with the merger of retail companies (Maro-Markety Sp. z o.o., Społem Tychy S.A. and Pilawa Sp. z o.o.) of PLN 1 033 000,
- in 2014, the retail segment recognised a PLN 800 000 provision for renovation of freezers,
- in 2014, the property segment executed free-of-charge transfer of land and infrastructure worth PLN 1 378 000.

Changes in key items from the statement of profit and loss

Item	Q4 2015	Q4 2014	%
Revenue from sales	592 795	512 000	15.8%
Profit on sales	164 123	145 065	13.1%
EBITDA	23 853	23 418	1.9%
Operating profit	12 358	14 673	-15.8%
Profit before tax	12 269	15 022	-18.3%
Profit for the period	11 063	13 027	-15.1%

Item	Q1-Q4 2015	2014	%
Revenue from sales	2 094 727	1 978 010	5.9%
Profit on sales	594 954	562 299	5.8%
EBITDA	99 427	83 309	19.3%
Operating profit	54 924	39 289	39.8%
Profit before tax	54 415	40 564	34.1%
Profit for the period	48 320	30 501	58.4%
Earnings per share for the period (in PLN)*	3,86	2,27	70.0%

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

Changes in key balance sheet items

Item	Q4 2015	2014	%
Total assets	1 014 026	952 228	6.5%
Non-current assets	620 652	579 119	7.2%
Current assets	393 374	373 109	5.4%
Cash and cash equivalents	103 795	114 435	-9.3%
Liabilities and liability provisions	419 156	345 229	21.4%
Total current liabilities	396 472	319 009	24.3%
Net assets	594 870	606 999	-2.0%
Share capital (in PLN)	13 235 495	15 179 589	-12.8%

Operational performance and ability to meet liabilities

Item	Q1-Q4 2015	2014
Return on invested capital <i>(profit for the period / equity at the end of the period) in %</i>	8.12%	5.02%
Return on assets <i>(profit for the period / assets at the end of the period) in %</i>	4.77%	3.20%
Sales margin <i>(profit from sales for the period / revenue from sales for the period) in %</i>	28.40%	28.43%
EBITDA margin <i>(EBITDA / revenue from sales for the period) in %</i>	4.75%	4.21%
Operating margin <i>(operating profit for the period / revenue from sales for the period) in %</i>	2.62%	1.99%
Gross margin <i>(profit before tax for the period / revenue from sales for the period) in %</i>	2.60%	2.05%
Net margin <i>(profit for the period / revenue from sales for the period) in %</i>	2.31%	1.54%

Turnover cycles for key components of working capital

Methodology	Q1-Q4 2015	2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*365)</i>	49	43
Receivables turnover days <i>(current receivables / revenue from sales*365)</i>	12	8
Payables turnover days <i>([current liabilities - current borrowings] / value of goods for resale and materials sold*365)</i>	98	83
Asset productivity <i>(revenue from sales / total assets)</i>	2.1	2.1
Non-current asset productivity <i>(revenue from sales / non-current assets)</i>	3.4	3.4

In 2015, inventory turnover ratio increased by 6 days, receivables turnover by 4 days, while payables turnover increased by 15 days. Changes in the above turnover ratios resulted in an extension of the cash conversion cycle in 2015 by 5 days, but had no effect on asset turnover.

Retail segment



	Q4 2015	Q4 2014	%
Segment revenue	581 540	501 039	16.07%
Profit on sales	159 260	140 210	13.59%
EBITDA	12 163	7 972	52.57%
Operating result	3 587	(133)	-
Gross profit	2 695	(1 733)	-
Net segment result	3 088	(1 750)	-

	Q1-Q4 2015	2014	%
Segment revenue	2 047 290	1 934 007	5.86%
Profit on sales	576 667	543 984	6.01%
EBITDA	42 897	28 950	48.18%
Operating result	10 078	(2 587)	-
Gross profit	7 032	(8 115)	-
Net segment result	6 932	(10 900)	-

Retail-segment revenue in Q4 2015 was up 16.07%, and up 5.86% in FY2015. The revenue growth resulted largely from having a larger number of retail sites launched in 2015 (29 new stores in Q4 2015, 80 in 2014), as well as revenue growth in previously opened stores.

The retail segment's net profit came to PLN 3 088 000 in Q4 2015, compared with a net loss of PLN 1 750 000 in Q4 2014. During 2015, the retail segment generated PLN 6 932 000 in net profit, compared with PLN 10 900 000 net loss in the comparative period.

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

- in Q4 2015, the retail segment did not incur any one-off expenses connected with store closures, compared with PLN 8 000 in Q4 2014. In Q1-Q4 2015, the retail segment incurred PLN 1 429 000 in one-off store closure costs, versus PLN 2 411 000 in Q1-Q4 2014,
- in Q4 2015, the retail segment incurred PLN 1 331 000 in costs connected with contractual penalties and compensation, versus PLN 220 000 in Q4 2014. In Q1-Q4 2015, these costs amounted to PLN 3 519 000, versus PLN 1 232 000 in Q1-Q4 2014,
- costs connected with launching new stores in Q4 2015 came to PLN 1 796 000 (16 own stores opened), versus PLN 750 000 in Q4 2014 (7 own stores opened), costs connected with launching new stores in FY2015 came to PLN 6 032 000 (53 own stores opened), versus PLN 1 798 000 in FY2014 (13 own stores opened),
- In 2014, the retail segment released a PLN 6 371 000 provision for onerous contracts (Delima stores) and a PLN 1 211 000 deferred income tax asset,
- In 2014, the retail segment incurred costs connected with the merger of retail companies (Maro-Market Sp. z o.o., Społem Tychy S.A. and Pilawa Sp. z o.o.) of PLN 1 033 000,
- In 2014, the retail segment recognised a PLN 800 000 provision for renovation of freezers,

In Q4 2014, Stokrotka Sp. z o.o. continued aimed at optimising its in-house logistics system. Logistics performance is improving from quarter to quarter.

