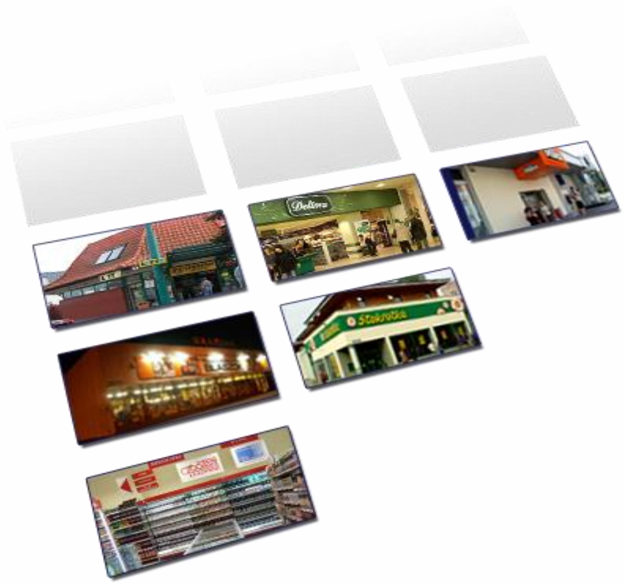

CONDENSED CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE FIRST HALF OF 2013

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

LUBLIN, 23 AUGUST 2013

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

Contents

CEO Letter to Shareholders

Lublin, 23 August 2013

Dear Shareholders,

The first half of 2013 brought numerous significant changes for Emperia Group, in both our business and organisational structure. The period saw us dealing with a slowing economy and the resulting lower purchasing power of our customers, which had a significant impact on our financial results.

March and April saw management and supervisory changes. I became the Company's new CEO on 11 March 2013. Appointed to the Management Board also was Cezary Baran, as Finance Director. On 10 April 2013, the previous CEO, Artur Kawa, was appointed as Chairman of Emperia Holding S.A.'s Supervisory Board. The Supervisory Board also gained two new members - Michał Kowalczewski and Andrzej Malec.

In retail, our key strategic area of operations, we are focusing on developing Stokrotka, today already a chain of modern supermarket with a strong, stable market position. We continued to focus on strategic growth objectives for the segment by introducing a new corporate identity, optimising costs and launching in-house logistics. The first effects are already visible, and much more is yet to come in the upcoming reporting periods.

The in-house logistics system, which was launched on 1 July 2013 and will enable improvement in operating standards and store cost optimisation, is of a strategic importance to Stokrotka's competitive footprint. Direct procurement to the central hub means cutting out the middlemen, and this translates into better prices for our customers and higher sales margins for us. Aside from in-house logistics, we introduced advanced solutions for product quality management and control, allowing us to further improve the price to quality profile.

As recommended by the Management Board, in June we distributed almost the entire profit from 2012, PLN 13.4 million, as dividend. In April, thanks to a cash surplus, we resumed our buy-back programme, which by the end of H1 2013 amounted to PLN 14.1 million. The decision to re-purchase shares is based on the Management Board's conviction that the current share price does not fully reflect the Group's value.

I hope you find the H1 2013 financial statements to be an enjoyable read.

Despite unfavourable market conditions, the results generated by each of our business lines should be regarded as satisfactory at this stage of the Group's development. Continuing with the changes began in H1 2013 will enable us to further improve economic performance across all operating segments and thus to continue to build the Company's market value.

Dariusz Kalinowski

CEO, Emperia Holding S.A.

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

1. Selected financial data

	SELECTED FINANCIAL DATA (current year)	PLN		EUR	
		For the period from 1 Jan 2013 to 30 Jun 2013	For the period from 1 Jan 2012 to 30 Jun 2012	For the period from 1 Jan 2013 to 30 Jun 2013	For the period from 1 Jan 2012 to 30 Jun 2012
I.	Net revenue from sale of products, goods for resale and materials	982 758	978 908	233 213	231 716
II.	Operating profit (loss)	23 942	10 865	5 682	2 572
III.	Profit (loss) before tax	27 081	33 114	6 426	7 838
IV.	Profit (loss) for the period	24 595	36 584	5 836	8 660
V.	Net cash flows from operating activities	29 783	54 938	7 068	13 004
VI.	Net cash flows from investing activities	(10 189)	30 669	(2 418)	7 260
VII.	Net cash flows from financing activities	(27 457)	(955 193)	(6 516)	(226 103)
VIII.	Total net cash flows	(7 863)	(869 586)	(1 866)	(205 839)
IX.	Total assets	991 858	978 402	229 109	239 323
X.	Liabilities and liability provisions	306 861	290 477	70 882	71 053
XI.	Non-current liabilities	38 676	42 401	8 934	10 372
XII.	Current liabilities	268 185	248 076	61 948	60 681
XIII.	Equity	684 997	687 925	158 227	168 271
XIV.	Share capital	15 115	15 115	3 491	3 697
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	14 469 466	14 512 325	14 469 466	14 512 325
XVII.	Profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.61	48.81	0.14	11.55
XVIII.	Diluted profit (loss) per ordinary share, annualised* (in PLN/EUR)	0.61	48.61	0.14	11.51
XIX.	Book value per share* (in PLN/EUR)	47.34	47.43	10.94	11.60
XX.	Diluted book value per share* (in PLN/EUR)	47.05	47.19	10.87	11.54
XXI.	Paid out dividend per share (in PLN/EUR)	0.93	56.41	0.21	13.06

comparative data in the statement of financial position as at 31 December 2012
* 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 H1 2013 (January-June): 14 469 466
- for H2 2013 (January-June): 14 512 325

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

1. Items in the statement of profit and loss and statement of cash flows were translated according to the exchange rate established as the average of exchange rates published by the National Bank of Poland on the last day of each month, which for H1 2013 was EURPLN 4.2140 and for H1 2012: EURPLN 4.2246.
2. Balance sheet items and book value / diluted book value were translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period, as follows: as at 30 June 2013: EURPLN 4.3292; as at 31 December 2012: EURPLN 4.0882.
3. Dividend paid out was translated using the average rate published by the National Bank of Poland on the dividend payment date, which as at 26 June 2013 was EURPLN 4.3348 and as at 14 June 2012 EURPLN 4.3207.

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

2. Statement by the Management Board

The Management Board of Emperia Holding S.A. declares that, to the best of its knowledge, the condensed consolidated semi-annual financial statements and comparative data were drawn up in accordance with International Financial Reporting Standards and interpretations published in the form of Commission Regulations, and that they correctly, reliably and clearly reflect the Group's financial and asset position together with its financial performance, and that the semi-annual report on Group operations contains a true depiction of the development, achievements and situation of the Group, including a description of key threats and risks.

The Management Board of Emperia Holding S.A. declares that the entity authorised to audit financial statements which audited the Group's condensed consolidated semi-annual financial statements was selected in accordance with the provisions of law and that such entity and the statutory auditors conducting the audit fulfilled the conditions for issue of an impartial and independent report on audit of the condensed consolidated semi-annual financial statements in accordance with binding regulations and professional standards.

Lublin, August 2013

Signatures of all Management Board members:

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature

3. Report of an independent statutory auditor on review of the H1 2013 condensed consolidated semi-annual financial statements

The report of an independent statutory auditor on review of the condensed consolidated semi-annual financial statements for the period from 1 January 2013 to 30 June 2013 can be found in the attached file "*Auditors_report_SSF_IP_2013.pdf*".

