

Emperia Holding



CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2015

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

LUBLIN, MAY 2015

Emperia Group means:



- being credible and prioritising shareholder interests



- customer-centric culture

- growth and openness

- working together



- effectiveness



- reliability and engagement

Being credible and prioritising shareholder

- 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



- 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 Mar 2015	For the period from 1 Jan 2014 to 31 Mar 2014	For the period from 1 Jan 2015 to 31 Mar 2015	For the period from 1 Jan 2014 to 31 Mar 2014
I.	Net revenue from sale of products, goods and materials	486 342	479 443	117 222	114 442
II.	Operating profit (loss)	19 895	5 568	4 795	1 329
III.	Profit (loss) before tax	19 956	5 942	4 810	1 418
IV.	Profit (loss) for the period	18 811	3 229	4 534	771
V.	Net cash flows from operating activities	4 649	(8 549)	1 121	(2 041)
VI.	Net cash flows from investing activities	127	(11 567)	30	(2 761)
VII.	Net cash flows from financing activities	(15 076)	(16 584)	(3 634)	(3 959)
VIII.	Total net cash flows	(10 300)	(36 700)	(2 483)	(8 760)
IX.	Total assets	940 714	952 228	230 060	223 407
X.	Liabilities and liability provisions	329 679	345 229	80 626	80 996
XI.	Non-current liabilities	24 693	26 220	6 039	6 152
XII.	Current liabilities	304 986	319 009	74 587	74 844
XIII.	Equity	611 035	606 999	149 434	142 411
XIV.	Share capital	15 224	15 180	3 723	3 561
XV.	Number of shares	15 223 565	15 179 589	15 223 565	15 179 589
XVI.	Weighted average number of shares	12 847 877	13 802 136	12 847 877	13 802 136
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	3.59	0.24	0.87	0.06
XVIII.	Diluted profit (loss) per ordinary share, annualised** (in PLN/EUR)	3.58	0.24	0.86	0.06
XIX.	Book value per share* (in PLN/EUR)	47.56	45.16	11.63	10.60
XX.	Diluted book value per share** (in PLN/EUR)	47.45	45.08	11.60	10.58
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.33	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 2015 (January-March): 12 847 877

- for Q1 2014 (January-March): 13 802 136

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 were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1 2015 was EURPLN 4.1489 and for Q1 2014: EURPLN 4.1894.
- 2 Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 March 2015: EURPLN 4.0890; as at 31 December 2014: EURPLN 4.2623.
- 3 Declared dividend was translated using the average exchange rate published by the National Bank of Poland as at the date on which these financial statements were published, i.e. as at 13 May 2015 - EURPLN 4.0765, while dividend paid out - using the rate on the dividend payment date, i.e. 30 June 2014: EURPLN 4.1609.

2. Condensed consolidated statement of financial position

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Non-current assets	584 225	579 119	583 446
Property, plant and equipment	499 871	495 910	495 264
Investment properties	-	-	-
Intangible assets	3 437	3 487	5 398
Goodwill	52 044	52 044	52 044
Financial assets	92	92	92
Non-current loans	-	-	-
Non-current receivables	5 206	5 206	4 796
Deferred income tax assets	19 820	18 272	20 504
Other non-current prepayments	3 755	4 108	5 348
Non-current assets classified as held-for-sale	-	-	-
Current assets	356 489	373 109	393 178
Inventories	169 754	165 104	169 455
Receivables	45 370	45 254	55 731
Income tax receivables	1 329	1 218	976
Short-term securities	30 915	30 764	-
Prepayments	4 986	4 041	5 528
Cash and cash equivalents	104 135	114 435	158 453
Other financial assets	-	-	-
Current assets classified as held-for-sale	-	12 293	3 035
Total assets	940 714	952 228	976 624
Equity	611 035	606 999	633 644
Share capital	15 224	15 180	15 115
Share premium	553 647	551 988	549 559
Supplementary capital	100 084	100 084	100 084
Management options provision	3 504	5 206	5 010
Reserve capital	110 593	110 593	110 525
Buy-back provision	-	-	-
Own shares	(179 330)	(164 553)	(122 904)
Retained earnings	7 313	(11 499)	(23 745)
Total equity attributable to owners of the parent	611 035	606 999	633 644
Non-controlling interests	-	-	-
Total non-current liabilities	24 693	26 220	37 165
Credit facilities, loans and debt instruments	2 443	2 647	3 380
Non-current liabilities	1 011	1 050	1 312
Provisions	18 500	19 842	29 694
Deferred income tax provision	2 739	2 681	2 779
Total current liabilities	304 986	319 009	305 815
Credit facilities, loans and debt instruments	937	903	857
Current liabilities	276 052	293 901	273 024
Income tax liabilities	1 087	3 152	1 311
Provisions	19 107	15 551	23 634
Deferred revenue	7 803	5 502	6 989
Liabilities assigned to assets classified as held-for-sale	-	-	-
Total equity and liabilities	940 714	952 228	976 624

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Book value	611 035	606 999	633 644
Number of shares	15 223 565	15 179 589	15 115 161
Weighted average number of shares	12 847 877	13 440 114	13 802 136
Diluted number of shares	12 878 013	13 465 487	13 898 025
Book value per share (in PLN)*	47.56	45.16	45.91
Diluted book value per share (in PLN)**	47.45	45.08	45.59

* 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 Mar 2015	Three months ended 31 Mar 2014
Revenue from sales	486 342	479 443
Cost of sales	(346 112)	(342 390)
Profit on sales	140 230	137 053
Other operating revenue	10 602	3 146
Selling costs	(112 671)	(114 248)
Administrative expenses	(16 352)	(18 038)
Other operating expenses	(1 914)	(2 345)
Operating profit	19 895	5 568
Finance income	358	840
Finance costs	(297)	(466)
Profit before tax	19 956	5 942
Income tax	(1 145)	(2 713)
- current	(2 302)	(2 615)
- deferred	1 157	(98)
Share of the profit of equity-accounted entities	-	-
Profit for the period	18 811	3 229
Profit for the period attributable to owners of the parent	18 811	3 229
Profit for the period attributable to non-controlling interests	-	-

Annualised profit	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014
Profit (loss) for the period (annualised), including:	46 083	3 321
Weighted average number of ordinary shares	12 847 877	13 802 136
Weighted average diluted number of ordinary shares*	12 878 013	13 898 025
Profit (loss) per ordinary share, annualised (in PLN)	3.59	0.24
Diluted profit (loss) per ordinary share, annualised* (in PLN)	3.58	0.24

* Weighted average diluted number of ordinary shares:

– for Q1 2015 (January-March): 12 878 013, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

– for Q1 2014 (January-March): 13 898 025, 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 Mar 2015	Three months ended 31 Mar 2014
Profit for the period	18 811	3 229
Other comprehensive income	-	-
Comprehensive income for the period	18 811	3 229
Comprehensive income attributable to shareholders of the parent	18 811	3 229
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 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 three months ended 31 Mar 2015	-	-	-	-	-	-	18 811	18 811
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2014 profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Measurement of 2nd management options programme	-	-	-	-	-	-	-	-
Share issuance - incentive scheme	44	1 658	-	(1 702)	-	-	-	-
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(14 777)	-	(14 777)
Redemption of own shares	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-
Dividend from 2014 profit	-	-	-	-	-	-	-	-
31 Mar 2015	15 224	553 647	100 084	3 504	110 593	(179 330)	7 313	611 035