Key information on logistics performance at Stokrotka Sp. z o.o.:

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014 */	Q1 2015	Q2 2015	Q3 2015	Q4 2015 **/
Total Stokrotka store deliveries during the period	352 878	406 919	374 197	388 154	386 554	403 626	371 832	381 262	403 303	472 686
Stokrotka store deliveries using in-house logistics during the period	165 010	276 759	296 490	326 974	321 745	332 915	311 708	313 165	333 511	393 082
% of Stokrotka store supply going through in-house logistics (supply of Stokrotka stores with products through in-house logistics / overall product supply for Stokrotka stores)	46.76%	68.01%	79.23%	84.24%	83.23%	82.48%	83.83%	82.14%	82.69%	83.16%
Total value of products delivered to the Group's store via in-house logistics	166 710	282 381	300 932	328 409	324 328	337 082	317 019	320 902	344 949	409 756
Logistics costs* **	15 219	20 384	19 411	20 296	20 550	23 640	21 621	22 527	23 996	25 582
Logistics revenue	3	35	119	236	420	1 978	2 559	3 752	3 924	3 808
Net logistics costs	15 216	20 349	19 292	20 060	20 130	21 662	19 062	18 775	20 072	21 774
including: - cost of warehouse maintenance	1 983	2 363	2 293	2 601	2 545	2 626	2 726	2 657	2 611	2 668
- cost of product handling logistics	6 104	8 057	8 128	8 726	8 493	9 818	8 084	7 778	8 373	9 323
- cost of transport	6 820	9 544	8 687	8 555	8 886	9 011	8 086	8 145	8 921	9 699
- general costs	309	385	184	178	206	208	166	195	167	84
Logistics cost ratio (logistics costs / value of products delivered by in-house logistics)	9.13%	7.21%	6.41%	6.11%	6.21%	6.43%	6.01%	5.85%	5.82%	5.31%
Revenue from sales	473 018	470 774	468 347	489 368	473 248	500 409	471 718	484 261	508 081	580 876
Cost of sales	356 732	350 568	336 406	349 114	343 674	360 829	337 017	344 306	367 021	422 278
Gross sales margin	116 286	120 206	131 941	140 254	129 574	139 580	134 701	139 955	141 060	158 598
Gross sales margin (in %) (result on sales / revenue from sales)	24.58%	25.53%	28.17%	28.66%	27.38%	27.89%	28.56%	28.90%	27.76%	27.30%

*/ without taking into consideration one-off logistics costs incurred in Q4 2014 (PLN 1 800 000).

**/ reallocation of annual inventory costs for 2015 (increase in logistics costs by PLN 1 686 000)



Logistics cost ratio increased by 5.31% in Q4 2015 and was down 1.12% from the fourth quarter last year.

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

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

Gross sales margin from the moment implementation of in-house logistics began significantly improved, reaching 27.30% in Q4 2015.

Cash conversion cycle in the retail segment

	Q4 2015	Q4 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*92)</i>	43.1	42.0
Receivables turnover days <i>(trade receivables / revenue from sales*92)</i>	5.8	4.1
Payables turnover days <i>(trade payables / value of goods for resale and materials sold*92)</i>	69.7	63.4
Cash conversion cycle <i>(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)</i>	-20.8	-17.2

In the fourth quarter of 2015, inventory turnover ratio decreased by 1.1 days, receivables turnover by 1.7 days, while payables turnover increased by 6.3 days. Thanks to these changes, the retail segment's cash conversion cycle lengthened by 3.5 days.

Stokrotka retail chain



	2015	2014
Number of stores at the beginning of period	252	211
- stores opened	80	16
- stores shut-down*/	5	11
- stores acquired by Stokrotka through the merger of retail companies		36
Number of stores at the end of period, including:	327	252
- own supermarkets	241	221
- own markets	56	28
- franchise stores	30	3
Average total store surface - stores opened (in sqm)	476	577
Capex on own stores opened	36 507	12 040

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

As at the end of Q4 2015, the Stokrotka retail segment comprised 327 retail stores, vs. 252 at the end of 2014. 29 stores were opened in Q4 2015 (16 own stores and 13 franchise stores), and 1 own store was shut-down. In 2015, Stokrotka opened 80 stores (53 own stores and 27 franchise stores), and closed 5 stores.

The management plans to maintain the Stokrotka chain's rapid expansion and expects to add 100 new stores in 2016: 20 supermarkets, 30 markets and 50 franchise stores.

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

	Q1-Q4 2015	2014
Revenue from product sales	1 746.2	1 808.3
Store operating costs	401.1	419.3
<i>Operating costs as % of revenue</i>	<i>23.0%</i>	<i>23.2%</i>
EBITDA	115.4	91.2
<i>% EBITDA</i>	<i>6.6%</i>	<i>5.0%</i>

Data - 232 Stokrotka stores operating at the end of 2013

Stokrotka headquarters

	Q1-Q4 2015	2014
<i>central management costs as % of revenue from sales</i>	<i>2.2%</i>	<i>2.4%</i>
<i>marketing costs as % of revenue from sales</i>	<i>1.0%</i>	<i>1.1%</i>

Property segment



	Q4 2015	Q4 2014	%
Segment revenue	17 392	18 051	-3.65%
EBITDA	10 454	12 773	-18.16%
Operating result	7 510	9 727	-22.79%
Gross profit	10 251	15 882	-35.45%
Net segment result	9 061	14 794	-38.75%

	Q1-Q4 2015	2014	%
Segment revenue	70 989	70 723	0.38%
EBITDA	49 936	43 861	13.85%
Operating result	38 071	31 701	20.09%
Gross profit	39 938	37 295	7.09%
Net segment result	35 633	32 888	8.35%



In the fourth quarter of 2015, the property segment showed 3.65% decline in revenue from sales, and 0.38% growth in FY2015.