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

4. Consolidated statement of financial position

	30 Jun 2013	31 Dec 2012	30 Jun 2012
Non-current assets	**583 932**	**588 652**	**558 742**
Property, plant and equipment	495 257	499 621	475 168
Investment property	-	-	-
Intangible assets	6 282	6 570	6 708
Goodwill	49 186	49 186	49 186
Interests in equity-accounted investees	-	-	-
Financial assets	92	194	297
Non-current borrowings	-	-	-
Non-current receivables	4 722	4 065	3 999
Deferred income tax assets	21 546	21 148	14 160
Other non-current prepayments	6 847	7 868	9 224
Non-current assets classified as held-for-sale	-	-	-
Current assets	**407 926**	**389 750**	**384 765**
Inventory	141 206	103 767	98 654
Receivables	50 903	63 341	68 795
Income tax receivables	224	2 583	163
Short-term securities	-	-	-
Prepayments	8 098	4 746	8 760
Cash and cash equivalents	207 475	215 293	208 393
Other financial assets	-	-	-
Assets classified as 'held for sale'	20	20	-
Total assets	**991 858**	**978 402**	**943 507**
Equity	**684 997**	**687 925**	**703 703**
Share capital	15 115	15 115	15 115
Share premium	549 559	549 559	50 559
Supplementary capital	100 084	100 084	100 084
Management options provision	5 031	5 031	5 031
Reserve capital	110 525	110 303	110 303
Buy-back provision	-	-	499 000
Own shares	(79 119)	(65 020)	(65 020)
Retained earnings	(16 198)	(27 147)	(11 369)
Total equity attributable to owners of the parent	**684 997**	**687 925**	**703 703**
Non-controlling interests	-	-	-
Non-current liabilities	**38 676**	**42 401**	**6 282**
Credits, loans and debt instruments	-	-	-
Non-current liabilities	1 099	1 120	1 545
Provisions	35 498	39 289	2 077
Deferred income tax provision	2 079	1 992	2 660
Current liabilities	**268 185**	**248 076**	**233 522**
Credits, loans and debt instruments	-	-	5 335
Current liabilities	247 372	229 772	214 969
Income tax liabilities	1 474	1 872	1 204
Provisions	16 718	14 409	9 082
Deferred revenue	2 621	2 023	2 932
Liabilities assigned to assets classified as held-for-sale	-	-	-
Total equity and liabilities	**991 858**	**978 402**	**943 507**

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

	30 Jun 2013	30 Jun 2012
Book value	684 997	703 703
Number of shares	15 115 161	15 115 161
Diluted number of shares	14 560 319	14 571 479
Book value per share (in PLN)*	47.34	48.49
Diluted book value per share (in PLN)**	47.05	48.29

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

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature

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

5. Consolidated statement of profit and loss and consolidated statement of comprehensive income

Profit and loss statement	Three months ended 30 Jun 2013	Six months ended 30 Jun 2013	Three months ended 30 Jun 2012	Six months ended 30 Jun 2012
Revenue	**489 711**	**982 758**	**487 489**	**978 908**
- from subsidiaries	*3*	*6*	*46*	*83*
Revenue from sale of products and services	33 173	61 812	35 953	66 026
Revenue from sale of goods for resale and materials	456 538	920 946	451 536	912 882
Cost of sales	**(371 266)**	**(742 545)**	**(369 260)**	**(741 919)**
- to subsidiaries	*(2)*	*(5)*	*(6)*	*(16)*
Cost of manufacture of products sold	(6 071)	(13 042)	(10 063)	(15 072)
Value of goods for resale and materials sold	(365 195)	(729 503)	(359 197)	(726 847)
Profit from sales	**118 445**	**240 213**	**118 229**	**236 989**
Other operating revenue	1 409	6 126	3 529	11 129
Distribution costs	(91 114)	(185 987)	(92 652)	(188 061)
Administrative expenses	(17 216)	(33 575)	(18 121)	(35 223)
Other operating expenses	(1 128)	(2 835)	(11 762)	(13 969)
Operating profit	**10 396**	**23 942**	**(777)**	**10 865**
Finance income	1 560	3 326	10 880	23 708
Finance costs	(121)	(187)	(228)	(1 459)
Profit before tax	**11 835**	**27 081**	**9 875**	**33 114**
Income tax	**(947)**	**(2 486)**	**558**	**3 470**
Current	(137)	(2 798)	(1 369)	(3 397)
Deferred	(810)	312	1 927	6 867
Share of the profit of equity-accounted investees	-	-	-	-
Profit for the period	**10 888**	**24 595**	**10 433**	**36 584**
Profit for the period attributable to owners of the parent	10 888	24 595	10 433	36 584
Profit for the period attributable to non-controlling interests	-	-	-	-

Profit (loss) for the period (annualised)	**8 814**	**708 354**
Weighted average number of ordinary shares	14 469 466	14 512 325
Weighted average diluted number of ordinary shares**	14 560 319	14 571 479
Profit (loss) per ordinary share, annualised (in PLN)*	0.61	48.81
Diluted profit (loss) per ordinary share, annualised (in PLN)	0.61	48.61

* calculated using the weighted average number of the Issuer's shares
** Weighted average diluted number of ordinary shares:
– for H1 2013 (January-June): 14 560 319, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.
– for H1 2012 (January-June): 14 571 479, taking into consideration the dilutive effect of options granted under the 2010 and 2011 tranches of the 2nd Management Options Programme 2010-2012.

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

Statement of comprehensive income	Six months ended 30 Jun 2013	Six months ended 30 Jun 2012
Profit for the period	**24 595**	**36 584**
Other comprehensive income	-	-
Comprehensive income for the period	**24 595**	**36 584**
Comprehensive income attributable to shareholders of the parent	24 595	36 584
Comprehensive income attributable to non-controlling interests	-	-

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature

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

6. Consolidated statement of changes in equity

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2013	**15 115**	**549 559**	**100 084**	**5 031**	**110 303**	**-**	**(65 020)**	**(27 147)**	**687 925**
Correction of fundamental errors 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**
1 January 2013, corrected	**15 115**	**549 559**	**100 084**	**5 031**	**110 303**	**-**	**(65 020)**	**(27 147)**	**687 925**
Comprehensive income for the six months ended 30 June 2013	**-**	**-**	**-**	**-**	**-**	**-**	-	**24 595**	**24 595**
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	(53)	**(53)**
2012 profit distribution - transfer to equity	-	-	-	-	222	-	-	(222)	**-**
Release of buy-back provision	-	-	-	-	-	-	-	-	**-**
Purchase of own shares	-	-	-	-	-	-	(14 099)	-	**(14 099)**
Redemption of own shares	-	-	-	-	-	-	-	-	**-**
Transfer of buy-back provision	-	-	-	-	-	-	-	-	**-**
Dividend for shareholders from 2012 profit distribution	-	-	-	-	-	-	-	(13 372)	**(13 372)**
Dividend for non-controlling interests	-	-	-	-	-	-	-	-	**-**
30 Jun 2013	**15 115**	**549 559**	**100 084**	**5 031**	**110 525**	**-**	**(79 119)**	**(16 198)**	**684 997**

	Share capital	Share premium	Supplementary capital	Management options provision	Reserve capital	Buy-back provision	Own shares	Retained earnings	Total equity
1 January 2012	**15 115**	**50 559**	**100 084**	**5 031**	**110 169**	**499 000**	**(53 774)**	**770 978**	**1 497 162**
Correction of fundamental errors 2011	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1 January 2012, corrected	**15 115**	**50 559**	**100 084**	**5 031**	**110 169**	**499 000**	**(53 774)**	**770 978**	**1 497 162**
Comprehensive income for the six months ended 30 June 2012	-	-	-	-	-	-	-	36 584	**36 584**
Prior-period results of companies entered into consolidation	-	-	-	-	-	-	-	-	**-**
Sale of properties restated in prior years	-	-	-	-	-	-	-	(1 125)	**(1 125)**
Measurement of 2nd management options programme	-	-	-	-	-	-	-	-	**-**
2011 profit distribution - transfer to equity	-	-	-	-	134	-	-	(134)	**-**
Creation of buy-back provision	-	-	-	-	-	-	-	-	**-**
Purchase of own shares	-	-	-	-	-	-	(11 246)	-	**(11 246)**
Dividend for shareholders from 2011 profit distribution	-	-	-	-	-	-	-	(817 671)	**(817 671)**
Dividend for non-controlling interests	-	-	-	-	-	-	-	-	**-**
30 Jun 2012	**15 115**	**50 559**	**100 084**	**5 031**	**110 303**	**499 000**	**(65 020)**	**(11 369)**	**703 703**