	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 fundamental errors 2013	-	-	-	-	-	-	-	-
1 Jan 2014, adjusted	15 115	549 559	100 084	5 010	110 525	(106 616)	(26 973)	646 704
Comprehensive income for the three months ended 31 Mar 2014	-	-	-	-	-	-	3 229	3 229
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-
2013 profit distribution - transfer to equity	-	-	-	-	-	-	-	-
Measurement of 2nd management options programme	-	-	-	-	-	-	-	-
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(16 288)	-	(16 288)
Redemption of own shares	-	-	-	-	-	-	-	-
Transfer of buy-back provision	-	-	-	-	-	-	-	-
Dividend from 2013 profit	-	-	-	-	-	-	-	-
31 Mar 2014	15 115	549 559	100 084	5 010	110 525	(122 904)	(23 745)	633 644

	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

	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014
Profit (loss) for the period	18 811	3 229
Adjusted by:	(14 162)	(11 778)
Share of the net profit (loss) of equity-accounted entities	-	-
Depreciation / amortisation	11 048	11 664
(Profit) loss on exchange differences	50	182
Interest and shares of profit (dividends)	77	94
Income tax	1 145	2 713
Profit (loss) on investing activities	(7 642)	185
Change in provisions	2 213	2 687
Change in inventories	(4 650)	(435)
Change in receivables	172	47 549
Change in prepayments	1 712	222
Change in liabilities	(13 478)	(72 382)
Other adjustments	-	(2 238)
Income tax paid	(4 809)	(2 019)
Net cash from operating activities	4 649	(8 549)
Inflows	13 807	2 332
Disposal of property, plant and equipment and intangible assets	13 807	2 332
Disposal of financial assets	-	-
Disposal of interests in subsidiaries	-	-
Dividends received	-	-
Interest received	-	-
Repayment of loans issued	-	-
Cash of entities acquired, at acquisition date	-	-
Proceeds from use of investment properties	-	-
Other inflows	-	-
Outflows	(13 680)	(13 899)
Purchase of property, plant and equipment and intangible assets	(13 680)	(13 899)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	-	-
Borrowings granted	-	-
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	127	(11 567)

Inflows	-	-
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	-	-
Other inflows	-	-
Outflows	(15 076)	(16 584)
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	(221)	(202)
Interest and fees paid	(78)	(94)
Dividends paid	-	-
Purchase of own shares	(14 777)	(16 288)
Other outflows	-	-
Net cash from financing activities	(15 076)	(16 584)
Change in cash and cash equivalents	(10 300)	(36 700)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	114 435	195 153
Cash and cash equivalents at the end of period	104 135	158 453

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 were prepared for the period from 1 January 2015 to 31 March 2015, and the comparative financial data covers the period from 1 January 2014 to 31 March 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 March 2015, consolidation includes Emperia Holding S.A. and 10 subsidiaries: Stokrotka Sp. z o.o., Infinite Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., EMP Investment Limited, Ekon Sp. z o.o., IPOPEMA 55 FIZAN, Elpro Development S.A. (formerly P1 Sp. z o.o.), Eldorado Sp. z o.o., P5 EKON Sp. z o.o. S.K.A.

During Q1 2015, Emperia Group's structure was not subject to changes (compared with the 2014 year-end).

Emperia Holding S.A. subsidiaries subject to consolidation within the Group, included in the consolidated financial statements as at 31 March 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. (1)	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. (2)	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. (3)	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. (formerly P1 Sp. z o.o.)	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.(6)	Themistokli Dervi 3, JULIA HOUSE, P.C. 1066; Nicosia, Cyprus	Investments in property	HE 272278, Ministry of Commerce, Industry and Tourism, Company Registration Department Nicosia, Cyprus	Subsidiary	Full	2010-09-03	100.00%	100.00%
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. (formerly P5 Sp. z o.o.) (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) directly by Emperia Holding S.A. (125 475 shares; 96.78%), indirectly by Stokrotka Sp. z o.o. (4 181 shares; 3.22%)

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

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

(4) indirectly by EMP Investment Limited

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

(6) directly through Elpro Development S.A.

**Subsidiaries excluded from the consolidated financial statements as at 31 March 2015,
together with the legal basis for exclusion**

Entity name	Registered office	Legal basis for exclusion	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. P2 EKON Sp. z o.o. S.K.A.	20-209 Lublin, ul. Projektowa 1	The financial data of these entities is insignificant from the viewpoint of the requirement to present the Group's asset position, financial situation and performance in a reliable and transparent manner.	100.00%	100.00%

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 March 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

These 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. (formerly P1 Sp. z o.o.) and the property segment, which has been 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 first 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 first 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 March 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) Introduction of Emperia Holding S.A.'s shares to trading and change in share capital structure

On 16 January 2015, the Management Board of Emperia Holding S.A. announced the introduction to stock-market trading of 43 976 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 16 January 2015, the Issuer's share capital amounts to PLN 15 223 565 and is divided into 15 223 565 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 15 223 565.

The above share capital increase was registered in court on 10 March 2015.

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

a) Share capital increase at subsidiary Stokrotka Sp. z o.o.

On 10 April 2015, an Extraordinary General Meeting of subsidiary Stokrotka Sp. z o.o., based in Lublin ("Stokrotka"), passed a resolution pursuant to which Stokrotka's share capital was increased to PLN 72 737 500 through the issue of 20 000 new shares with nominal value of PLN 500 each. All of the 20 000 newly-issued shares will be acquired by the Issuer, who will pay for them with a cash consideration of PLN 90 000 000 by 30 April 2015. Excess of the cash consideration over the nominal value of the shares, i.e. PLN 80 000 000, will be transferred to supplementary capital. Emperia Holding S.A. directly holds 100% of shares and votes at the General Meeting of Stokrotka.

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

On 28 April 2015, the Management Board of Emperia Holding S.A. announced that it had received information on the registration by the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, of a reduction in the share capital of Emperia Holding S.A. The capital reduction resulted from having cancelled 2 031 547 own shares bought back, which carried rights to 2 031 547 votes (13.345%) at Emperia Holding S.A.'s General Meeting and represented 13.345% of its share capital. Following the registration of changes, share capital amounted to PLN 13 192 018 and was divided into 13 192 018 ordinary bearer shares, which entitled to 13 192 018 votes at Emperia Holding S.A.'s General Meeting.

7. Notes to the financial statements

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

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

Revenue in the first quarter went up by 1.44%, as compared with the same period last year. Revenue was considerably affected by deflation in food prices (according to GUS for Jan-Mar 2015 food and non-alcoholic beverages: -3.7%) and stiff pricing competition in the retail segment.

For the first quarter of 2015, profit was PLN 18 811 000, compared with PLN 3 229 000 in the same period last year, denoting 482.56% growth. The Group's significantly higher net profit generated so far in 2015 resulted from much stronger results in the retail segment.

The improvement in net profit in Q1 2015 (excluding a property disposal, which generated PLN 7 750 000 in net profit) was fuelled by growth in margin by 0.24% (PLN 3 177 000) and lower operating costs, down 2.47% (PLN 3 263 000).

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

- In Q1 2015, the Group generated PLN 61 000 in gross profit on financing activities, compared with a loss of PLN 374 000 in Q1 2014,
- In Q1 2015, gross result on property sales was PLN 7 750 000, while in the comparative period PLN 6 000,
- In Q1 2015, the retail segment incurred one-off costs connected with store closures of PLN 618 000, and PLN 1 000 000 in Q1 2014,
- In Q1 2014, Emperia Holding was awarded PLN 1 634 000 in a court dispute with Ernst & Young Sp. z o.o.
- In Q1 2014, the retail segment incurred additional costs connected with the merger of retail companies (Maro-Markety Sp. z o.o., Spółem Tychy S.A. and Pilawa Sp. z o.o.) of PLN 1 033 000.