The segment's net result in Q4 2015 came to PLN 9 061 000 and was 38.75% lower than in the comparative period, while in FY2015 it was PLN 35 633 000, i.e. 8.35% higher than in the same period last year. The segment's results in 2015 and 2014 were significantly impacted by property disposal transactions. In Q4 2015, the Group generated PLN 224 000 in gross profit on property disposals, compared with PLN 3 827 000 in Q4 2014. Cumulatively for Q1-Q4 2015 the Group posted a PLN 8 189 000 gross profit on property disposals, versus PLN 5 002 000 in gross profit for Q1-Q4 2014. Furthermore in 2014, the property segment executed free-of-charge transfer of land and infrastructure worth PLN 1 378 000.

	2015	2014
Number of properties at the end of period	91	92
including: properties in progress	5	7
operating properties	86	85
including: retail properties	80	79
other properties	6	6
average monthly net operating income from leasable facilities*	3 544	3 567
including: retail properties	3 236	3 282
leasable area of retail facilities (sqm)	87 030	91 497
including: related tenants	54 293	56 026
other tenants	32 736	35 471
average lease rate (PLN per sqm)	41.9	42.0
including: related tenants	43.4	43.2
other tenants	39.4	40.0

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

IT segment

infinite
IT Solutions



	Q4 2015	Q4 2014	%
Segment revenue	9 906	8 286	19.55%
EBITDA	1 925	3 170	-39.27%
Operating result	1 669	2 879	-42.04%
Gross profit	1 740	2 998	-41.97%
Net segment result	1 387	2 418	-42.63%

	Q1-Q4 2015	2014	%
Segment revenue	38 112	34 940	9.08%
EBITDA	8 981	12 309	-27.04%
Operating result	8 000	11 144	-28.21%
Gross profit	8 321	11 558	-28.01%
Net segment result	6 680	9 329	-28.40%

	Q4 2015	Q4 2014	%
Revenue from sale of services	7 597	7 204	5.46%
<i>including: external</i>	<i>5 501</i>	<i>4 951</i>	<i>11.11%</i>
Revenue from sale of goods and materials	2 309	1 081	113.60%
<i>including: external</i>	<i>300</i>	<i>135</i>	<i>122.22%</i>
Total revenue	9 906	8 285	19.57%
<i>including: external</i>	<i>5 801</i>	<i>5 086</i>	<i>14.06%</i>

	Q1-Q4 2015	2014	%
Revenue from sale of services	28 183	27 415	2.80%
<i>including: external</i>	<i>19 869</i>	<i>18 715</i>	<i>6.17%</i>
Revenue from sale of goods and materials	9 929	7 525	31.95%
<i>including: external</i>	<i>4 955</i>	<i>2 684</i>	<i>84.61%</i>
Total revenue	38 112	34 940	9.08%
<i>including: external</i>	<i>24 824</i>	<i>21 399</i>	<i>16.01%</i>

The IT segment's revenue from sales grew by 19.55% in Q4 2015 and 9.08% in FY 2015. This resulted from stronger product sales in 2015.

In the fourth quarter of 2015, the segment's revenue from external clients constituted 58.56% of total revenue from sales, compared with 61.39% in Q4 2014. In FY 2015, this was 65.13%, compared with 61.24% in 2014.

The segment's net profit for Q4 2015 was PLN 1 387 000, down 43.63% from the comparative period. The segment's net profit for FY2015 was PLN 6 680 000, down 28.40% from 2014. The decline in profit in 2015 was the effect of: a higher share of product sales in revenue, which is lower-margin, as well as growth in costs in 2015, resulting from product-development activities.

Central management segment

	Q4 2015	Q4 2014	%
Segment revenue	384	199	93.37%
EBITDA	(614)	(582)	-
Operating result	(684)	(785)	-
Gross profit	(24)	962	-
Net segment result	(59)	724	-

	Q1-Q4 2015	2014	%
Segment revenue	1 470	1 317	11.62%
EBITDA	(1 811)	(1 815)	-
Operating result	(2 319)	(2 846)	-
Gross profit	9 509	11 425	-16.77%
Net segment result	9 415	10 418	-9.63%

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

The key item in this segment's results - in both reporting periods - constituted dividend income and other income from cash flows. Dividend income in 2015 amounted to PLN 9 000 000, compared to PLN 7 566 000 in 2014. Cash-related income in 2015 amounted to PLN 2 828 000, compared to PLN 6 512 000 in 2014. In addition, the 2014 result was substantially impacted by the PLN 1 827 000 in amounts awarded in a court dispute with E&Y.

7.2 Revenue and profit by operating segment

In 2015, the Group operated through the following segments:

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

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

Emperia Group's operating segments in Q1-Q4 2015:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	2 047 290	70 989	1 470	38 112	63 134	2 094 727
External revenue	2 047 136	22 732	36	24 824		2 094 727
Inter-segment revenue	154	48 257	1 434	13 288	63 133	-
Total segment costs	(2 036 862)	(40 438)	(4 453)	(29 635)	(64 769)	(2 046 619)
Profit on sales	10 428	30 551	(2 983)	8 477	(1 635)	48 108
Result on other operating activities	(350)	7 520	664	(477)	541	6 816
Result on financing activities	(3 046)	1 867	11 828	321	11 479	(509)
Gross result	7 032	39 938	9 509	8 321	10 385	54 415
Tax	(100)	(4 305)	(94)	(1 641)	(45)	(6 095)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	6 932	35 633	9 415	6 680	10 340	48 320

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	522 149	1 251 304	453 682	19 755	1 232 864	1 014 026
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(52 678)	(12 899)	-	(1 408)	(1 438)	(65 547)
Depreciation / amortisation	(32 819)	(11 865)	(508)	(981)	(1 670)	(44 503)