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

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

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

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature

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

7. Consolidated statement of cash flows

	Six months ended 30 Jun 2013	Six months ended 30 Jun 2012
Profit (loss) for the period	**24 595**	**36 584**
Adjusted by:	**5 188**	**18 354**
Share of the net profit (loss) of equity-accounted investees	-	-
Depreciation	20 195	21 678
(Profit) loss on exchange differences	(45)	-
Interest and shares of profit (dividend)	-	547
Income tax	2 486	(3 470)
Profit (loss) on investing activities	(3 080)	(4 367)
Change in provisions	(1 484)	1 762
Change in inventory	(37 439)	20 370
Change in receivables	11 530	16 027
Change in prepayments	(1 730)	(2 657)
Change in liabilities	15 591	(34 053)
Other corrections	1	8 029
Income tax paid	(837)	(5 512)
Net cash from operating activities	**29 783**	**54 938**
Inflows	**5 047**	**129 735**
Disposal of property, plant and equipment and intangible assets	5 007	46 417
Disposal of financial assets	-	-
Sale of subsidiaries	-	-
Dividends received	-	-
Interest received	-	1 315
Repayment of borrowings	-	82 000
Cash of entities acquired, at acquisition date	40	-
Proceeds from use of investment properties	-	-
Other inflows	-	4
Outflows	**(15 236)**	**(99 066)**
Purchase of property, plant and equipment and intangible assets	(15 233)	(17 066)
Purchase of investment properties	-	-
Purchase of subsidiaries and associates	-	-
Purchase of financial assets	-	-
Borrowings granted	-	(82 000)
Cash of subsidiaries at disposal date	-	-
Expenditures on maintenance of investment properties	-	-
Other outflows	(3)	-
Net cash from investing activities	**(10 189)**	**30 669**
Inflows	**-**	**-**
Proceeds from loans and borrowings incurred	-	-
Issue of short-term debt instruments	-	-
Proceeds from equity issuance	-	-
Other inflows	-	-
Outflows	**(27 457)**	**(955 193)**
Repayment of borrowings	-	(124 751)
Buy-back of short-term debt instruments	-	-
Payment of finance lease liabilities	-	-

Interest and fees paid	-	(1 525)
Dividends paid	(13 358)	(817 671)
Purchase of own shares	(14 099)	(11 246)
Other outflows	-	-
Net cash flows from financing activities	**(27 457)**	**(955 193)**
Change in cash and cash equivalents	**(7 863)**	**(869 586)**
Exchange differences	45	-
Cash and cash equivalents at the beginning of period	**215 293**	**1 077 979**
Cash and cash equivalents at the end of period	**207 475**	**208 393**

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature

8. Description of significant accounting policies

8.1 Statement on compliance and basis for preparing the financial statements

The condensed consolidated semi-annual 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 presented 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.

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

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

8.2 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 000's (unless stated otherwise).

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

8.3 Discontinued operations

In these financial statements, all of the Group's activities are presented as continued operations.

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

8.4 Application of standards and interpretations effective from 1 January 2013

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

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

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

b) IFRS 10 Consolidated Financial Statements

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

c) IFRS 11 Joint Arrangements

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

d) IFRS 12 Disclosure of Interests in Other Entities

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

e) IFRS 13 Fair Value Measurement

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

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

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

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

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

h) IAS 19 Employee Benefits

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

i) Amendments to IAS 1 Government Loans

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

j) Amendments to IFRSs (2009-2011)

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

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

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

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

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

The Group estimates that the adoption of the above amended standards and new interpretations did not have a significant impact on the financial statements for H1 2013.

Standards issued, but not yet effective:

a) IAS 32 Financial Instruments: Presentation

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

Earlier application of standards and applications:

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

Standards and interpretations not yet endorsed by the European Union:

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

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

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

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

c) New interpretation IFRIC 21 Levies

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

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

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The overall effect of the amendment is a reduction in the events where recoverable value of an asset or a cash-generating unit requires disclosure, clarification of disclosure requirements and introduction of formal

requirements for the disclosure of discount rates applied to recognise impairment or reverse an impairment loss (based on fair value less costs of disposal) measured based on current value.
The amendments apply to annual periods beginning on or after 1 January 2014. Early application is permitted if IFRS 13 is applied.

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

On 27 June 2013, the IASB issued 'Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39 'Financial Instruments: Recognition and Measurement'). Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.
A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to benefit from the amended guidance, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.
The amendments apply to annual periods beginning on or after 1 January 2014. Early application is permitted.

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

8.5 Key accounting principles

The accounting principles adopted in preparing the condensed consolidated semi-annual financial statements are consistent with the principles described in Emperia Group's consolidated annual financial statements, drafted in accordance with IFRS, for the year ended 31 December 2012.

8.6 Segment reporting

IFRS 8 Operating Segments, issued by the IASB on 30 November 2006, superseded IAS 14 Segment Reporting and applies to annual periods beginning on or after 1 January 2009.
Following the sale of distribution and franchise operations to Eurocash S.A., the Management Board carried out an analysis of the Group's management model, reporting system and the key economic aspects of its entities. On this basis, new operating segments were identified, which more closely reflect the Group's structure as well as its distinct products and services, from which the segments generate their revenue.

In 2013, the Group operated through the following segments:

1 **Retail** (retail segment), covering all operations of the following subsidiaries: Stokrotka Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy S.A;

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

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

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

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

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

Segment information for H1 2013:

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	960 846	33 331	3 858	15 444	30 720	**982 758**
External revenue	960 033	11 465	1 706	9 554	-	**982 758**
Inter-segment revenue	813	21 866	2 152	5 890	30 720	**-**
Total segment costs	(957 494)	(19 242)	(6 170)	(11 375)	(32 174)	**(962 107)**
Profit from sales	3 351	14 089	(2 312)	4 069	(1 454)	**20 651**
Result on other operating activities	857	2 440	613	(14)	605	**3 291**
Result on financing activities	(2 071)	(2 869)	13 603	251	5 775	**3 139**
Gross result	2 137	13 660	11 904	4 306	4 926	**27 081**
Tax	(550)	-	(940)	(838)	158	**(2 486)**
Share of the profit of equity-accounted investees	-	-	-	-	-	**-**
Net segment profit	**1 587**	**13 660**	**10 964**	**3 468**	**5 084**	**24 595**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	448 378	725 112	658 100	16 638	856 370	**991 858**
Goodwill	36 342	12 844	-	-	-	**49 186**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	11 086	2 133	1 076	1 609	671	**15 233**
Depreciation	14 061	5 454	858	858	1 036	**20 195**

Group external revenue by geographic area

The Group generates its revenue from sales within Poland (location of end customers).

Key customers

Emperia Group's customer base is fragmented. None of the Group's customers have a dominant position or accounts for more than 10% share of revenue.

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

Segment information for H1 2012:

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment revenue	954 547	31 324	7 107	12 998	27 069	**978 908**
External revenue	954 222	11 728	4 378	8 579	-	**978 908**
Inter-segment revenue	325	19 596	2 729	4 419	27 069	**-**
Total segment costs	(949 571)	(20 995)	(12 601)	(9 882)	(27 845)	**(965 203)**
Profit from sales	4 976	10 329	(5 494)	3 116	(778)	**13 705**
Result on other operating activities	(6 192)	(3 692)	(331)	(21)	(7 396)	**(2 840)**
Result on financing activities	(3 087)	(4 795)	37 817	194	7 880	**22 249**
Gross result	(4 303)	1 842	31 992	3 289	(293)	**33 114**
Tax	985	(263)	(444)	(626)	(3 818)	**3 470**
Share of the profit of equity-accounted investees	-	-	-	-	-	**-**
Net segment profit	**(3 318)**	**1 579**	**31 548**	**2 663**	**(4 112)**	**36 584**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Segment assets / liabilities	403 932	723 163	619 966	14 713	818 267	**943 507**
Goodwill	36 342	12 844	-	-	-	**49 186**

	Retail	Property	Central management	IT	Exclusions from consolidation	Total
Capital expenditures	6 110	10 094	1 381	2 693	3 212	**17 066**
Depreciation	15 161	5 363	932	839	617	**21 678**

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

a) Merger of Infinite Sp. z o.o. subsidiaries Emperia Info Sp. z o.o. and Tradis S.A.

On 2 January 2013, the District Court in Lublin-Wschód, based in Świdnik, 6th Commercial Division of the National Court Register, registered the merger of subsidiaries: Infinite Sp. z o.o., Emperia Info Sp. z o.o. and Tradis S.A. The merger was executed through the acquisition by Infinite Sp. z o.o. (the acquiring company) of Emperia Info Sp. z o.o. and Tradis S.A. (the acquired companies). The merger was completed in accordance with the Merger Plan published on the companies' websites, i.e. without increasing the acquiring company's share capital or amending its articles of association.

b) Share capital increase at EMP Investment Limited

On 19 March 2013, acting pursuant to art. 46 of the Company's articles of association, members of EMP Investment Limited adopted a resolution on the increase of the Company's share capital from PLN 41 833 to PLN 50 998 through the issue of 9 115 new shares with a nominal value of PLN 1 each, which were acquired by:
- Stokrotka Sp. z o.o. - 7 925 shares in exchange for a monetary contribution of PLN 47 550, of which PLN 7 925 will be used to pay for the newly-issued shares and PLN 39 625 will be allocated to a share premium provision.