Changes in key items from the statement of profit and loss

Item	Q1 2015	Q1 2014	%
Revenue from sales	486 342	479 443	1.44%
Profit (loss) on sales	140 230	137 053	2.32%
EBITDA	30 943	17 232	79.57%
Operating profit (loss)	19 895	5 568	257.31%
Profit (loss) before tax	19 956	5 942	235.85%
Profit for the period	18 811	3 229	482.56%

Changes in key balance sheet items

Item	Q1 2015	Q1 2014	%
Total assets	940 714	976 624	-3.68%
Non-current assets	584 225	583 446	0.13%
Current assets	356 489	393 178	-9.33%
Cash and cash equivalents	104 135	158 453	-34.28%
Liabilities and liability provisions	329 679	342 980	-3.88%
Total current liabilities	304 986	305 815	-0.27%
Net assets	611 035	633 644	-3.57%

Share capital (in PLN)	15 223 565	15 115 161	0.72%
Current-period earnings per share, annualised* (in PLN)		0.24	

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

Operational performance and ability to meet liabilities

Item	Q1 2015	Q1 2014
Return on invested capital <i>(profit for the period / equity at the end of the period) in %</i>	3.08%	0.51%
Return on assets <i>(profit for the period / assets at the end of the period) in %</i>	2.00%	0.33%
Sales margin <i>(profit from sales for the period / revenue from sales for the period) in %</i>	28.83%	28.59%
EBITDA margin <i>(EBITDA / revenue from sales for the period) in %</i>	6.36%	3.59%
Operating margin <i>(operating profit for the period / revenue from sales for the period) in %</i>	4.09%	1.16%
Gross margin <i>(profit before tax for the period / revenue from sales for the period) in %</i>	4.10%	1.24%
Net margin <i>(profit for the period / revenue from sales for the period) in %</i>	3.87%	0.67%

Turnover cycles for key components of working capital

Item	Q1 2015	Q1 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*90)</i>	45	45
Receivables turnover days <i>(current receivables / revenue from sales*90)</i>	8	10
Payables turnover days <i>[(current liabilities - current borrowings) / value of goods for resale and materials sold*90]</i>	80	73
Asset productivity <i>(revenue from sales / total assets)</i>	0.52	0.49
Non-current asset productivity <i>(revenue from sales / non-current assets)</i>	0.83	0.82

In Q1 2015, inventory turnover did not change, while receivables turnover decreased by 2 days and payables turnover extended by 7 days. In effect, cash conversion cycle was extended by 9 days.

Retail segment

	Q1 2015	Q1 2014	%
Segment revenue	472 435	468 347	0.87%
Profit on sales	135 418	132 806	1.97%
EBITDA	10 273	2 909	253.15%
Operating result	2 211	(4 724)	-
Gross profit	1 146	(6 158)	-
Net segment result	1 575	(6 779)	-

At the end of the first quarter of 2015, the retail segment comprised 259 retail stores, as compared with 240 at the end of Q1 2014. In Q1 2015, a total of nine stores were opened (including one franchise locations), and two were closed down.

Retail-segment revenue was up 0.87% in Q1 2015 from the same period last year, which is a positive result in the light of deflation persisting since last year as well as intensified pricing competition.

In Q1 2015, Stokrotka Sp. z o.o. continued to optimise its in-house logistics system.

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

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014 adjusted	Q1 2015
Total Stokrotka store deliveries during the period	352 878	406 919	374 197	388 154	386 554	403 626	371 832
Stokrotka store deliveries using in-house logistics during the period	165 010	276 759	296 490	326 974	321 745	332 915	311 708
% 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%
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
Logistics costs*	15 219	20 384	19 411	20 296	20 550	23 640	21 621
Logistics revenue	3	35	119	236	420	1 978	2 559
Net logistics costs	15 216	20 349	19 292	20 060	20 130	21 662	19 062
including: - cost of warehouse maintenance	1 983	2 363	2 293	2 601	2 545	2 626	2 726
- cost of product handling logistics	6 104	8 057	8 128	8 726	8 493	9 818	8 084
- cost of transport	6 820	9 544	8 687	8 555	8 886	9 011	8 086
- general costs	309	385	184	178	206	208	166
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%
Revenue from sales	473 018	470 774	468 347	489 368	473 248	500 409	471 718
Cost of sales	356 732	350 568	336 406	349 114	343 674	360 829	337 017
Gross sales margin	116 286	120 206	131 941	140 254	129 574	139 580	134 701
Gross sales margin (in %) (result on sales / revenue from sales)	24.58%	25.53%	28.17%	28.66%	27.38%	27.89%	28.56%

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

Logistics cost ratio increased by 6.01% in Q1 2015 and was down 0.4% from the first quarter last year.

The Company intends to 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 at the end of 2015 / start of 2016,

Gross sales margin from the moment implementation of in-house logistics began significantly improved, reaching 28.56% in Q1 2015, up 0.39% on Q1 2014.

One-off events having material impact on retail-segment results in both reporting periods:

- In Q1 2015, the retail segment incurred one-off costs connected with store closures of PLN 618 000, and PLN 1 000 000 in Q1 2014,
- In Q1 2014, the retail segment incurred additional 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.

Cash conversion cycle in the retail segment

	Q1 2015	Q1 2014
Inventory turnover days <i>(inventory / value of goods for resale and materials sold*365)</i>	45.2	45.2
Receivables turnover days <i>(trade receivables / revenue from sales*365)</i>	4.4	4.8
Payables turnover days <i>(trade payables / value of goods for resale and materials sold*365)</i>	63.2	62.5
Cash conversion cycle <i>(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)</i>	-13.6	-12.5

Cash conversion cycle in the retail segment increased by 1.1 days in Q1 2015, resulting from an increase in payables turnover by 0.7 days and a decrease in receivables turnover by 0.4 days.

Stokrotka stores

	Q1 2015	Q1 2014
Number of stores at the beginning of period	252	211
- stores opened	9	0
- stores shut-down	2	7*
- stores acquired by Stokrotka through the merger of retail companies	-	36
Number of stores at the end of period, including:	259	240
- own supermarkets	222	216
- own markets	33	23
- franchise stores	4	1
Average total store surface - stores opened (in sqm)	417	-
Capex on own stores opened	5 561	-

*/ 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.

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

	Q1 2015	Q1 2014
Revenue from product sales	418.4	434.7
Store operating costs	98.3	101.9
<i>Operating costs as % of revenue</i>	<i>23.50%</i>	<i>23.50%</i>
EBITDA	24.6	21.3
<i>% EBITDA</i>	<i>5.90%</i>	<i>4.90%</i>

Data from 234 Stokrotka stores operating as at the end of 2013.

Stokrotka headquarters

	Q1 2015	Q1 2014
<i>central management costs as % of revenue from sales</i>	<i>2.40%</i>	<i>2.70%</i>
<i>marketing costs as % of revenue from sales</i>	<i>0.90%</i>	<i>1.00%</i>

Property segment

	Q1 2015	Q1 2014	%
Segment revenue	17 940	18 318	-2.06%
EBITDA	18 326	9 998	83.30%
Operating result	15 298	6 920	121.07%
Gross profit	15 119	6 622	128.31%
Net segment result	14 068	5 710	146.37%

The property segment recorded a minor decrease in sales, by 2.06%, in the first quarter of 2015. The segment's net result was up by 146.37% from the comparative period. The segment's first-quarter results were significantly impacted by property disposal transactions. Property disposals generated PLN 7 750 000 in profit for the segment in Q1 2015, as compared with PLN 6 000 in Q1 2014 (the transaction is described in detail in point 7.11).