Emperia Group's operating segments in 2014:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	1 934 007	70 723	1 317	34 940	62 977	1 978 010
External revenue	1 933 786	22 799	26	21 399	-	1 978 010
Inter-segment revenue	221	47 924	1 291	13 541	62 977	-
Total segment costs	(1 932 300)	(41 841)	(4 726)	(23 869)	(64 905)	(1 937 831)
Profit on sales	1 707	28 882	(3 409)	11 071	(1 928)	40 179
Result on other operating activities	(4 294)	2 819	563	73	51	(890)
Result on financing activities	(5 528)	5 594	14 271	414	13 476	1 275
Gross result	(8 115)	37 295	11 425	11 558	11 599	40 564
Tax	(2 785)	(4 407)	(1 007)	(2 229)	(365)	(10 063)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	(10 900)	32 888	10 418	9 329	11 234	30 501

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	421 649	1 262 174	555 118	22 036	1 308 749	952 228
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(51 525)	(12 026)	-	(1 193)	(768)	(63 976)
Depreciation / amortisation	(31 537)	(12 160)	(1 031)	(1 165)	(1 873)	(44 020)

7.3 Effects of changes in group structure

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

7.4 Management's position regarding previously published forecasts

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

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

Shareholders	Shares held, as at report publication date	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous period report was published	Number of votes at general meeting, as at report publication date	% of votes at general meeting at report publication date
Ipopema TFI	1 458 583	11.02%	-	1 458 583	11.02%	1 458 583	11.98%
Altus TFI	1 449 528	10.95%	-	1 449 528	10.95%	1 449 528	11.91%
AXA OFE	977 481	7.38%	-	977 481	7.39%	977 481	8.03%
Aviva OFE	834 991	6.31%	-	834 991	6.31%	834 991	6.86%
NN OFE	755 713	5.71%	-	755 713	5.71%	755 713	6.21%

At report publication date, Emperia Holding S.A. and subsidiary Elpro Development S.A. held a total of 1 068 904 shares in Emperia Holding S.A., entitling to 1 068 904 (8.073%) votes at the Issuer's general meeting and constituting 8.073% of the Issuer's share capital.

On 14 January 2016, the Issuer introduced to stock-market trading 4 773 ordinary bearer shares series P. Detailed information on this subject is presented in point 6.2.11.c)

7.6 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 31 December 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Dariusz Kalinowski	26 094	0.197%	-	26 094	0.197%
Cezary Baran	600	0.005%	-	600	0.005%

Supervisory Board members	Shares held, as at 31 December 2015	% in share capital	% change	Shares held, as at the date on which the previous periodic report was published	% in share capital as at the date on which the previous periodic report was published
Jarosław Wawerski	19 494	0.147%	-	19 494	0.147%
Artur Kawa	-	-	(100%)	6 447	0.049%

7.7 Information regarding on-going judicial proceedings

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

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

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

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

7.8 Significant related-party transactions

In Q4 2015, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the ordinary course of business on market terms.

All inter-group mergers in Q4 2015 are presented in point 6.2.11. Short-term bonds were issued as part of the Group's cash flow management, as described in note 7.14.5.

7.9 Credit facilities, loans, sureties and guarantees

In Q4 2015, the parent, Emperia, did not issue new credit sureties for subsidiaries such as would exceed 10% of the Issuer's equity. Information concerning guarantees may be found in note 7.14.7.

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

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

7.11 Extraordinary factors and events having an impact on annual financial performance

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

	Q4 2015	Q4 2014	Q1-Q4 2015	2014
Proceeds from disposal of properties	1 550	9 100	15 775	13 460
Costs of disposal of properties	(1 325)	(8 391)	(16 318)	(11 577)
reversal of consolidation adjustments	-	3 119	8 732	3 119
gross result	225	3 828	8 189	5 002
current tax	(43)	(135)	(83)	(358)
deferred tax	-	(16)	-	(16)
Net result	182	3 677	8 106	4 628

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

External:

- Domestic macroeconomic situation, as measured by indicators: GDP growth, unemployment rate, net household income, inflation/deflation
- Changes in tax laws
- Changes in the FMCG market
- Growth in prices of products and services used by the Group, in particular fuel and electricity

- e) Policies of financial institutions with regard to the financing of businesses and consumers (interest rates, loan margins, collateral)
- f) Conditions in the job market and costs of employment
- g) Conditions in the property market, in particular the development segment

Internal:

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

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

Management Board



Dariusz Kalinowski – President of the Management Board

- 13 years with Emperia Holding S.A.
- Graduated from the Economics Department at the University of Szczecin
- MBA from the European University Centre for Management Studies in Switzerland
- President of the Management Board, Stokrotka Sp. z o.o.



Cezary Baran – Vice-President of the Management Board

- 15 years with Emperia Holding S.A.
- Graduated from the Economics Department at the Maria Curie Skłodowska University in Lublin
- Investment adviser licence no. 241
- Member of the Management Board, Finance Director, Stokrotka Sp. z o.o.

In Q4 2015, the composition of the Management Board of Emperia Holding S.A. did not change.

Supervisory Board

Artur Kawa – Chairman of the Supervisory Board

- Co-founder of Emperia Holding S.A.
- Was President of the Management Board, Emperia Holding S.A. from founding to 2013
- Graduated from the Electrics Department at the Technical University in Lublin
- MBA from the University of Minnesota

Artur Laskowski – Member of the Supervisory Board

- Co-founder of BOS S.A. (acquired by Emperia Holding S.A.), long-term management board member of the Company

Michał Kowalczewski – Independent Member of the Supervisory Board

- PhD in economic sciences; graduate of Warsaw School of Economics (SGH) Finance and Statistics Department

Jarosław Wawerski – Member of the Supervisory Board

- Co-founder of Emperia Holding S.A.
- Graduated from the Electrics Department at the Technical University in Lublin
- Vice-President of the Management Board, Emperia Holding S.A. during 1995-2012

Aleksander Widera – Member of the Supervisory Board

- Higher education, graduate of the Finance and Banking faculty at the Warsaw School of Economics and post-graduate studies in management at the same university

The composition of Emperia Holding S.A.'s Supervisory Board did not change during Q4 2015.