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

- Społem Tychy S.A. - 1 190 shares with a nominal value of PLN 1 in exchange for a monetary contribution of PLN 7 140, of which PLN 1 190 will be used to pay for the newly-issued shares and PLN 5 950 will be allocated to a share premium provision.

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

On 9 April 2013, the Extraordinary General Meeting of Ekon Sp. z o.o. adopted a resolution on increase of the company's share capital from PLN 150 000 to PLN 200 000, i.e. by PLN 50 000, through the issue of 500 new shares with a nominal value of PLN 100 each. All of the newly-issued shares were purchased by Emperia Holding S.A. for a cash contribution of PLN 50 000.

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

Did not take place in H1 2013.

9. Other significant information and events

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

These financial statements were prepared in accordance with the Group's accounting principles applied consistently since 1 January 2005, as described in detail in the 2012 consolidated annual financial statements.

9.2 Production seasonality and cyclicality

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

9.3 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

In H1 2013, the Group sold two properties as follows:

Revenue	PLN 4 157 000
Cost of sale	PLN 1 088 000
Net profit	PLN 3 069 000

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

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

Employee benefit provisions	Change in H1 2013	Change in 2012
Non-current		
As at the beginning of period	**1 481**	**2 059**
Increases / decreases during the period	2	(578)
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**1 483**	**1 481**
Current		
As at the beginning of period	**5 111**	**6 173**
Increases / decreases during the period	493	(1 379)
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**5 604**	**4 794**

Other provisions	Change in H1 2013	Change in 2012
Non-current		
As at the beginning of period	**37 808**	-
Increases / decreases during the period	(3 793)	37 808
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**34 015**	**37 808**
Current		
As at the beginning of period	**9 298**	**1 164**
Increases / decreases during the period	1 816	8 451
Increases / decreases during the period as a result of acquisitions / disposals	-	-
As at the end of period	**11 114**	**9 615**

9.5 Issue, buyback and repayment of debt and equity securities

Bonds outstanding

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

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

Issue and buy-back of bonds (presented at par values) by ELPRO EKON Sp. z o.o. S.K.A. during H1 2013 and H1 2012:

H1 2013

Issue and buy-back of bonds in H1 2013	Total	External issuance	Emperia Holding S.A.	Infinite Sp. z o.o.	P3 EKON Sp. z o.o. S.K.A	P5 EKON Sp. z o.o. S.K.A	P1 Sp. z o.o.
As at the beginning of period	**150 000**	**-**	**101 500**	**7 000**	**41 500**	**0**	**-**
Issuance of bonds	*900 000*	-	*567 500*	*56 500*	*263 500*	*12 500*	-
Buy-back of bonds	*(900 000)*	-	*(576 000)*	*(57 500)*	*(258 500)*	*(8 000)*	-
As at the end of period	**150 000**	**-**	**93 000**	**6 000**	**46 500**	**4 500**	**-**

FY 2012

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

b) Stokrotka Sp. z o.o.

Subsidiary Stokrotka Sp. z o.o. has an agreement with BRE Bank S.A. concerning a short- and medium-term bond programme with an aggregate value of no more than PLN 150 000 000.
Issue and buy-back of bonds (presented at par values) by Stokrotka Sp. z o.o. during H1 2013 and H1 2012:

H1 2013

Issue and buy-back of bonds in H1 2013	Total	External issuance	Emperia Holding S.A.	P3 EKON Sp. z o.o. S.K.A	Maro Markety Sp. z o.o.	P1 Sp. z o.o.
As at the beginning of period	**92 000**	**-**	**92 000**	**0**	**-**	**-**
Issuance of bonds	*576 000*	-	*575 000*	*1 000*	-	-
Buy-back of bonds	*(571 000)*	-	*(570 000)*	*(1 000)*	-	-
As at the end of period	**97 000**	**-**	**97 000**	**0**	**-**	**-**

FY 2012

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

Debt instrument liabilities as at 30 June 2013

Issuer	Series	Par value (in PLN 000's)	Maturity date	As at 30 June 2013
Stokrotka Sp. z o.o.	0103*	97 000	2013-07-05	
Elpro Ekon Sp. z o.o. S.K.A.	0138*	93 000	2013-07-05	
Elpro Ekon Sp. z o.o. S.K.A.	0138*	6 000	2013-07-05	
Elpro Ekon Sp. z o.o. S.K.A.	0138*	46 500	2013-07-05	
Elpro Ekon Sp. z o.o. S.K.A.	0138*	4 500	2013-07-05	
All bond issuance by the Group				-

Other	-
Total debt instrument liabilities	**-**
Current	-
Non-current	-

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

Debt instrument liabilities as at 31 December 2012

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

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

9.6 Paid out and proposed dividends

Dividends paid:

On 4 June 2013, Emperia Holding S.A.'s General Meeting adopted a resolution on distribution of the net profit generated in 2012. PLN 13 371 909.21 was allocated to dividend, i.e. PLN 0.93 per share.
Entitled to dividend were shareholders who held shares on 12 June 2013 (ex-dividend date). The dividend payment date was 26 June 2013.

Dividends received:

The parent company, Emperia Holding S.A., received PLN 5 774 000 in dividend from subsidiary Infinite Sp. z o.o. as allocation of the profit made in 2012.
The dividend was paid within the Group's consolidated companies, thus is subject to exclusion from these financial statements.

9.7 Revenue and profit by operating segment

Revenue and profit by operating segment are presented in point 8.6.

9.8 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.

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

Changes in off-balance sheet liabilities during H1 2013	Credit facilities	Bank guarantees	Security interests
Mortgages			
As at the beginning of period	-	-	-
Increases during the period	-	-	-
Decreases during the period	-	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	-	-
Transfer of ownership / pledge / assignment of current assets			
As at the beginning of period	-	3 295	-
Increases during the period	-	1 549	-
Decreases during the period	-	(102)	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	**-**	**4 742**	**-**
Transfer of ownership / pledge / assignment of non-current assets			
As at the beginning of period	-	-	-
Increases during the period	-	-	-
Decreases during the period	-	-	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	-	-	-
Guarantees			
As at the beginning of period	-	157	251
Increases during the period	-	-	-
Decreases during the period	-	(157)	-
Increases / decreases during the period as a result of acquisitions / disposals	-	-	-
As at the end of period	**-**	**-**	**251**

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

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

9.9 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.

H1 2013:

Impairment and reversal of impairment losses	Change in H1 2013
Impairment of property, plant and equipment	
As at the beginning of period	8 966
Recognition	40
Reversal	(16)
Changes as a result of acquisitions / disposals	-
As at the end of period	**8 990**
Impairment of receivables	
As at the beginning of period	10 121
Recognition	1 664
Reversal	(1 637)
Changes as a result of acquisitions / disposals	-
*Derecognised from statement of profit and loss**	(210)
As at the end of period	**9 938**
Impairment of financial assets	
As at the beginning of period	-
Recognition	-
Reversal	-
Changes as a result of acquisitions / disposals	-
As at the end of period	**-**
Impairment of inventory	
As at the beginning of period	5 504
Recognition	9 024
Reversal	(4 547)
Changes as a result of acquisitions / disposals	-
As at the end of period	**9 981**
including: Impairment losses on inventory control	
As at the beginning of period	275
Recognition	6 944
Reversal	(4 513)
Changes as a result of acquisitions / disposals	-
As at the end of period	2 707
including: Impairment losses on bonuses	
As at the beginning of period	5 229
Recognition	2 080
Reversal	(34)
Changes as a result of acquisitions / disposals	-
As at the end of period	7 274

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

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

FY 2012:

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

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

9.10 Reversal of cost restructuring provisions

Did not occur at the Group during H1 2013.

9.11 Deferred income tax

Deferred income tax	Change in H1 2013	Change in FY 2012
Deferred income tax assets		
As at the beginning of period	21 148	8 987
Increase	1 562	*12 248*
Decrease	(1 164)	*(87)*
Change as a result of acquisition	-	-
As at the end of period	**21 546**	**21 148**

Deferred income tax	Change in H1 2013	Change in FY 2012
Deferred income tax provision		
As at the beginning of period	1 992	4 354
Recognition	*303*	*2 408*

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

Reversal	*(216)*	*(4 770)*
Change as a result of acquisition	-	-
As at the end of period	**2 079**	**1 992**

9.12 Financial and operating leasing

a) Finance lease liabilities

Did not occur during H1 2013 nor in the comparative period.

b) Operating leasing

Did not occur during H1 2013 nor in the comparative period.