	Q1 2015	Q1 2014
Number of properties at the end of period	92	93
including: properties in progress	8	11
operating properties	84	82
including: retail properties	78	77
other properties	6	5
average monthly net operating income from leasable facilities*	3 582	3 457
including: retail properties	3 269	3 390
leasable area of retail facilities (sqm)	88 610	92 063

including: related tenants	54 197	56 367
other tenants	34 413	35 696
average lease rate (PLN per sqm)	41,9	41,9
including: related tenants	43,4	43,4
other tenants	39,5	39,7

* NOI (net operating income) for a property is the difference between operating revenue and operating costs

IT segment

	Q1 2015	Q1 2014	%
Segment revenue	10 971	8 335	31.63%
EBITDA	2 635	2 441	7.95%
Operating result	2 402	2 143	12.09%
Gross profit	2 446	2 251	8.66%
Net segment result	1 971	1 814	8.65%

	Q1 2015	Q1 2014	%
Revenue from sale of services	7 149	6 517	9.70%
<i>including: external</i>	4 909	4 496	9.19%
Revenue from sale of goods and materials	3 822	1 818	110.23%
<i>including: external</i>	3 197	220	1353.18%
Total revenue	10 971	8 335	31.63%
<i>including: external</i>	8 106	4 716	71.88%

IT segment revenue was up 31.63% in Q1 2015 over the same period last year (revenue from service sales went up by 9.7% and revenue from sale of goods increased 110.23%).

In Q1 2015, external customers accounted for 73.89% of total segment revenue from sales, while in Q1 2014 it accounted for 56.58%.

The segment's net result was up 8.65% in Q1 2015 over the same period last year.

Central management segment

	Q1 2015	Q1 2014	%
Segment revenue	469	1 375	-65.89%
EBITDA	146	1 968	-92.58%
Operating result	(47)	1 684	-
Gross profit	1 214	3 520	-65.51%
Net segment result	1 053	2 804	-62.45%

The decrease in the central management segment's revenue resulted from:

- a reduction in central management activities,
- carve out from Emperia Holding S.A. of an organised part of enterprise - the property segment - and presentation in the property segment (Q1 2015 revenue: PLN 2 876 000, net result: PLN 968 000, Q1 2014 revenue: PLN 2 107 000, net result: PLN 615 000),
- transfer of support activities for the retail segment (commercial agency contracts revenue), with statistically allocated and accounted costs, to the retail segment (Q1 2015 revenue: PLN 717 000, net result: PLN 316 000; Q1 2014 revenue: PLN 865 000, net result: PLN 493 000).

The most significant item of the segment's revenue in both reporting periods was interest income: PLN 1 261 000 in Q1 2015 and PLN 2 089 000 in Q1 2014.

In addition, Q1 2014 result was substantially impacted by the PLN 1 827 000 in amounts awarded in a court dispute with E&Y.

7.2 Revenue and profit by operating segment

In 2015, the Group operated through the following segments:

- 1 **Retail** (retail segment), covering all operations of the following subsidiary: Stokrotka Sp. z o.o., alongside revenue transferred from the central management segment (from Emperia Holding S.A.) concerning retail agency agreements, including statistically assigned and accounted costs relating to this revenue,
- 2 **Property** (property segment), covering Emperia Group's property assets, including the following companies: Elpro Ekon Sp. z o.o. S.K.A., P3 EKON Sp. z o.o. S.K.A., Ekon Sp. z o.o., P5 EKON Sp. z o.o. S.K.A., EMP Investment Limited, IPOPEMA 55 FIZAN, Elpro Development S.A. (formerly P1 Sp. z o.o.) and the property segment, which has been carved out of Emperia Holding S.A.
- 3 **Central Management** (central management segment), covering management activities, 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 and are subject to exclusion from the consolidated financial statements.

Emperia Group's operating segments in Q1 2015:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	472 435	17 940	469	10 971	15 473	486 342
External revenue	472 426	5 808	3	8 106	-	486 342
Inter-segment revenue	9	12 132	466	2 865	15 472	-
Total segment costs	(471 342)	(10 148)	(1 056)	(8 556)	(15 967)	(475 135)
Profit (loss) on sales	1 093	7 792	(587)	2 415	(494)	11 207
Result on other operating activities	1 118	7 506	540	(13)	463	8 688
Result on financing activities	(1 065)	(179)	1 261	44		61
Gross result	1 146	15 119	1 214	2 446	(31)	19 956

Tax	429	(1 051)	(161)	(475)	(113)	(1 145)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	1 575	14 068	1 053	1 971	(144)	18 811

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	410 382	1 264 719	556 228	26 989	1 317 604	940 714
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(8 030)	(5 905)	-	(210)	(465)	(13 680)
Depreciation / amortisation	(8 062)	(3 028)	(193)	(233)	(469)	(11 048)

Emperia Group's operating segments in Q1 2014:

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment revenue	468 347	18 318	1 375	8 335	16 932	479 443
External revenue	468 309	5 545	872	4 716	-	479 443
Inter-segment revenue	38	12 773	503	3 619	16 933	-
Total segment costs	(472 281)	(11 291)	(1 532)	(6 239)	(16 667)	(474 676)
Profit (loss) on sales	(3 934)	7 027	(157)	2 096	265	4 767
Result on other operating activities	(790)	(107)	1 841	47	190	801
Result on financing activities	(1 434)	(299)	1 837	108	(162)	374
Gross result	(6 158)	6 622	3 520	2 251	293	5 942
Tax	(621)	(912)	(716)	(437)	27	(2 713)
Share of the profit of equity-accounted entities	-	-	-	-	-	-
Net segment result	(6 779)	5 710	2 804	1 814	320	3 229

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Segment assets / liabilities	402 725	1 017 129	536 684	23 560	1 003 474	976 624
Goodwill	39 200	12 844	-	-	-	52 044

	Retail	Property	Central management	IT	Consolidation exclusions	Total
Capital expenditures	(12 281)	(599)	(919)	(335)	(235)	(13 899)
Depreciation / amortisation	(7 633)	(3 078)	(284)	(298)	371	(11 664)

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 31 Mar 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	Votes at 31 Mar 2015	% of votes at 31 Mar 2015
ALTUS TFI	1 653 629	10.86%	-3.28%	1 709 678	12.26%	1 653 629	13.04%
IPOPEMA TFI S.A.	1 433 437	9.42%	-	1 433 437	9.44%	1 433 437	11.30%
ING TFI	1 390 123	9.13%	-	1 390 123	9.16%	1 390 123	10.96%
AXA OFE	891 992	5.86%	-	891 992	5.88%	891 992	7.03%

As of 31 March 2015, Emperia Holding S.A. and subsidiary Elpro Development S.A. (formerly P1 Sp. z o.o.) held a total of 2 539 575 shares in Emperia Holding S.A.

On 16 January 2015, the Issuer introduced to stock-market trading 43 976 ordinary bearer shares series P. Information on this subject is presented in point 6.2.11 a).

7.6 Changes in shareholding by Management Board and Supervisory Board members

Management Board members	Shares held, as at 31 March 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	19 647	0.129%	-	19 647	0.130%
Cezary Baran	420	0.003%	-	420	0.003%

Supervisory Board members	Shares held, as at 31 March 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	15 000	0.099%	-	-	-

7.7 Information regarding on-going judicial proceedings

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

On 2 January 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 above appeal is PLN 430 258 619.

7.8 Significant related-party transactions

In Q1 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 Q1 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 Q1 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:

	Q1 2015	Q1 2014
Proceeds from disposal of properties	13 764	30
Costs of disposal of properties	(14 746)	(24)
Reversal of consolidation adjustments	8 732	-
Gross profit	7 750	6
Current tax	-	-
Deferred tax	-	-
Net result	7 750	6

Other one-off items are described in note 7.1.