7.14 Other significant information and events

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

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

7.14.2 Production seasonality and cyclicity

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

7.14.3 Type and amount of non-typical items having an impact on assets, liabilities, equity, net financial result or cash flows, such as are non-typical due to their type, value or impact

The event is described in point 7.11.

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

Employee benefit provisions	Change in 2015	Change in 2014
Non-current		
As at the beginning of period	796	1 159
<i>Increases / decreases during the period</i>	194	(363)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	990	796

Current		
As at the beginning of period	5 878	7 200
<i>Increases / decreases during the period</i>	3 536	(1 322)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	9 414	5 878

Other provisions	Change in 2015	Change in 2014
Non-current		
As at the beginning of period	19 046	30 432
<i>Increases / decreases during the period</i>	(5 436)	(11 386)
<i>Increases / decreases during the period as a result of acquisitions</i>	-	-
As at the end of period	13 610	19 046

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

7.14.5 Issue, redemption and repayment of debt and equity securities

Bonds issued

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

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

Issue and buy-back of bonds in 2015	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P5 EKON Sp. z o.o. S.K.A	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	33 500	-	33 500	-	-	-
<i>Issue of bonds</i>	368 460	-	301 460	-	-	67 000
<i>Buy-back of bonds</i>	(368 460)	-	(334 960)	-	-	(33 500)
As at the end of period	33 500	-	-	-	-	33 500

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

b) Stokrotka Sp. z o.o.

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

Issue and buy-back of bonds in 2015	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	100 000	-	100 000	-
<i>Issue of bonds</i>	584 845	-	524 845	60 000
<i>Buy-back of bonds</i>	(659 845)	-	(624 845)	(35 000)
As at the end of period	25 000	-	-	25 000

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

c) Elpro Development S.A.

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

Issue and buy-back of bonds in 2015	Total	External issuance	Emperia Holding S.A.	Elpro Ekon S.K.A.	P5 EKON Sp. z o.o. S.K.A.	P3 EKON Sp. z o.o. S.K.A.	Infinite Sp. z o.o.
As at the beginning of period	180 500	-	-	-	58 000	111 500	11 000
Issue of bonds	1 767 067	-	-	116 000	528 600	995 531	126 936
Buy-back of bonds	(1 808 067)	-	-	(88 000)	(527 600)	(1 061 531)	(130 936)
As at the end of period	139 500	-	-	28 000	59 000	45 500	7 000

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

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

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

A proposal to purchase bonds was submitted to Millennium Dom Maklerski S.A. In the course of 2014 and 2015, Emperia Holding S.A. bought back 156 654 series A and B bonds, as announced by the company via current reports.

Debt instrument liabilities as at 31 December 2015

Issuer	Series	Par value	Maturity date	As at 31 Dec 2015
Stokrotka Sp. z o.o.	0145*	25 000	2016-01-29	-
Elpro Ekon Sp. z o.o. S.K.A.	0166*	33 500	2016-01-29	-
Elpro Development S.A.	0043*	28 000	2016-03-25	-
Elpro Development S.A.	0043*	7 000	2016-03-25	-
Elpro Development S.A.	0043*	59 000	2016-03-25	-
Elpro Development S.A.	0043*	45 500	2016-03-25	-
All bond issuance by the Group				-
Other				-
Total debt instrument liabilities				-
short-term				-
Non-current				-

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

Debt liabilities as at 31 December 2014

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

short-term

Non-current

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

7.14.6 Paid and received dividends

Did not take place in Q4 2015.

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 FY 2015	Credit facilities	Bank guarantees	Security interests
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	15 000	-
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	15 000	-
Guarantees			
As at the beginning of period	-	47 500	23 246
<i>Increases during the period</i>	-	-	2 250
<i>Decreases during the period</i>	-	-	(15 850)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	47 500	9 646

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

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

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

	Change in 2015
Impairment of property, plant and equipment	
As at the beginning of period	8 864
<i>Recognition</i>	383
<i>Reversal</i>	(1 311)
<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period	7 936
Impairment of receivables	
As at the beginning of period	11 236
<i>Recognition</i>	1 956
<i>Reversal</i>	(1 479)
<i>Changes as a result of acquisitions / disposals</i>	-
<i>Derecognised from statement of profit and loss*</i>	(963)
As at the end of period	10 750
Impairment of inventories	
As at the beginning of period	15 774
<i>Recognition</i>	19 935
<i>Reversal</i>	(15 941)
<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period	19 768
including: Impairment losses on inventory control	
As at the beginning of period	4 754
<i>Recognition</i>	16 627
<i>Reversal</i>	(15 941)
<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period	5 440

including: Impairment losses on bonuses

As at the beginning of period		10 880
	<i>Recognition</i>	3 214
	<i>Reversal</i>	-
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		14 093

including: Impairment of slow-moving inventories

As at the beginning of period		141
	<i>Recognition</i>	94
	<i>Reversal</i>	-
	<i>Changes as a result of acquisitions / disposals</i>	-
As at the end of period		235

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

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

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

7.14.9 Recognition / reversal of cost restructuring provisions

Did not occur during the reporting period or comparative period.

7.14.10 Deferred income tax

Deferred income tax assets	Change in 2015	Change in FY 2014
As at the beginning of period	18 272	20 053
<i>Increase</i>	3 831	2 822
<i>Decrease</i>	(2 426)	(3 696)
<i>Change as a result of acquisition</i>	-	-
As at the end of period	19 677	18 272

Deferred income tax provision	Change in 2015	Change in FY 2014
As at the beginning of period	2 681	2 229
<i>Recognition</i>	849	2 496
<i>Reversal</i>	(461)	(2 044)
<i>Change as a result of acquisition</i>	-	-
As at the end of period	3 069	2 681

7.14.11 Financial and operating leasing

a) Finance lease liabilities

Finance lease liabilities	31 Dec 2015	
	Minimum payments	Present value of minimum payments
<i>Within 1 year</i>	1 203	1 002
<i>Within 1 to 5 years</i>	1 806	1 683
<i>Within more than 5 years</i>	-	-
Total	3 009	2 685

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

b) Operating leasing

Did not occur during the reporting period or comparative period.