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

H1 2013

Asset	Term of agreement	As at 30 Jun 2013	As at 30 Jun 2014	1 - 5 years	Over 5 years
		Minimum annual payment			
Property	specified	35 786	71 509	282 366	348 635
	unspecified	2 485	4 245	17 001	22 367
Technical equipment and machinery	specified	4	16	13	-
	unspecified	33	61	242	327
Means of transport	specified	419	4 042	16 169	20 212
	unspecified	-	-	-	-
Other property, plant and equipment	specified	-	-	-	-
	unspecified	-	-	-	-

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

FY 2012

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

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

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

Liabilities in connection with purchase of property, plant and equipment were not recorded in H1 2013.

9.14 Correction of prior-period errors

Did not occur at the Group during H1 2013.

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

Did not occur at the Group during H1 2013.

9.16 Other significant events

a) Intra-group bond issuance

On 4 January 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 8 February 2013, which were acquired by Emperia Group companies. The total part value of the issued bonds was PLN 239 million.

On 8 February 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 8 March 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 245 million.

On 8 March 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on of 5 April 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 241 million.

On 5 April 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 10 May 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 227 million.

On 10 May 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 7 June 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 247 million.

On 7 June 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 5 July 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 247 million.

b) Termination of Distribution Agreement and Consignment Agreement between Stokrotka Sp. z o.o. and Tradis Sp. z o.o.

On 31 January 2013, the Management Board of Emperia Holding S.A. announced that subsidiary Stokrotka Sp. z o.o. (the "Recipient") terminated a Distribution Agreement, the subject of which was cooperation on supplies and deliveries of FMCG products, and a Consignment Agreement, based on which the Supplier purchases certain products in its own name but on the account of the Recipient. Both of the agreements were executed with Tradis Sp. z o.o. Stokrotka Sp. z o.o. used its right to terminate the agreements with a six-month notice, which will run out on 31 July 2013. Termination of the above agreements will not have a negative financial impact on the business of

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

Stokrotka Sp. z o.o. and the Issuer as well as the entire Emperia Group. The Issuer announced the execution of the above agreements in current report 97/2011 of 21 December 2011.

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

An Extraordinary General Meeting of Emperia Holding S.A. was held on 10 April 2013, the subject of which was adoption of resolutions concerning appointment of a new member of the Supervisory Board and resolutions concerning amendment of the Company's articles of association.

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

On 24 April 2013, Emperia Holding S.A.'s Management Board adopted a resolution concerning the "Emperia Holding S.A. buy-back programme by P1 Sp. z o.o., based in Lublin" and decided to execute an agreement with subsidiary P1 Sp. z o.o. concerning further re-sale of Emperia Holding S.A. shares. The commencement by P1 Sp. z o.o. of the buy-back programme took place pursuant to an authorisation granted through Resolutions 3 and 4 of Emperia Holding S.A.'s Extraordinary General Meeting of 11 October 2012 concerning consent of the Company's general meeting for Emperia Holding S.A. and its subsidiaries to re-purchase Emperia Holding S.A. shares and the means of such re-purchases, and on approval for execution of agreements between Emperia and subsidiaries, and in connection with Resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 10 April 2013.

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

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 10 April 2013, subsidiary P1 Sp. z o.o. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
10 May 2013	8 313	PLN 1	54.76	8 313	0.055%
20 May 2013	7 175	PLN 1	54.48	7 175	0.047%
27 May 2013	14 470	PLN 1	55.87	14 470	0.096%
29 May 2013	16 704	PLN 1	59.34	16 704	0.111%
31 May 2013	11 231	PLN 1	59.98	11 231	0.074%
4 Jun 2013	16 500	PLN 1	59.63	16 500	0.109%
6 Jun 2013	16 350	PLN 1	59.86	16 350	0.108%
11 Jun 2013	26 006	PLN 1	60.71	26 006	0.172%
14 Jun 2013	17 653	PLN 1	60.98	17 653	0.117%
17 Jun 2013	9 369	PLN 1	60.95	9 369	0.062%
19 Jun 2013	21 690	PLN 1	60.30	21 690	0.143%
21 Jun 2013	22 123	PLN 1	60.03	22 123	0.146%
25 Jun 2013	18 271	PLN 1	60.15	18 271	0.121%
26 Jun 2013	10 000	PLN 1	59.97	10 000	0.066%
28 Jun 2013	20 592	PLN 1	59.95	20 592	0.136%

From the commencement of the programme, P1 Sp. z o.o. acquired 236 447 shares, entitling to 236 447 votes (1.564%) at the Issuer's general meeting and constituting 1.564% of the Issuer's share capital.
P1 Sp. z o.o. and the Issuer hold a total of 856 462 shares in the Issuer, entitling to 856 462 (5.666%) votes at the Issuer's general meeting and constituting 5.666% of the Issuer's share capital.

f) Notification on increase in votes at Emperia Holding S.A.'s general meeting over 10% held by a shareholder

On 24 May 2013, Emperia Holding S.A.'s Management Board received notification from ALTUS TFI S.A., stating that as a result of a transaction on 22 May 2013 ALTUS 29 FIZ exceeded the 10% threshold of votes at Emperia Holding S.A.'s general meeting.
Exceeding the 10% threshold by ALTUS 29 FIZ took place following the settlement, on 23 May 2013, of a block purchase transaction on 22 May 2013 of 198 922 shares in the Company from ALTUS 12 FIZ.
Prior to settlement of the above transaction, the investment funds managed by ALTUS TFI S.A. held a total of 2 421 108 shares in the Company, constituting 16.02% of votes and 16.02% stake in the Company's share capital, including 1 510 756 shares (9.99% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ.
Following the settlement of the above transaction, the investment funds managed by ALTUS TFI S.A. held a total of 2 421 108 shares in the Company, constituting 16.02% of votes and 16.02% stake in the Company's share capital, including 1 709 678 shares (11.31% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ. Therefore, the total number of votes at the Company's general meeting held by the investment funds managed by ALTUS TFI S.A. did not change.
ALTUS TFI S.A. may consider buying or selling shares in the Company within the next 12 months, depending on market conditions, information coming from the company and the portfolio needs of funds managed by ALTUS TFI S.A.

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

An Ordinary General Meeting of Emperia Holding S.A. was held on 4 June 2013, the subject of which was review and approval of the management report on the Company's operations, review and approval of Emperia Holding S.A.'s 2012 financial statements, review and approval of the 2012 consolidated financial statements, adoption of resolution on profit distribution, grant of approval to Supervisory Board and Management Board members, adoption of resolutions on Supervisory Board appointments and adoption of resolutions of amendment to the Company's articles of association.

h) Notification on increase in votes at Emperia Holding S.A.'s general meeting to over 5% held by a shareholder

On 17 June 2013, Emperia Holding S.A.'s Management Board announced that, as a result of a block transaction to purchase 9 369 shares during a trading session on the main market managed by the Warsaw Stock Exchange between Millennium DM and P1 Sp. z o.o. (a subsidiary of the Issuer) on 17 June 2013, the Issuer and P1 together exceeded the 5% threshold of votes at the Issuer's general meeting. Prior to the transaction, the Issuer held 620 015 own shares, entitling to 620 015 (4.102%) votes at the Issuer's general meeting and constituting 4.102% of the Issuer's share capital. P1 Sp. z o.o. held 134 402 shares in the Issuer, entitling to 134 402 (0.889%) votes at the Issuer's general meeting and constituting 0.889% of the Issuer's share capital. P1 Sp. z o.o. and the Issuer held a total of 754 417 shares in the Issuer, entitling to 754 417 (4.991%) votes at the Issuer's general meeting and constituting 4.991% of the Issuer's share capital.
Following the transaction, the Issuer held 620 015 own shares, entitling to 620 015 (4.102%) votes at the Issuer's general meeting and constituting 4.102% of the Issuer's share capital. P1 Sp. z o.o. held 143 771 shares in the Issuer, entitling to 143 771 (0.951%) votes at the Issuer's general meeting and constituting 0.951% of the Issuer's share capital. P1 Sp. z o.o. and the Issuer held a total of 763 786 shares in the Issuer, entitling to 763 786 (5.053%)

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

votes at the Issuer's general meeting and constituting 5.053% of the Issuer's share capital. P1 Sp. z o.o. is a direct subsidiary of the Issuer.

i) Entity authorised to audit financial statements for 2013

On 26 June 2013, Emperia Holding S.A.'s Supervisory Board, acting pursuant to art. 14 sec. 2 letter "o" of the Company's articles of association, adopted a resolution on selection of ECA Seredyński i Wspólnicy Sp. z o.o., based in Kraków, ul. Moniuszki 50, as auditor for Emperia Holding S.A.'s 2013 separate and consolidated financial statements. ECA Seredyński i Wspólnicy Sp. z o.o. is an entity authorised to audit financial statements, no. 3115. The Company retained the above statutory auditor to audit financial statements for 2010-2012.