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

External:

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

Internal:

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

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

Management Board

In Q1 2015, the composition of the Management Board of Emperia Holding S.A. did not change.

Composition of Emperia Holding S.A.'s Management Board as at 31 March 2015:



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



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

Supervisory Board

The composition of Emperia Holding S.A.'s Supervisory Board did not change during Q1 2015.

Composition of Emperia Holding S.A.'s Supervisory Board as at 31 March 2015:

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

7.14 Other significant information and events

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

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

7.14.2 Production seasonality and cyclicity

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

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

The event is described in point 7.10.

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

Employee benefit provisions	Change in Q1 2015	Change in Q1 2014
Non-current		
As at the beginning of period	796	1 159
<i>Increases / decreases during the period</i>	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	796	1 159
Current		
As at the beginning of period	5 879	7 200
<i>Increases / decreases during the period</i>	1 013	2 619
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	6 892	9 819
Other provisions		
	Change in Q1 2015	Change in Q1 2014
Non-current		
As at the beginning of period	19 046	30 432
<i>Increases / decreases during the period</i>	(1 342)	(1 897)
<i>Increases / decreases during the period as a result of acquisitions</i>	-	-
As at the end of period	17 704	28 535
Current		
As at the beginning of period	9 672	11 849
<i>Increases / decreases during the period</i>	2 543	1 968
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-
As at the end of period	12 215	13 815

7.14.5 Issue, redemption and repayment of debt and equity securities

Bonds issued

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

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

Issue and buy-back of bonds in Q1 2015	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P5 EKON Sp. z o.o. S.K.A
As at the beginning of period	33 500	-	33 500	-	-
<i>Issue of bonds</i>	100 500	-	100 500	-	-
<i>Buy-back of bonds</i>	(100 500)	-	(100 500)	-	-
As at the end of period	33 500	-	33 500	-	-

Issue and buy-back of bonds in Q1 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>	81 000	-	81 000	-	-
<i>Buy-back of bonds</i>	(61 000)	-	(44 500)	(11 000)	(5 500)
As at the end of period	40 000	-	40 000	-	-

b) Stokrotka Sp. z o.o.

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

Issue and buy-back of bonds in Q1 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>	355 000	-	355 000	-
<i>Buy-back of bonds</i>	(355 000)	-	(355 000)	-
As at the end of period	100 000	-	100 000	-

Issue and buy-back of bonds in Q1 2014	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A
As at the beginning of period	128 000	-	128 000	-
<i>Issue of bonds</i>	243 000	-	243 000	-
<i>Buy-back of bonds</i>	(302 000)	-	(302 000)	-
As at the end of period	69 000	-	69 000	-

c) **Elpro Development S.A. (formerly P1 Sp. z o.o.)**

Subsidiary Elpro Development S.A. (formerly P1 Sp. z o.o.) has signed an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of up to PLN 200 000 000. Issue and buy-back of bonds (presented at par values) by Elpro Development S.A. (formerly P1 Sp. z o.o.) during Q1 2015 and Q1 2014:

Issue and buy-back of bonds in Q1 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	559 500	-	-	10 000	175 200	336 800	37 500
Buy-back of bonds	(545 500)	-	-	-	(174 800)	(335 700)	(35 000)
As at the end of period	194 500	-	-	10 000	58 400	112 600	13 500

Issue and buy-back of bonds in Q1 2014	Total	External issuance	Emperia Holding S.A.	P5 EKON Sp. z o.o. S.K.A.	P3 EKON Sp. z o.o. S.K.A.	Infinite Sp. z o.o.
As at the beginning of period	172 000	-	21 000	49 000	102 000	-
Issue of bonds	328 000	-	-	109 000	197 000	22 000
Buy-back of bonds	(344 000)	-	(21 000)	(103 000)	(209 000)	(11 000)
As at the end of period	156 000	-	-	55 000	90 000	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 convertible bonds. Proposals to purchase them were sent to Millennium DM S.A. During 2014 and 2015, Emperia Holding S.A. bought back 108 404 series A bonds.

Debt security liabilities as at 31 March 2015

Issuer	Series	Par value	Maturity date	As at 31 Mar 2015
Stokrotka Sp. z o.o.	0136*	100 000	2015-04-30	
Elpro Ekon Sp. z o.o. S.K.A.	0158*	33 500	2015-04-30	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0028*	1 500	2015-04-30	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0027*	12 000	2015-04-30	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0027*	58 400	2015-04-30	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0027*	112 600	2015-04-30	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0025*	10 000	2015-04-30	
All bond issuance by the Group				-
Other				-
Total debt instrument liabilities				-
Short-term				-
Long-term				-

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

Debt security liabilities as at 31 March 2014

Issuer	Series	Par value	Maturity date	As at 31 Mar 2014
Stokrotka Sp. z o.o.	0118*	59 000	2014-04-04	
Stokrotka Sp. z o.o.	0119*	10 000	2014-04-04	
Elpro Ekon Sp. z o.o. S.K.A.	0146*	40 000	2014-04-04	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0010*	11 000	2014-04-04	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0010*	55 000	2014-04-04	
Elpro Development S.A. (formerly P1 Sp. z o.o.)	0010*	90 000	2014-04-04	
All bond issuance by the Group				-
Other				-
Total debt instrument liabilities				-
Short-term				-
Long-term				-

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

7.14.6 Paid and received dividends

Dividend was not paid out in Q1 2015.

Management Board and Supervisory Board recommendation regarding the 2014 dividend

On 30 April 2015, the Management Board of Emperia Holding S.A. adopted a resolution and presented a motion to the Supervisory Board concerning use of Emperia Holding S.A.'s 2014 net profit, amounting to PLN 16 865 380.32, for: a dividend payment (PLN 16 741 364.36, i.e. PLN 1.33 per share), coverage of prior-period losses (PLN 871.81) and reserve capital (PLN 123 144.15). The Company's Management Board proposed an ex-dividend date of 5 June 2015 and a dividend payment date of 19 June 2015. If the Company or any of its subsidiaries will purchase own shares before the dividend payment date, the amount of profit attributable to those shares will be transferred to reserve capital, thereby decreasing the amount earmarked for the dividend. The Company's Supervisory Board approved the Management Board's request.

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 during Q1 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>	-	-	2 000
<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	-	47 500	25 246

Changes in off-balance sheet liabilities during Q1 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>	-	-	-
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	19 939	-
Guarantees			
As at the beginning of period	-	43 000	17 096
<i>Increases during the period</i>	-	-	-
<i>Decreases during the period</i>	-	-	(1 000)
<i>Increases / decreases during the period as a result of acquisitions / disposals</i>	-	-	-
As at the end of period	-	43 000	16 096

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

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

Impairment - recognition and reversal	Change in Q1 2015	Change in Q1 2014
Impairment of property, plant and equipment		
As at the beginning of period	8 864	9 427
<i>Recognition</i>	-	233
<i>Reversal</i>	(531)	(180)
<i>Changes as a result of acquisitions / disposals</i>	-	-
As at the end of period	8 333	9 480
Impairment of receivables		
As at the beginning of period	11 236	9 944
<i>Recognition</i>	464	748
<i>Reversal</i>	(665)	(229)
<i>Changes as a result of acquisitions / disposals</i>	-	-
<i>Derecognised from statement of profit and loss*</i>	(310)	(208)
As at the end of period	10 725	10 255
Impairment of inventories		
As at the beginning of period	15 774	10 031
<i>Recognition</i>	4 935	2 497
<i>Reversal</i>	(1 063)	(1 490)
<i>Changes as a result of acquisitions / disposals</i>	-	-
As at the end of period	19 646	11 038
<u>including: Impairment losses on inventory control</u>		
As at the beginning of period	4 754	515
<i>Recognition</i>	4 284	1 837
<i>Reversal</i>	(1 063)	(1 490)
<i>Changes as a result of acquisitions / disposals</i>	-	-
As at the end of period	7 975	862
<u>including: Impairment losses on bonuses</u>		
As at the beginning of period	10 880	9 516
<i>Recognition</i>	651	660
<i>Reversal</i>	-	-
<i>Changes as a result of acquisitions / disposals</i>	-	-
As at the end of period	11 530	10 176
<u>including: Impairment of slow-moving inventories</u>		
As at the beginning of period	141	-
<i>Recognition</i>	-	-
<i>Reversal</i>	-	-
<i>Changes as a result of acquisitions / disposals</i>	-	-
As at the end of period	141	-