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

Q1-Q4 2015	Term of agreement	As at 31 Dec 2015	As at 31 Dec 2016	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	90 715	95 224	380 191	474 920
	unspecified	2 326	2 526	10 104	12 630
Technical equipment and machinery	specified	28	167	-	-
	unspecified	97	101	404	505
Means of transport	specified	7 024	6 970	15 054	-
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

2014

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

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

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

Did not take place in Q4 2015.

7.14.13 Correction of prior-period errors

Did not take place in Q4 2015.

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

Did not take place in Q4 2015.

7.14.15 Charitable work at Emperia Group

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



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

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

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



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



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



Blood drive

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



Share-a-Meal Programme

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



Environmental protection

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

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



Mammobuses

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



Donation drive for animal shelter

Our company has decided to become involved in helping animals. In the central office around Christmas we collect food, blankets and towels for an animal shelter in Lublin. We wanted to raise our employees' awareness of the everyday problems faced by animal shelters in Poland. These are over-crowding and lack of sufficient funding to meet

the animals' needs, particularly visible in the winter. The campaign met with very strong interest, thanks to which homeless animals from the Lublin area received a lot of gifts.

Miesięczne Praktyki Bezpłatne

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

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

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

Benefits for interns:

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

Letnia Szkoła Menadżera

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

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

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

We later hire many of the graduates of these internships.



Open Days

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



Internship and Job Fair

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



Facebook profile for students

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



Employee Rewards

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



Sponsorship

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



Running team

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



Stokrotka Passions

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

7.14.16 Other significant events

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

Pursuant to an authorisation issued by Emperia Holding S.A.'s Extraordinary General Meeting, subsidiary Elpro Development S.A. purchased in block transactions the following shares for cancellation:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
13 October 2015	7 754	PLN 1	64,03	7 754	0.059%
28 October 2015	24 093	PLN 1	65,50	24 093	0.182%
13 November 2015	23 433	PLN 1	67,19	23 433	0.177%
20 November 2015	23 000	PLN 1	64,90	23 000	0.174%
11 December 2015	21 224	PLN 1	67,53	21 224	0.160%

Emperia Holding S.A. and subsidiary Elpro Development S.A. held a total of 967 876 shares in Emperia Holding S.A., entitling to 967 876 (7.313%) votes at the Issuer's general meeting and constituting 7.313% of the Issuer's share capital.

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

On 23 December 2015, the Management Board of Emperia Holding S.A. passed a resolution extending the "Buy-back programme at Emperia Holding S.A. by subsidiary Elpro Development S.A." to 31 March 2016.

b) Intra-group bond issuance and redemption

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

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

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

On 30 December 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 198 million.

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

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

On 8 December 2015, Emperia Holding S.A.'s Management Board announced that it had received information from Millennium DM S.A. on the buyback of 4 638 series B bonds with pre-emptive rights to series P Shares. Buyback and redemption of the Bonds by the Company from the Authorised Persons was part of the Incentive Programme.

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

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

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

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

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

An Extraordinary General Meeting of Emperia Holding S.A. was held on 10 December 2015, the subject of which was adoption of resolutions concerning cancellation of 900 219 shares purchased by Emperia Holding S.A. and reduction in the company's share capital by PLN 900 219, together with adoption of a resolution regarding authorisation for the Supervisory Board to establish a consolidated text of the company's articles of association and adoption of a resolution on use of supplementary capital to settle the costs of purchasing own shares for cancellation.

g) Transactions by persons having access to confidential information

On 1 December 2015, a member of the Supervisory Board provided information that a person closely connected to him on 30 November 2015 transferred 6 447 shares in Emperia Holding S.A. as a donation. Furthermore, on the same day, the member of the Supervisory Board transferred as a donation 6 447 shares in Emperia Holding S.A. to a person closely connected. The above donations were carried out pursuant to a civil law agreement executed outside the regulated market.

7.14.17 Significant events after the end of the reporting period

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

Pursuant to an authorisation issued by Emperia Holding S.A.'s Extraordinary General Meeting, subsidiary Elpro Development S.A. purchased in block transactions the following shares for cancellation:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
4 January 2016	21 198	PLN 1	65,10	21 198	0.160%
21 January 2016	24 140	PLN 1	65.40	24 140	0.182%
8 February 2016	30 412	PLN 1	65,08	30 412	0.230%
24 February 2016	25 278	PLN 1	67,98	25 278	0.191%

Emperia Holding S.A. and subsidiary Elpro Development S.A. held a total of 1 068 904 shares in Emperia Holding S.A., entitling to 1 068 904 (8.073%) votes at the Issuer's general meeting and constituting 8.073% of the Issuer's share capital.

b) Intra-group bond issuance

On 29 January 2016, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. issued short-term bonds, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 68.5 million.

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

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

198 000 in cash. Excess of the cash consideration over the nominal value of the shares was transferred to supplementary capital.