9.17 Significant events after the end of the reporting period

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

Pursuant to an authorisation issued through resolutions 3 and 4 of the Extraordinary General Meeting of Emperia Holding S.A. of 11 October 2012 concerning the meeting's approval for Emperia Holding S.A. and one of its subsidiaries to purchase own shares and specify the terms of such purchases, and on the execution by Emperia Holding S.A. and subsidiaries of certain agreements, as well as pursuant to resolution 3/04/2013 of Emperia Holding S.A.'s Supervisory Board of 10 April 2013, subsidiary P1 Sp. z o.o. purchased Emperia Holding's shares, in the following blocks:

Transaction date	Number of purchased shares	Nominal value	Price per share	Number of votes at Emperia Holding S.A.'s general meeting	% of share capital
2 July 2013	16 079	PLN 1	59.92	16 079	0.106%
4 July 2013	16 775	PLN 1	59.72	16 775	0,111%
10 July 2013	18 944	PLN 1	60.55	18 944	0.125%
12 July 2013	14 449	PLN 1	61.34	14 449	0.096%
17 July 2013	23 607	PLN 1	62.15	23 607	0.156%
18 July 2013	9 900	PLN 1	64.86	9 900	0.065%
26 July 2013	16 868	PLN 1	64.81	16 868	0.112%
31 July 2013	15 455	PLN 1	64.97	15 455	0.102%
5 August 2013	21 377	PLN 1	64.97	21 377	0.141%
8 August 2013	20 709	PLN 1	64.72	20 709	0.137%
19 August 2013	19 838	PLN 1	65.07	19 838	0.131%

From the commencement of the programme, P1 Sp. z o.o. acquired 430 448 shares, entitling to 430 448 votes (2.848%) at the Issuer's general meeting and constituting 2.848% of the Issuer's share capital.
P1 Sp. z o.o. and the Issuer held a total of 1 050 463 shares in the Issuer, entitling to 1 050 463 (6.950%) votes at the Issuer's general meeting and constituting 6.950% of the Issuer's share capital.

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

On 2 July 2013, Emperia Holding S.A.'s Management Board received notification from ALTUS TFI S.A. on decrease in ownership of votes at Emperia Holding S.A.'s general meeting.

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

In connection with share sale transactions carried out on the regulated market, funds managed by ALTUS TFI S.A. reduced their share in the number of votes at the Company's general meeting to below 15% and, as a result of subsequent transactions, by a further 2%.
The decrease by ALTUS TFI S.A. resulted from settlement of the sale, on the regulated market, of 48 913 shares on 3 June 2013 and 35 000 on 26 June 2013.
Prior to the transaction on 3 June 2013, investment funds managed by ALTUS TFI S.A. held 2 311 655 shares in the Company, constituting 15.29% of votes and 15.29% stake in the Company's share capital, including 1 709 678 shares (11.31% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ.
Following the transaction on 3 June 2013, investment funds managed by ALTUS TFI S.A. held 2 262 742 shares in the Company, constituting 14.97% of votes and 14.97% stake in the Company's share capital, including 1 709 678 shares (11.31% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ.
Prior to the transaction on 26 June 2013, investment funds managed by ALTUS TFI S.A. held 1 979 678 shares in the Company, constituting 13.10% of votes and 13.10% stake in the Company's share capital, including 1 709 678 shares (11.31% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ.
Following the transaction on 26 June 2013, investment funds managed by ALTUS TFI S.A. held 1 944 678 shares in the Company, constituting 12.87% of votes and 12.87% stake in the Company's share capital, including 1 709 678 shares (11.31% share in the total number of votes and in the Company's share capital) held by ALTUS 29 FIZ.

c) Intra-group bond issuance

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

On 7 August 2013, subsidiaries Stokrotka Sp. z o.o. and Elpro Ekon Sp. z o.o. S.K.A. issued short-term bonds maturing on 6 September 2013, which were acquired by Emperia Group companies. The total par value of the issued bonds was PLN 254 million.

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

On 11 July 2013, Emperia Holding S.A.'s Management Board announced that it had completed implementation of an in-house logistics system at Stokrotka. The system was based on a central hub, located in Teresin near Warsaw, and a network of warehouses throughout the country.
Aside from completing the deployment of the logistics solution, Stokrotka Sp. z o.o.'s Management Board began work on designing and deploying a new franchise concept under the Stokrotka brand. This solution is addressed to supermarket-type stores with overall area of at least 400 sqm, including at least 350 sqm of sales floor.

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23 Elżbieta Świniarska Economic Director ....
Signature

10. Semi-annual management report on Group operations

10.1 Description of Group structure

Name, registered office and objects of the parent entity

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

The parent's registered office is located at in Lublin, 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 2013 to 30 June 2013, and the comparative financial data covers the period from 1 January 2012 to 30 June 2012. The consolidated financial statements do not contain combined data, and the companies do not have integral organisational entities that draft their own financial statements.

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

Information on consolidation

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

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

During the first half of 2013, Emperia Group's structure was subject to a change (compared with the 2012 year-end). On 2 January 2013, subsidiaries Infinite Sp. z o.o., Emperia Info Sp. z o.o. and Tradis S.A. were merged (detailed information is presented in point 8.7 a).

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

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

	Entity name	Company logo	Registered office	Main object	Registration authority	Type of control	Means of consolidation	Acquisition date / date from which significant control is exerted	% of share capital held	Share of the total number of votes at general meeting
1	Stokrotka Sp. z o.o. (1)		20-209 Lublin, Projektowa 1	Retail sale of food, beverages and tobacco	16977, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	1999-01-27	100.00%	100.00%
2	Infinite Sp. z o.o.		20-209 Lublin, Projektowa 1	IT operations	16222, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	1997-03-11	100.00%	100.00%
3	ELPRO EKON Sp. z o.o. S.K.A. (2)		20-209 Lublin, Projektowa 1	Property development	946, District Court in Lublin, 11th Commercial Division of the National Court Register	Subsidiary	Full	2001-02-15	100.00%	100.00%
4	Społem Tychy S.A.		43-100 Tychy, Damrota 72	Retail sale of food, beverages and tobacco	164604, District Court in Katowice, 8th Commercial Division of the National Court Register	Subsidiary	Full	2007-07-06	100.00%	100.00%
5	Maro-Markety Sp. z o.o.		61-615 Poznań, Skwierzyńska 20	Retail sale of food, beverages and tobacco	102596, District Court in Poznan, 20th Commercial Division of the National Court Register	Subsidiary	Full	2007-09-12	100.00%	100.00%
6	P3 EKON Sp. z o.o. S.K.A. (3)		20-209 Lublin, Projektowa 1	Property management	KRS 71049, District Court in Czestochowa, 17th Commercial Division of the National Court Register	Subsidiary	Full	2007-11-29	100.00%	100.00%
7	P1 Sp. z o.o.		20-209 Lublin, Projektowa 1	Activities of head offices; management	365614, District Court in Lublin, 11th Commercial Division of	Subsidiary	Full	2010-09-06	100.00%	100.00%

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

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

(1) directly by Emperia Holding S.A. (98 472 shares; 95.93%) and indirectly by Stokrotka Sp. z o.o. (4 181 shares; 4.07%)
(2) indirectly by IPOPEMA 55 FIZAN (80 825 shares), EKON Sp. z o.o. (1 share)
(3) indirectly by IPOPEMA 55 FIZAN (138 427 shares; 99.95%), EKON Sp. z o.o. (1 share)
(4) indirectly by EMP Investment Limited
(5) indirectly by IPOPEMA 55 FIZAN (56 047 shares), EKON Sp. z o.o. (1 share)
(6) directly by Emperia Holding S.A. (40 938 shares; 80.27%), indirectly by Stokrotka Sp. z o.o. (8 770 shares; 17.20%), Społem Tychy Sp. z o.o. (1 290 shares; 2.53%)

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

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

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

Entities other than subsidiaries, associates and jointly controlled entities, with indication of name and registered office, in which related parties hold more than 20% of shares as at 30 June 2013

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

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

10.2 Effects of changes in group structure

All changes in the Group's structure are presented in detail in point 8.7

10.3 Management's position regarding previously published forecasts

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

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

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

Shareholders	Shares held, as at report publication date	% in share capital	% change	Shares held, as at the date on which the previous interim report was published	% in share capital as at the date on which the previous interim report was published	Number of votes at general meeting, as at report publication date	% of votes at general meeting as at report publication date
ALTUS TFI	1 944 678	12.87%	(21.27%)	2 469 909	16.34%	1 944 678	13.75%
IPOPEMA TFI S.A.	1 433 437	9.48%	-	1 433 437	9.48%	1 433 437	10.14%
AXA OFE	891 992	5.90%	-	891 992	5.90%	891 992	6.31%

10.5 Changes in shareholding by Management Board and Supervisory Board members

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

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

10.6 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.

