

**Consolidated Interim Financial
Information for the six months
ended 30 June 2007**

**NFI EMPiK Media & Fashion S.A. and
its subsidiaries**

NFI EMPIK Media & Fashion S.A. and its subsidiaries

Consolidated Interim Financial Information for the six months ended 30 June 2007

Interim consolidated income statement for the six months

ended 30 June 2007

	Six months ended 30 June 2007 thousand PLN	Three months ended 30 June 2007 thousand PLN	Six months ended 30 June 2006 thousand PLN	Three months ended 30 June 2006 thousand PLN
Continuing operations				
Sales	620 935	325 011	464 921	247 015
Purchase of goods and changes in inventories	(346 155)	(176 069)	(259 667)	(136 611)
Employee compensation and benefit expense	(115 386)	(59 246)	(84 761)	(43 162)
Marketing expenses	(21 104)	(10 865)	(17 820)	(9 321)
Building costs	(66 558)	(33 528)	(49 434)	(24 726)
Other operating costs	(48 517)	(25 934)	(33 943)	(18 355)
Depreciation, amortisation and impairment charges	(20 326)	(10 900)	(15 646)	(7 945)
Other gains - net	12 676	9 147	11 963	6 000
Operating profit from continuing operations	15 565	17 616	15 613	12 896
Finance costs	(2 214)	136	(3 329)	(1 879)
Share of profit of associates	2 067	665	2 026	1 094
Profit before income tax	15 418	18 417	14 310	12 111
Income tax	(4 646)	(4 853)	(2 156)	(2 882)
Profit for the year from continuing operations	10 772	13 564	12 154	9 229
Discontinued operation				
Loss on discontinued operation	-	-	(3 631)	3 484
Loss on disposal of discontinued operation	-	-	-	-
Profit for the year	10 772	13 564	8 523	12 713
Attributable to:				
Equity holders of the Company	11 265	14 110	7 741	12 425
Minority interest	(493)	(546)	782	288
	10 772	13 564	8 523	12 713
Basic and diluted earnings per share attributable to the equity holders of the Company (not in thousands)	0,11		0,08	

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NFI EMPiK Media & Fashion S.A. and its subsidiaries

Consolidated Interim Financial Information for the six months ended 30 June 2007

Interim consolidated balance sheet as at 30 June 2007

	30 June 2007 thousand PLN	31 December 2006 thousand PLN
ASSETS		
Non current assets		
Property, plant and equipment	277 886	229 263
Goodwill	33 006	33 006
Other intangible assets	24 002	21 036
Investments in associates	11 611	9 544
Deferred income tax assets	4 424	3 416
Derivative financial instruments	19 504	13 202
Financial instruments at fair value through profit or loss	-	26 082
Available-for-sale financial assets	1	1
Other receivables	96 473	96 976
	<u>466 907</u>	<u>432 526</u>
Current assets		
Inventories	225 045	217 801
Trade and other receivables	93 318	130 116
Derivative financial instruments	-	266
Cash and cash equivalents	48 585	125 721
	<u>366 948</u>	<u>473 904</u>
Total assets	<u>833 855</u>	<u>906 430</u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	286 578	286 578
Other reserves	(12 808)	(15 732)
Retained earnings	66 293	55 028
	<u>340 063</u>	<u>325 874</u>
Minority interest	11 000	11 493
Total equity	<u>351 063</u>	<u>337 367</u>
LIABILITIES		
Non current liabilities		
Payables	16 194	17 383
Borrowings	40 258	40 527
Deferred income tax liabilities	18 543	16 359
	<u>74 995</u>	<u>74 269</u>
Current liabilities		
Trade and other payables	313 127	411 845
Current income tax liabilities	1 259	5 764
Borrowings	92 028	73 563
Derivative financial instruments	1 383	3 622
	<u>407 797</u>	<u>494 794</u>
Total liabilities	<u>482 792</u>	<u>569 063</u>
Total equity and liabilities	<u>833 855</u>	<u>906 430</u>

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NFI EMPIK Media & Fashion S.A. and its subsidiaries

Consolidated Interim Financial Information for the six months ended 30 June 2007

Consolidated statement of cash flows for the six months ended 30 June 2007

	Six months ended 30 June 2007 thousand PLN	Six months ended 30 June 2006 thousand PLN
Profit from continuing operations before taxation and minority interests	15 418	9 819
Adjustments for:		
Depreciation, amortisation and impairment charges	20 326	17 982
Profit on disposal of property, plant and equipment and intangibles	1 465	876
Provisions	(1 146)	270
Financial costs - net	(736)	4 345
Gain on valuation of financial instruments	(9 191)	(9 410)
Loss on disposal of investments and operations	6 678	-
Profit/(loss) participation in associates	(2 067)	(2 026)
Share based payment	2 864	-
Other	-	783
Operating earnings before working capital changes	33 611	22 639
Changes in working capital:		
Inventories	(7 244)	(4 458)
Trade and other receivables	34 271	34 277
Trade and other payables	(107 286)	(109 206)
Cash used in operations	(46 648)	(56 748)
Interest paid	(3 819)	(3 687)
Taxation paid	(3 614)	(1 854)
Net cash used in operating activities	(54 081)	(62 289)
Purchase of fixed assets	(73 014)	(35 785)
Purchase of subsidiaries	(268)	-
Interest received	676	712
Dividends received	2 916	-
Proceeds from disposal of fixed assets	-	167
Proceeds from disposal of investments	29 406	-
Net cash used in investing activities	(40 284)	(34 906)
Share issuance	-	26
Proceeds from loans	7 656	1 508
Related party financing (net)	-	909
Repayment of borrowings	(2 836)	(5 305)
Net cash generated from/(used in) financing activities	4 820	(2 862)
Net decrease in cash and cash equivalents	(89 545)	(100 057)
Cash and cash equivalents at the beginning of the year	125 721	129 304
Net increase/(decrease) in cash and cash equivalents	(89 545)	(100 057)
Effects of exchange rate changes on cash and cash equivalents	(918)	(190)
Cash and cash equivalents at the end of the year	35 258	29 057
Overdrafts included	(13 327)	-

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