* 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	Change in Q1 2015	Change in Q1 2014
Deferred income tax assets		
As at the beginning of period	18 272	20 053
Increase	1 606	700
Decrease	(58)	(249)
Change as a result of acquisition	-	-
As at the end of period	19 820	20 504

Deferred income tax	Change in Q1 2015	Change in Q1 2014
Deferred income tax provision		
As at the beginning of period	2 681	2 229
Recognition	155	550
Reversal	(97)	-
Change as a result of acquisition	-	-
As at the end of period	2 739	2 779

7.14.11 Financial and operating leasing

a) Finance lease liabilities

Finance lease liabilities	31 Mar 2015	
	Minimum payments	Present value of minimum payments
Within 1 year	1 203	937
Within 1 to 5 years	2 708	2 443
Within more than 5 years	-	-
Total	3 911	3 380

Finance lease liabilities	31 Mar 2014	
	Minimum payments	Present value of minimum payments
Within 1 year	1 203	857
Within 1 to 5 years	3 912	3 380
Within more than 5 years	-	-
Total	5 115	4 237

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 2015	Term of agreement	As at 31 Mar 2015	As at 31 Mar 2016	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	21 737	119 979	478 406	597 843
	unspecified	681	2 731	10 925	13 657
Technical equipment and machinery	specified	4	1	-	-
	unspecified	22	85	340	426
Means of transport	specified	1 775	7 100	28 399	35 499
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

Q1 2014	Term of agreement	As at 31 Mar 2014	As at 31 Mar 2015	1 to 5 years	Over 5 years
		Minimum annual payment			
Property	specified	20 013	114 898	458 184	572 033
	unspecified	670	2 834	11 335	14 169
Technical equipment and machinery	specified	4	16	-	-
	unspecified	22	89	355	462
Means of transport	specified	613	6 353	19 173	2 050
	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 Q1 2015.

7.14.13 Correction of prior-period errors

Did not take place in Q1 2015.

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

Did not take place in Q1 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

In July 2014, the Group's headquarters hosted the third edition of a blood drive organised by our employees. A special bus equipped with mobile blood drawing equipment was brought in for the occasion, and our employees donated blood right in our car park. The July blood drive was a response to the Centre's appeal to replenish drastically low levels of blood stores which are essential to saving lives. Stokrotka employees immediately responded, and nearly 10% of the headquarters' staff gave blood. Of the 30 people that were examined, 15 proceeded to donate blood, therefore we can say that Stokrotka's blood drive substantially helped to increase inventory at the Blood Donation Centre in Lublin.



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 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 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.

Student and graduate opportunities



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

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

We've been continuously working with universities and student organisations for a number of years now. One of our key offerings for students is the internship - which allows 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.

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

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.



Feeding Hungry Animals

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

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



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.



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.



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.

7.14.16 Other significant events

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

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's consent for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 8 April 2014, subsidiary Elpro Development (formerly P1 Sp. z o.o.) purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
13 January 2015	10 730	PLN 1	49.90	10 730	0.071%
29 January 2015	25 231	PLN 1	50.05	25 231	0.166%
9 February 2015	21 785	PLN 1	54.18	21 785	0.143%
18 February 2015	31 495	PLN 1	53.87	31 495	0.207%
24 February 2015	21 652	PLN 1	54.37	21 652	0.142%
4 March 2015	30 990	PLN 1	54.56	30 990	0.204%
10 March 2015	23 050	PLN 1	58.12	23 050	0.151%
17 March 2015	24 601	PLN 1	61.92	24 601	0.162%
20 March 2015	22 231	PLN 1	63.60	22 231	0.146%
26 March 2015	22 750	PLN 1	63.42	22 750	0.149%
31 Mar 2015	23 455	PLN 1	63.84	23 455	0.154%

Elpro Development S.A. (formerly P1 Sp. z o.o.) and Emperia Holding Sp. z o.o. held a total of 2 539 575 shares in the Issuer, entitling to 2 539 575 (16.682%) votes at the Issuer's general meeting and constituting 16.682% of the Issuer's share capital.

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

On 16 January, the Management Board of Emperia Holding S.A. announced that it had received notification from a person on Emperia Holding S.A.'s Supervisory Board regarding registration in his securities accounts of a total of 15 000 shares of Emperia Holding S.A., series P, purchased under the Management Options Programme. The shares were purchased for PLN 24.82 each.

c) Intra-group bond issuance and redemption

On 23 January 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. (formerly P1 Sp. z o.o.) issued short-term bonds maturing on 27 February 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 336 million.

On 27 February 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. (formerly P1 Sp. z o.o.) issued short-term bonds maturing on 27 March 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 331 million.

On 27 March 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development S.A. (formerly P1 Sp. z o.o.) issued short-term bonds maturing on 30 April 2015, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 316.5 million.

d) Resolution by Emperia Holding S.A.'s Management Board regarding amendment of "Emperia Holding S.A.'s buyback programme by Elpro Development S.A., based in Lublin (formerly P1 Sp. z o.o.)"

On 29 January 2015, Emperia Holding S.A.'s Management Board announced that it had adopted resolutions regarding amendment of "Emperia Holding S.A.'s buyback programme by Elpro Development S.A., based in Lublin (formerly P1 Sp. z o.o.). Pursuant to the agreed resolutions, the size of the buyback programme was increased to PLN 70 million, and the programme extended to 31 December 2015.

7.14.17 Significant events after the end of the reporting period

a) Execution of a contingent agreement by a subsidiary

On 2 April 2015, the Management Board of Emperia Holding S.A. announced that Lublin-based subsidiary Stokrotka Sp. z o.o. ("Stokrotka") executed a conditional agreement with FRAC Handel Sp. z o.o. S.K.A., based in Rzeszów ("Frac Handel"), and FRAC Handel Sp. z o.o. Detal S.K.A., based in Rzeszów ("Frac Handel Detal"). The subject of the agreement is acquisition by Stokrotka of 19 locations in southern Poland, belonging to Frac Handel and Frac Handel Detal, together with the assets belonging to these locations as of the acquisition date. The value of the agreement is PLN 20.5 million. The agreement has been executed on conditions precedent, the main being receipt by Stokrotka of UOKiK's approval for concentration.

b) Decrease in Emperia Holding S.A. voting rights held

On 14 April 2015, the Management Board of Emperia Holding S.A. received notification from ALTUS TFI S.A. that as a result of having settled on 9 April 2015 a transaction to sell 4 764 shares of Emperia Holding S.A., its stake in total votes of Emperia Holding S.A. decreased by more than 2% in comparison with ALTUS TFI S.A.'s notification from 1 July 2013. Following the settlement of the above transaction, ALTUS 29 FIZ, managed by ALTUS TFI S.A., held 1 653 629 shares of the Company, which constituted 10.86% in the Company's total number of votes and share capital.