10.7 Significant related-party transactions

In H1 2013, Emperia Holding S.A. did not execute any significant transactions with related parties other than transactions in the normal course of operations on market terms.

All intra-group mergers in Q4 2013 are presented in point 8.7

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

Short-term bonds were issued as part of the Group's cash flow management, as described in note 9.5.

10.8 Credits, loans and guarantees

In H1 2013, the parent, Emperia, did not issue new credit guarantees for subsidiaries such as would exceed 10% of the Issuer's equity. A detailed description of the guarantees is presented in point 9.8.

10.9 Other information of consequence to the Group's HR situation, asset position and financial performance

10.9.1 Financial highlights and operational performance of the Group

Changes in key items from the statement of profit and loss

Item	Q2 2013	Q2 2012	%
Revenue	489 711	487 489	0.46%
EBITDA	20 458	9 789	108.99%
Profit on operating activities	10 396	(777)	-
Profit before tax	11 835	9 875	19.85%
Profit for the period	10 888	10 433	4.36%

Item	H1 2013	H1 2012	%
Revenue	982 758	978 908	0.39%
EBITDA	44 137	32 543	35.63%
Profit on operating activities	23 942	10 865	120.36%
Profit before tax	27 081	33 114	-18.22%
Profit for the period	24 595	36 584	-32.77%

In H1 2013, the Group generated PLN 24 595 000 in net profit, which is 32.77% less than the PLN 36 584 000 in H1 2012.
In comparing the two reporting periods, it should be noted that both of them were affected by incomparable or one-off events, which substantially impacted the respective results:

- during H1 2012, the Group posted a PLN 22 249 000 profit on financing activities (only PLN 3 139 000 in the current period), in connection with funds held during the first half-year from sale of the distribution business.
- during H1 2012, the Group recorded PLN 2 872 000 in costs connected with the sale of its retail operations,
- during H1 2012, the Group recognised a PLN 8 496 000 impairment loss concerning investment in third-party non-current assets and a PLN 1 614 000 deferred income tax asset (Delima stores),
- during H1 2012, the Group recognised a deferred income tax asset in connection with an in-kind contribution of property, valued at PLN 5 378 000, to P5 Ekon Sp. z o.o. S.K.A.
- during H1 2013, the Group recorded PLN 3 128 000 in logistics costs (recognised as distribution costs) - in-house logistics were launched in July 2013,

In addition, property sale transactions had a substantial impact on results in both quarters:

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

- The result on property sales in H1 2013 was PLN 3 069 000.
- The result on property sales in H1 2012 was PLN 3 047 000.

Changes in key balance sheet items

Item	H1 2013	H1 2012	%
Total assets	991 858	943 507	5.12%
Non-current assets	583 932	558 742	4.51%
Current assets	407 926	384 765	6.02%
Cash and cash equivalents	207 475	208 393	-0.44%
Liabilities and liability provisions	306 861	239 804	27.96%
Total current liabilities	268 185	233 522	14.84%
Net assets	684 997	703 703	-2.66%
Share capital (in PLN)	15 115 161	15 115 161	-
Current-period earnings per share, annualised (in PLN)	0.58	46.86	-98.76

Operational performance and ability to meet liabilities

Item	H1 2013	H1 2012
Return on invested capital *(profit for the period / equity at the end of the period) in %*	3.59%	5.20%
Return on assets *(profit for the period / assets at the end of the period) in %*	2.48%	3.88%
Sales margin *(profit from sales for the period / revenue from sales for the period) in %*	24.44%	24.21%
EBITDA margin *(EBITDA / revenue from sales for the period) in %*	4.49%	3.32%
Operating margin *(operating profit for the period / revenue from sales for the period) in %*	2.44%	1.11%
Gross margin *(profit before tax for the period / revenue from sales for the period) in %*	2.76%	3.38%
Net margin *(profit for the period / revenue from sales for the period) in %*	2.50%	3.74%

Rotation cycles for key components of working capital

Methodology	H1 2013	H1 2012
Inventory turnover days *(inventory / value of goods for resale and materials sold*182)*	35.2	24.7
Receivables turnover days *(current receivables / revenue from sales*182)*	9.4	12.8
Payables turnover days *([current liabilities - current borrowings] / value of goods for resale and materials sold*182)*	66.9	57.1

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

Asset productivity *(revenue from sales / total assets)*	1.0	1.04
Non-current asset productivity *(revenue from sales / non-current assets)*	1.68	1.75

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

Retail segment

	Q2 2013	Q2 2012	%
Segment revenue	479 398	476 199	0.67%
EBITDA	8 778	6 079	44.40%
Operating result	1 922	-1 426	-
Gross profit	954	-2 928	-
Net segment profit	**915**	**-2 092**	**-**

	H1 2013	H1 2012	%
Segment revenue	960 846	954 547	0.66%
EBITDA	18 270	13 953	30.94%
Operating result	4 209	-1 216	-
Gross profit	2 138	-4 303	-
Net segment profit	**1 588**	**-3 318**	**-**

As at the end of H1 2013, the retail segment comprised 239 stores, vs. 236 at the end of H1 2012.

Retail did not see growth between the comparative periods (0.67% and 0.66% growth, respectively), resulting from weak retail market conditions, which is in line with market trends.

The H1 2013 result is better than in the comparative period also after taking into consideration the following one-off events taking place in the two periods:
- during H1 2012, the Group recognised a PLN 8 496 000 impairment loss concerning investment in third-party non-current assets and a PLN 1 614 000 deferred income tax asset (Delima stores),
- during H1 2013, the Group recorded PLN 3 128 000 in logistics costs (recognised as distribution costs) - in-house logistics were launched in July 2013,

In H1 2013, Stokrotka Sp. z o.o. was in the process of setting up an in-house logistics system comprising one distribution centre and a network of regional warehouses. The system was launched in July 2013.

Cash conversion cycle in the retail segment

	H1 2013	H1 2012
Inventory turnover days *(inventory / value of goods for resale and materials sold*182)*	35.0	24.7
Receivables turnover days *(trade receivables / revenue from sales*182)*	6.5	8.3

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

Payables turnover days *(trade payables / value of goods for resale and materials sold*182)*	52.2	40.1
Cash conversion cycle *(difference between inventory turnover cycle and receivables collection cycle vs. payables turnover cycle)*	-10.7	-7.1

During H1 2013, cash conversion cycle in the retail segment improved by 3.6 days, resulting from the increase in payables turnover being larger than the increase in inventory turnover (by 1.8 days), along with a decrease in receivables turnover by 1.8 days.

Stokrotka supermarkets

	H1 2013	H1 2012
Number of stores at the beginning of period	201	197
- stores opened	3	2
- stores shut-down	1	3
Number of stores at the end of period	203	196
Average total store surface - stores opened (in sqm)	911	959
Capex on stores opened	2 935	2 938
Average monthly sales per store sqm*	1 332	1 346

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

Property segment

	Q2 2013	Q2 2012	%
Segment revenue	16 774	16 053	4.49%
EBITDA	9 570	9 323	2.65%
Operating result	6 849	6 599	3.79%
Gross profit	5 590	4 595	21.65%
Net segment profit	**5 590**	**4 423**	**26.38%**

	H1 2013	H1 2012	%
Segment revenue	33 331	31 324	6.41%
EBITDA	21 983	12 000	83.19%
Operating result	16 529	6 637	149.04%
Gross profit	13 660	1 842	641.59%
Net segment profit	**13 660**	**1 579**	**765.10%**

The property segment posted good results in both the second quarter and first half of 2013. The previous year's data for the segment is not fully comparable due to the fact that some properties were held by retail companies, and a number of equity transactions were being executed (in-kind contributions, company transformations).
Factors distorting the results in the H1 and comparative period were as follows:

- Profit realised on property sales in the amount of PLN 3 069 000, compared with a PLN 4 874 000 loss on property sales (after corrections, a profit was recorded in the consolidated financial statements).
- Increase in revenue from sales by PLN 2 007 000.
- A PLN 1 753 000 decrease in operating expenses, connected with a new segment strategy (transfer of growth operations to Stokrotka Sp. z o.o. PLN 995 059 000).
- Decrease in finance costs by PLN 1 692 000.