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

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

8. Issuer's condensed separate financial statements

8.1 Selected financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 31 Dec 2015	For the period from 1 Jan 2014 to 31 Dec 2014	For the period from 1 Jan 2015 to 31 Dec 2015	For the period from 1 Jan 2014 to 31 Dec 2014
I.	Net revenue from sale of products, goods and materials	15 540	13 931	3 714	3 329
II.	Operating profit (loss)	4 914	4 506	1 175	1 077
III.	Profit (loss) before tax	27 046	19 376	6 464	4 630
IV.	Profit (loss) for the period	25 474	16 865	6 089	4 030
V.	Net cash flows from operating activities	(36 544)	111 061	(8 734)	26 537
VI.	Net cash flows from investing activities	72 806	(52 704)	17 401	(12 593)
VII.	Net cash flows from financing activities	(70 996)	(102 606)	(16 969)	(24 516)
VIII.	Total net cash flows	(34 734)	(44 248)	(8 302)	(10 572)
IX.	Total assets	483 865	372 467	113 543	87 386
X.	Liabilities and liability provisions	60 164	100 423	14 118	23 561
XI.	Total non-current liabilities	730	786	171	184
XII.	Total current liabilities	59 434	99 637	13 947	23 376
XIII.	Equity	449 436	494 961	105 464	116 125
XIV.	Share capital	13 235	15 180	3 106	3 561
XV.	Number of shares	13 235 495	15 179 589	13 235 495	15 179 589
XVI.	Weighted average number of shares	12 506 772	13 440 114	12 506 772	13 440 114
XVII.	Profit (loss) per ordinary share* (in PLN/EUR)	2.04	1.25	0.49	0.30
XVIII.	Diluted profit (loss) per ordinary share** (in PLN/EUR)	2.04	1.25	0.49	0.30
XIX.	Book value per share* (in PLN/EUR)	35.94	36.83	8.43	8.64
XX.	Diluted book value per share** (in PLN/EUR)	35.93	36.76	8.43	8.62
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.32	0.22

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

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

Weighted average number of shares:

- for Q1-Q4 2015 (January-December): 12 506 772

- for Q1-Q4 2014 (January-December): 13 440 114

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

- 1 Items in the statement of profit and loss and statement of cash flows are translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1-Q4 2015 was EURPLN 4.1839 and for Q1-Q4 2014: EURPLN 4.1852.
- 2 Balance sheet items and book value / diluted book value are translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 December 2015: EURPLN 4.2615; as at 31 December 2014: EURPLN 4.2623.
- 3 Dividend paid out is translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 19 June 2015 was EURPLN 4.1715 and as at 30 June 2014 EURPLN 4.1609.

8.2 Condensed consolidated statement of financial position

	31 Dec 2015	30 Sep 2015	31 Dec 2014	30 Sep 2014
Non-current assets	483 865	483 596	372 467	390 520
Property, plant and equipment	56 178	56 307	34 580	52 628
Investment properties	-	-	-	-
Intangible assets	1 470	1 191	1 588	1 777
Financial assets	426 109	426 009	336 204	336 041
Non-current receivables	-	-	-	-
Deferred income tax assets	107	88	94	73
Other non-current prepayments	1	1	1	1
Current assets	25 735	116 255	222 917	197 568
Inventories	-	-	-	-
Current receivables	3 892	2 363	1 232	1 511
Income tax receivables	46	-	-	-
Short-term securities	11 138	79 385	163 997	188 609
Prepayments	87	205	88	88
Cash and cash equivalents	10 571	15 294	45 307	7 360
Other financial assets	-	19 008	-	-
Assets classified as held for sale	-	-	12 293	-
Total assets	509 600	599 851	595 384	588 088
Equity	449 436	503 453	494 961	584 031
Share capital	13 235	13 235	15 180	15 180
Share premium	465 315	465 315	551 988	551 988
Supplementary capital	-	-	2 526	2 526
Management options provision	723	607	3 341	2 250
Reserve capital	337	337	63 268	63 269
Buy-back provision	-	-	-	-
Own shares	(55 646)	-	(158 208)	(65 020)
Retained earnings	25 472	23 959	16 865	13 838
Equity attributable to owners of the parent	449 436	503 453	494 961	584 031
Non-controlling interests	-	-	-	-
Total non-current liabilities	730	677	786	697
Credit facilities, loans and debt instruments	-	-	-	-
Non-current liabilities	89	60	90	111
Provisions	32	26	26	21
Deferred income tax provision	608	591	670	565
Total current liabilities	59 434	95 721	99 637	3 360
Credit facilities, loans and debt instruments	0	0	0	1
Current liabilities	57 900	94 150	97 308	1 595
Income tax liabilities	-	28	1 399	1 040
Provisions	325	261	848	705
Deferred revenue	1 209	1 282	82	19
Total equity and liabilities	509 600	599 851	595 384	588 088

	31 Dec 2015	30 Sep 2015	31 Dec 2014 2014	30 Sep 2014
Book value	449 436	503 453	494 961	584 031
Number of shares	13 235 495	13 235 495	15 179 589	15 179 589
Weighted average number of shares:	12 506 772	12 571 219	13 440 114	13 620 284
Diluted number of shares	12 508 001	12 575 404	13 465 487	13 669 412
Book value per share (in PLN)*	35.94	40.05	36.83	42.88
Diluted book value per share (in PLN)**	35.93	40.03	36.76	42.73

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

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

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

	Three months ended 31 Dec 2015	12 months ended 31 Dec 2015	Three months ended 31 Dec 2014	12 months ended 31 Dec 2014
Revenue from sales	4 009	15 540	3 679	13 931
Cost of sales	(1 926)	(7 510)	(1 871)	(7 193)
Profit on sales	2 083	8 030	1 808	6 738
Other operating revenue	31	436	1 344	3 066
Selling costs	-	-	-	-
Administrative expenses	(981)	(3 525)	(973)	(4 045)
Other operating expenses	(16)	(27)	(573)	(1 253)
Operating profit	1 117	4 914	1 606	4 506
Finance income	676	22 523	2 185	15 326
Finance costs	111	(391)	(33)	(456)
Profit before tax	1 904	27 046	3 758	19 376
Income tax	(389)	(1 572)	(731)	(2 511)
- current	(390)	(1 647)	(647)	(2 455)
- deferred	1	75	(84)	(56)
Profit for the period	1 515	25 474	3 027	16 865
Profit for the period attributable to owners of the parent	1 515	25 474	3 027	16 865
Profit for the period attributable to non-controlling interests	-	-	-	-

Earnings per share	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Profit (loss) for the period	25 474	16 865
Weighted average number of ordinary shares	12 506 772	13 440 114
Weighted average diluted number of ordinary shares*	12 508 001	13 465 487
Profit (loss) per ordinary share (in PLN/EUR)	2.04	1.25
Diluted profit (loss) per ordinary share (in PLN)*	2.04	1.25