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

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's consent for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 8 April 2014, subsidiary Elpro Development (formerly P1 Sp. z o.o.) purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value of shares	Price per share (in PLN)	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
8 April 2015	23 850	PLN 1	63.60	23 850	0.157%
16 April 2015	26 420	PLN 1	62.59	26 420	0.174%
24 April 2015	21 128	PLN 1	60.56	21 128	0.139%
30 April 2015	25 100	PLN 1	60.49	25 100	0.190%
6 May 2015	18 500	PLN 1	62.90	18 500	0.140%
8 May 2015	26 525	PLN 1	64.48	26 525	0.201%
13 May 2015	30 000	PLN 1	65.01	30 000	0.227%

Elpro Development S.A. (formerly P1 Sp. z o.o.) holds 679 551 shares in the Issuer, entitling to 679 551 (5.151%) votes at the Issuer's general meeting and constituting 5.151% of the Issuer's share capital.

On 28 April 2015, 2 031 547 of Emperia Holding's bought back shares were cancelled. Following the registration of the cancellation, share capital was divided into 13 192 018 ordinary bearer shares (detailed information in point 6.2.11b).

d) Intra-group bond issuance and redemption

On 30 April 2015, subsidiaries Stokrotka Sp. z o.o., Elpro Ekon Sp. z o.o. S.K.A. and Elpro Development (formerly P1 Sp. z o.o.) issued short-term bonds that were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 249.9 million.

e) Notification from ALTUS TFI S.A. on decrease in votes at Emperia Holding S.A.'s general meeting

On 30 April 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from ALTUS TFI S.A. ("ALTUS") that, as a result of settlement of a share sale transaction on the regulated market, ALTUS 29 FIZ, managed by ALTUS, decreased its stake in the total number of votes in Emperia Holding S.A. The change in the stake in total votes resulted from settlement on 28 April 2015 of a regulated-market sale of 90 000 shares of the Company.

Following the settlement of the above transaction, ALTUS 29 FIZ, managed by ALTUS TFI S.A., held 1 487 262 shares of the Company, which constituted 11.27% in the Company's total number of votes and share capital. ALTUS's other funds do not hold any shares in the Company.

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

On 30 April 2015, the Management Board of Emperia Holding S.A. announced that it has called an Ordinary General Meeting, which is to take place on 27 May 2015. The subject of the meeting will be evaluation and approval of the management report on the Company's operations as well as its financial statements, including consolidated financial statements, for the previous financial year; adoption of a resolution concerning profit distribution or loss coverage, approval of Supervisory Board and Management Board members, adoption of resolutions on appointment of Supervisory Board members, adoption of a resolution on Supervisory Board member remuneration, adoption of resolutions on amendment of resolutions regarding consent to purchase Emperia Holding S.A.'s shares by Subsidiaries for cancellation, consent for executing agreements to purchase shares from Subsidiaries and consent for a bond issue, as well as adoption of a resolution on amendment of the Company's articles of association.

g) Notice from Aviva OFE Aviva BZ WBK on having exceeded 5% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from Aviva OFE Aviva BZ WBK ("Aviva OFE") that, as a result of a transactions to sell shares in Emperia Holding S.A. ("Company") executed on 24 April 2015 and in connection with a reduction in the Company's share capital being registered by court, Aviva OFE Aviva BZ WBK ("Aviva OFE") had increased its share in the Company's voting rights to more than 5%.

After executing and settling the above-mentioned transactions, as of 28 April 2015 Aviva OFE held 834 991 shares in the Company, constituting 6.33% of share capital (issued shares) and entitling to 834 991 votes at the General Meeting, which represented 6.33% of total votes.

h) Notification from IPOPEMA 72 FIZ AN on having exceeded 10% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from IPOPEMA TFI S.A. that, in connection with the registration of a reduction in Emperia Holding S.A.'s share capital, the stake held by IPOPEMA 72 FIZ AN ("Fund") and the stakes of investment funds being managed by IPOPEMA TFI S.A. together exceeded 10% of the Company's total votes.

Following the above event and having bought shares in the Company on the regulated market, investment funds managed by IPOPEMA TFI S.A. together held 1 458 583 shares in the Company, which represented 11.06% of the Company's share capital and carries 1 458 583 votes, i.e. 11.06% of total votes at the Company's general meeting.

i) Memorandum regarding trade cooperation between Polomarket and Stokrotka

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that subsidiary Stokrotka Sp. z o.o. and Polomarket Sp. z o.o. executed on 4 May 2015 a memorandum with regard to commencing trade cooperation by establishing Polskie Supermarkety Sp. z o.o. There are at present 535 retail stores operating under the POLOmarket and Stokrotka logos, which generate annual aggregate revenue of more than PLN 4.1 billion net. The memorandum aims to establish a limited company, Polskie Supermarkety Sp. z o.o., 50% of which will be owned by Stokrotka and 50% by POLOmarket. Within Polskie Supermarkety, a trade department will be established, with responsibility for coordinating procurement policies for trade goods at both of the chains, developing a joint in-house brand and organising direct imports of select goods. The parties do not rule out extending cooperation to other areas in the future.

j) Notice from ING OFE on having exceeded 5% of total votes in Emperia Holding S.A.

On 5 May 2015, the Management Board of Emperia Holding S.A. announced that it had received notification from ING OFE that, in connection with a reduction in Emperia Holding S.A.'s share capital being registered by court, the Fund's stake exceeded 5% of votes at the Company's general meeting. On 5 May 2015, the Fund held 755 713 shares in the Company, which constituted 5.73% of the Company's share capital. These shares carried the right to 755 713 votes at the Company's general meeting, or 5.73% of total votes.

8. Issuer's condensed separate financial statements

8.1 Selected separate financial data

No.	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2015 to 31 Mar 2015	For the period from 1 Jan 2014 to 31 Mar 2014	For the period from 1 Jan 2015 to 31 Mar 2015	For the period from 1 Jan 2014 to 31 Mar 2014
I.	Net revenue from sale of products, goods and materials	4 064	3 601	980	860
II.	Operating profit (loss)	1 382	2 463	333	588
III.	Profit (loss) before tax	2 801	4 129	675	986
IV.	Profit (loss) for the period	2 351	3 264	567	779
V.	Net cash flows from operating activities	(1 894)	12 053	(457)	2 877
VI.	Net cash flows from investing activities	788	(20 670)	190	(4 934)
VII.	Net cash flows from financing activities	-	-	-	-
VIII.	Total net cash flows	(1 106)	(8 617)	(267)	(2 057)
IX.	Total assets	594 198	595 384	145 316	139 686
X.	Liabilities and liability provisions	96 886	100 423	23 694	23 561
XI.	Total non-current liabilities	724	786	177	184
XII.	Total current liabilities	96 162	99 637	23 517	23 376
XIII.	Equity	497 312	494 961	121 622	116 125
XIV.	Share capital	15 224	15 180	3 723	3 561
XV.	Number of shares	15 223 565	15 179 589	15 223 565	15 179 589
XVI.	Weighted average number of shares	12 847 877	13 802 136	12 847 877	13 802 136
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	1.24	0.97	0.30	0.23
XVIII.	Diluted profit (loss) per ordinary share, annualised** (in PLN/EUR)	1.24	0.96	0.30	0.23
XIX.	Book value per share* (in PLN/EUR)	38.71	36.83	9.47	8.64
XX.	Diluted book value per share** (in PLN/EUR)	38.62	36.76	9.44	8.62
XXI.	Declared or paid out dividend per share (in PLN/EUR)	1.33	0.90	0.33	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 2015 (January-March): 12 847 877;

- for Q1 2014 (January-March): 13 802 136;

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 were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for Q1 2015 was EURPLN 4.1489 and for Q1 2014: EURPLN 4.1894.
- 2 Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 31 March 2015: EURPLN 4.0890; as at 31 December 2014: EURPLN 4.2623.
- 3 Declared dividend was translated using the average exchange rate published by the National Bank of Poland as at the date on which these financial statements were published, i.e. as at 13 May 2015 - EURPLN 4.0765, while dividend paid out - using the rate on the dividend payment date, i.e. 30 June 2014: EURPLN 4.1609.