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

	H1 2013	H1 2012
Number of properties at the end of period	96	96
including: properties in progress	13	16
operating properties	83	80
including: retail properties	78	74
other properties	5	6
average monthly net operating income from leasable facilities*	**3 396**	**3 117**
including: retail properties	**3 269**	**2 931**
leasable area of retail facilities (sqm)	90 516	83 839
including: related lessees	56 328	53 487
other lessees	34 188	30 351
average lease rate (PLN per sqm)	41.6	39.7
including: related lessees	42.9	39.6
other lessees	39.6	39.9

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

IT segment

	Q2 2013	Q2 2012	%
Segment revenue	7 888	6 391	23.42%
EBITDA	2 363	2 066	14.38%
Operating result	1 912	1 643	16.37%
Gross profit	2 022	1 760	14.89%
Net segment profit	**1 628**	**1 419**	**14.73%**

	H1 2013	H1 2012	%
Segment revenue	15 444	12 998	18.82%
EBITDA	4 913	3 934	24.89%
Operating result	4 055	3 095	31.02%
Gross profit	4 306	3 289	30.92%
Net segment profit	**3 468**	**2 663**	**30.23%**

In Q2 2013, the IT segment grew revenue by PLN 1 497 000, much of which constituted revenue from Group companies - PLN 1 256 000, resulting from logistics software implementation at subsidiary Stokrotka Sp. z o.o.

Central management segment

	Q2 2013	Q2 2012	%
Segment revenue	1 678	484	246.69%
EBITDA	-280	-5 615	-
Operating result	-705	-6 003	-
Gross profit	8 626	15 919	-45.81%
Net segment profit	**8 187**	**15 859**	**-48.38%**

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

	H1 2013	H1 2012	%
Segment revenue	3 858	7 107	-45.72%
EBITDA	-841	-4 893	-
Operating result	-1 699	-5 825	-
Gross profit	11 904	31 992	-62.79%
Net segment profit	**10 964**	**31 548**	**-65.25%**

From the second quarter of 2012, the segment saw a substantial decrease in revenue which was connected with the reduction of central management functions at Emperia Holding S.A. and their transfer to operating companies. The largest revenue item in both quarters was interest income on cash held: PLN 9 332 000 in Q2 2013 and PLN 21 924 000 in Q2 2012; H1 2103: PLN 13 605 000 and H1 2012: PLN 37 827 000.

10.9.2 Extraordinary events having an impact on annual performance

The event is described in point 9.3.

10.9.3 Changes in the Issuer's management and supervisory personnel

Management Board

In H1 2013, the composition of the Management Board of Emperia Holding S.A. was subject to changes.

On 11 March 2013, Artur Kawa resigned as the President of the Management Board of Emperia Holding S.A. Mr. Kawa ceased to perform Management Board functions on 11 March 2013.

On 11 March 2013, the Supervisory Board of Emperia Holding S.A. appointed Dariusz Kalinowski, the Vice-President of the Issuer's Management Board, as the President of the Management Board, and Cezary Baran as a member of the Management Board.

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

1. 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.

2. 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 H1 2013.

On 11 March 2013, the Management Board of Emperia Holding S.A. received Piotr Długosz's resignation as member of the Supervisory Board of Emperia Holding S.A., effective from 9 April 2013.

On 10 April 2013, in connection with Resolution 2 adopted by an Extraordinary Meeting of Emperia Holding S.A. on appointment of a Supervisory Board Member, and in connection with Resolution 1/04/2013 adopted by Emperia Holding S.A.'s Management Board on appointment of Emperia Holding S.A.'s Supervisory Board Chairperson, Artur Kawa was appointed Chairperson of Emperia Holding S.A.'s Supervisory Board.

On 4 June 2013, an Ordinary General Meeting of Emperia Holding S.A. appointed the following persons to the Supervisory Board: Michał Kowalczewski and Andrzej Malec.

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

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

10.10 Factors having an impact on the results to be achieved over the perspective of at least the next half-year

External:

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

Internal:

a) Business process optimisation - will lead to better operating performance and higher management quality in all segments
b) Implementation of a new strategy in the property segment and property investments within the Group
c) Internal cost control policy
d) On time and on budget implementation of planned investment and processes
e) Design and implementation of a franchise network concept under the Stokrotka brand

10.11 Risk factors

External:

Macroeconomic situation – Poland's GDP growth and macroeconomic conditions, especially external factors such as: government's economic policy and decisions made by the National Bank of Poland and the Monetary Policy Council having an impact on money supply, interest rates, currency rates, GDP growth, inflation, budget deficit, foreign debt and the unemployment rate, are particularly important for the Group.
Unfavourable changes in the macroeconomic background, particularly lower GDP growth or increase in unemployment, may have a negative impact on the Group's business and financial performance.

Tax system and legislative changes - tax settlements and other areas of business that are subject to regulations may be the object of audit by administrative organs which are authorised to impose steep penalties, sanctions and interest. A lack of well-established legal regulations in Poland results in a lack of transparency and inconsistencies when it comes to interpreting the law. Frequent changes to regulations concerning VAT, corporate income tax, individual income tax and social security result in there being no reference to well-established regulations or no legal precedence. Frequent diverging opinions as regards interpreting tax laws both among tax authorities internally and between tax authorities and companies produce unclear, conflicting positions. These circumstances mean that tax risk in Poland is substantially higher than in countries with a more developed tax system.
Tax settlements may be the subject of an audit for a period of up to five years, counting from the end of the year in which the tax was paid. As a result of future audits, the Group's previous tax settlements may be increased by additional tax liabilities. The Group believes that it does not currently engage in activities carrying a high tax risk.

Competition in retail - the Group's developing medium-format chain is located, for the most part, in medium and small cities. These areas are the subject of intense pressure from discount chains. Given the increasing saturation in large cities, even large international retailers are stepping up their efforts in smaller towns - i.e. the Group's traditional markets. Current and planned initiatives by the Group's competitors - retail chain operators - may lead to a lower revenue growth at the Group's retail chains as well as to margin pressure, which would have a negative impact on future financial results. In addition, actions by competitors may make it more difficult and/or expensive to procure new attractive locations.

Internal:

Segment consolidation – the Group is optimising and re-designing its operating segments: retail, IT and property. The large scale and promptness of these changes may give rise to operational risk, understood as losses due to their incompatibility or unreliability with regard to their impact on internal processes, employees and systems. This may result in temporary losses and delays in expected synergies.

IT systems and associated technical infrastructure - the application of uniform, modern and efficient IT systems is of key significance in business processes. Equally important is the associated technical infrastructure which provides fast, reliable connectivity and data processing. The Group constantly develops, standardises and upgrades IT solutions by developing its own tools and purchasing new offerings. It is possible that potential interruptions in IT system operations could lead to interruptions in business processes and result in a lower quality of service.

Acquisitions - generating a higher rate of corporate growth through M&A is a significant element of the Group's strategy. There is a risk that, in the case of certain entities which the Group is talking to about consolidation, the Group might need to abandon its investment plans because transactions initially identified as attractive may be associated with too much risk or the transaction price expected by the owners of such entities may not be economically justifiable. Also in the case of completed transactions, it may be possible that future financial performance of the acquired entities and the synergy effects will be lower than expected. As a result, the Group's consolidation activities might not translate into growth in revenue and earnings or the acquisition costs may prove too high in relation to the achieved effects.

Suppliers – operating in FMCG retail, the Group has contracts with numerous suppliers, which provide for discounts and favourable payment terms. Despite the fact that none of the Group's companies are dependent on specific suppliers, there is a risk that terminating contracts or negatively changing their terms, especially if this were to happen to a larger number of contracts, may have a negative impact on the Group's financial performance.

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

Lublin, August 2013

Signatures of all Management Board members

2013-08-23	Dariusz Kalinowski	President of the Management Board	.... Signature
2013-08-23	Cezary Baran	Vice-President of the Management Board, Finance Director	.... Signature

Person responsible for book-keeping

2013-08-23	Elżbieta Świniarska	Economic Director	.... Signature