* Weighted average diluted number of ordinary shares:

– for Q1-Q4 2015 (January-December): 12 508 001, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

- for 2014 (January-December): 13 465 487, 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 2015	12 months ended 31 Dec 2015	Three months ended 31 Dec 2014	12 months ended 31 Dec 2014
Profit for the period	1 515	25 474	3 027	16 865
Other comprehensive income:	(2)	(2)	(1)	(1)
Comprehensive income for the period	1 513	25 472	3 026	16 864

8.4 Condensed separate statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Oct 2015	13 235	465 315	-	607	337	-	23 959	503 453
Change in accounting standards and policies	-	-	-	-	-	-	-	-
1 Oct 2015, adjusted	13 235	465 315	-	607	337	-	23 959	503 453
Comprehensive income for the three-month period ended 31 Dec 2015	-	-	-	-	-	-	1 513	1 513
Share issuance - incentive scheme	-	-	-	-	-	-	-	-
Measurement of management options	-	-	-	116	-	-	-	116
Purchase of own shares	-	-	-	-	-	(55 646)	-	(55 646)
Dividend from prior-year profit	-	-	-	-	-	-	-	-
31 Dec 2015	13 235	465 315	-	723	337	(55 646)	25 472	449 436

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
1 Jan 2015	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961
Change in accounting standards and policies	-	-	-	-	-	-	-	-
1 Jan 2015, adjusted	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961
Comprehensive income for the 12 months ended 31 Dec 2015	-	-	-	-	-	-	25 472	25 472
Prior-year profit distribution - transfer to equity	-	-	-	-	337	-	(337)	-
Share issuance - incentive scheme	87	3 708	-	(2 734)	-	-	-	1 061
Measurement of management options	-	-	-	116	-	-	-	116
Purchase of own shares	-	-	-	-	-	(55 646)	-	(55 646)
Dividend from prior-year profit	-	-	-	-	-	-	(16 528)	(16 528)
Decrease as a result of share redemption	(2 032)	(90 381)	(2 526)	-	(63 268)	158 208	-	-
31 Dec 2015	13 235	465 315	-	723	337	(55 646)	25 472	449 436

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
At the beginning of period 1 Oct 2014	15 180	551 988	2 526	2 250	63 269	(65 020)	13 838	584 031
Change in accounting standards and policies	-	-	-	-	-	-	-	-
As at the beginning of period, adjusted	15 180	551 988	2 526	2 250	63 269	(65 020)	13 838	584 031
Profit for the period	-	-	-	-	-	-	3 026	3 026
Prior-year profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	-	-	-	-	-	-	-	-
Actuarial gains (losses)	-	-	-	-	-	-	-	-
Dividend from prior-year profit	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(93 188)	-	(93 188)
Management options provision	-	-	-	1 091	-	-	-	1 091
Release of buy-back provision	-	-	-	-	-	-	-	-
As at the end of period: 31 December 2014	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
As at the beginning of period: 1 Jan 2014	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Change in accounting standards and policies	-	-	-	-	-	-	-	-
As at the beginning of period, adjusted	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Profit for the period	-	-	-	-	-	-	16 864	16 864
Prior-year profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Share issuance - incentive scheme	65	2 429	-	-	-	-	-	2 494
Actuarial gains (losses)	-	-	-	-	-	-	(1)	(1)
Dividend from prior-year profit	-	-	-	-	-	-	(12 109)	(12 109)
Purchase of own shares	-	-	-	-	-	(93 188)	-	(93 188)
Management options provision	-	-	-	196	-	-	-	196
Release of buy-back provision	-	-	-	-	-	-	-	-
As at the end of period: 31 December 2014	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961

8.5 Condensed consolidated statement of cash flows

Operating activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Profit (loss) for the period	25 474	16 865
Adjusted by:	(62 018)	94 196
Depreciation / amortisation	1 741	2 352
(Profit) loss on exchange differences	-	-
Interest and shares of profit (dividends)	(21 554)	(13 221)
Income tax	1 572	2 511
Profit (loss) on investing activities	(1 346)	(871)
Change in provisions	(519)	(57)
Change in inventories	-	-
Change in receivables	(1 703)	9 411
Change in prepayments	1 129	63
Change in liabilities	(38 246)	95 263
Income tax paid	(3 091)	(1 255)
Other adjustments	-	-
Net cash from operating activities	(36 544)	111 061

Investing activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Inflows	1 037 510	1 736 186
Disposal of property, plant and equipment and intangible assets	12 663	13 423
Disposal of financial assets	986 772	1 707 462
Dividends received	19 000	7 566
Interest received	74	39
Repayment of loans issued	19 000	7 696
Other inflows	-	-
Outflows	(964 704)	(1 788 890)
Purchase of property, plant and equipment and intangible assets	(24 361)	(4 566)
Purchase of subsidiaries and associates	(90 100)	(70 133)
Purchase of financial assets	(831 244)	(1 712 991)
Borrowings granted	(19 000)	(1 200)
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	72 806	(52 704)

Financing activities	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Inflows	1 178	2 692
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	0	1
Proceeds from equity issuance	1 178	2 691
Other inflows	-	-
Outflows	(72 174)	(105 298)
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	0	(1)
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Dividends paid	(16 528)	(12 109)
Purchase of own shares	(55 646)	(93 188)
Other outflows	-	-
Net cash from financing activities	(70 996)	(102 606)

Change in cash and cash equivalents	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014
Change in cash and cash equivalents	(34 734)	(44 248)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	45 307	89 555
Cash and cash equivalents at the end of period	10 571	45 307

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

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

Lublin, February 2016

Signatures of all Management Board members:

2016-02-29 Dariusz Kalinowski President of the Management Board

.....
Signature

2016-02-29 Cezary Baran Vice-President of the Management Board, Finance Director

.....
Signature

Signatures of persons responsible for book-keeping

2016-02-29 Elżbieta Świniarska Economic Director

.....
Signature