8.2 Condensed separate statement of financial position

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Non-current assets	383 479	372 467	390 536
Property, plant and equipment	45 764	34 580	51 184
Investment properties	-	-	-
Intangible assets	1 410	1 588	3 307
Financial assets	336 204	336 204	335 941
Non-current receivables	-	-	-
Deferred income tax assets	99	94	104
Other non-current prepayments	2	1	-
Current assets	210 719	222 917	197 001
Inventories	-	-	-
Current receivables	2 201	1 232	2 391
Income tax receivables	-	-	-
Short-term securities	164 110	163 997	108 965
Prepayments	208	88	222
Cash and cash equivalents	44 201	45 307	80 938
Other financial assets	-	-	1 500
Assets classified as held for sale	-	12 293	2 985
Total assets	594 198	595 384	587 537
Equity	497 312	494 961	583 967
Share capital	15 224	15 180	15 115
Share premium	553 647	551 988	549 559
Supplementary capital	2 526	2 526	2 526
Management options provision	1 639	3 341	3 145
Reserve capital	63 268	63 268	63 200
Buy-back provision	-	-	-
Own shares	(158 208)	(158 208)	(65 020)
Retained earnings	19 216	16 865	15 441
Equity attributable to owners of the parent	497 312	494 961	583 967
Non-controlling interests	-	-	-
Total non-current liabilities	724	786	795
Credit facilities, loans and debt instruments	-	-	-
Non-current liabilities	61	90	109
Provisions	26	26	21
Deferred income tax provision	637	670	666
Total current liabilities	96 162	99 637	2 775
Credit facilities, loans and debt instruments	-	-	-
Current liabilities	95 046	97 308	1 244
Income tax liabilities	189	1 399	632
Provisions	845	848	885
Deferred revenue	82	82	15
Total equity and liabilities	594 198	595 384	587 537

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Book value	497 312	494 961	583 967
Number of shares	15 223 565	15 179 589	15 115 161
Weighted average number of shares:	12 847 877	13 440 114	13 802 136
Diluted number of shares	12 878 013	13 465 487	13 898 025
Book value per share (in PLN)*	38.71	36.83	42.31
Diluted book value per share (in PLN)**	38.62	36.76	42.02

* 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 Mar 2015	Three months ended 31 Mar 2014
Revenue from sales	4 064	3 601
Cost of sales	(2 182)	(2 029)
Profit on sales	1 882	1 572
Other operating revenue	548	1 911
Selling costs	-	-
Administrative expenses	(820)	(948)
Other operating expenses	(228)	(72)
Operating profit	1 382	2 463
Finance income	1 419	2 089
Finance costs	-	(423)
Profit before tax	2 801	4 129
Income tax	(450)	(865)
- current	(488)	(824)
- deferred	38	(41)
Profit for the period	2 351	3 264
Profit for the period attributable to owners of the parent	2 351	3 264
Profit for the period attributable to non-controlling interests	-	-

Annualised profit	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014
Profit (loss) for the period (annualised)	15 952	13 374
Weighted average number of ordinary shares	12 847 877	13 802 136
Weighted average diluted number of ordinary shares*	12 878 013	13 898 025
Profit (loss) per ordinary share, annualised (in PLN)	1.24	0.97
Diluted profit (loss) per ordinary share, annualised* (in PLN)	1.24	0.96

* Weighted average diluted number of ordinary shares:

– for Q1 2015 (January-March): 12 878 013, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

– for Q1 2014 (January-March): 13 898 025, 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 Mar 2014	Three months ended 31 Mar 2014
Profit for the period	2 351	3 264
Other comprehensive income:	-	-
Comprehensive income for the period	2 351	3 264

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 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 three months ended 31 Mar 2015	-	-	-	-	-	-	2 351	2 351
Share issuance - incentive scheme	44	1 658	-	(1 702)	-	-	-	-
Share capital reduction as a result of share issue	-	-	-	-	-	-	-	-
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Dividend from prior-year profit	-	-	-	-	-	-	-	-
31 Mar 2015	15 224	553 647	2 526	1 639	63 268	(158 208)	19 216	497 312

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Own shares	Retained earnings	Total equity
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	-	-	-	-	-	-	-	-
1 Jan 2014, adjusted	15 115	549 559	2 526	3 145	63 200	(65 020)	12 177	580 702
Comprehensive income for the three months ended 31 Mar 2014	-	-	-	-	-	-	3 264	3 264
Release of buy-back provision	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Dividend from prior-year profit	-	-	-	-	-	-	-	-
31 Mar 2014	15 115	549 559	2 526	3 145	63 200	(65 020)	15 441	583 966

	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	-	-	-	-	-	-	16 865	16 865
Prior-year profit distribution - transfer to equity	-	-	-	-	68	-	(68)	-
Share issuance - incentive scheme	65	2 429	-	-	-	-	-	2 494
Actuarial gains (losses)	-	-	-	-	-	-	(1)	(1)
Dividend from prior-year profit	-	-	-	-	-	-	(12 109)	(12 109)
Purchase of own shares	-	-	-	-	-	(93 188)	-	(93 188)
Management options provision	-	-	-	196	-	-	-	196
Release of buy-back provision	-	-	-	-	-	-	-	-
As at the end of period: 31 Dec 2014	15 180	551 988	2 526	3 341	63 268	(158 208)	16 865	494 961

8.5 Condensed separate statement of cash flows

	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014
Profit (loss) for the period	2 351	3 264
Adjusted by:	(4 245)	8 789
Depreciation / amortisation	517	628
Interest and shares of profit (dividends)	(1 184)	(1 489)
Income tax	449	865
Profit (loss) on investing activities	(397)	216
Change in provisions	(2)	(24)
Change in inventories	-	-
Change in receivables	(687)	8 759
Change in prepayments	(119)	(136)
Change in liabilities	(1 123)	362
Income tax paid	(1 699)	(391)
Net cash from operating activities	(1 894)	12 053
Inflows	467 898	372 957
Disposal of property, plant and equipment and intangible assets	12 398	467
Disposal of financial assets	455 500	367 464
Dividends received	-	-
Interest received	-	30
Repayment of loans issued	-	4 996
Other inflows	-	-
Outflows	(467 110)	(393 627)
Purchase of property, plant and equipment and intangible assets	(12 832)	(919)
Purchase of subsidiaries and associates	-	(69 870)
Purchase of financial assets	(454 278)	(322 838)
Borrowings granted	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	-	-
Net cash from investing activities	788	(20 670)
Inflows	-	-
Proceeds from credit facilities and loans	-	-
Issue of short-term debt instruments	-	-
Other inflows	-	-
Outflows	-	-
Repayment of borrowings	-	-
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	-	-
Interest and fees paid	-	-
Dividends paid	-	-
Purchase of own shares	-	-
Other outflows	-	-
Net cash from financing activities	-	-
Change in cash and cash equivalents	(1 106)	(8 617)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	45 307	89 555
Cash and cash equivalents at the end of period	44 201	80 938

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, May 2015

Signatures of all Management Board members

2015-05-13 Dariusz Kalinowski President of the Management Board

.....
Signature

2015-05-13 Cezary Baran Vice-President of the Management Board, Finance Director

.....
Signature

Signatures of persons responsible for book-keeping

2015-05-13 Elżbieta Świniarska Economic Director

.....
Signature