

Warsaw, 14 May 2010

EM&F Group results for the first quarter of 2010

On 14 May 2010, the EM&F Group published its results for the first quarter of 2010. The Group reported a net loss of PLN 6.7 million as compared with the adjusted loss of PLN 10.8 million in 1Q 2009 (last year's results adjusted to account for the effects of a release of provisions for deferred tax in connection with the sales of minority stakes in the amount of PLN 16.6 million)*.

In 1Q 2010 as compared with continuing operations, net revenue from LTL sales of the Group increased year-on-year by 0.5 % (accounting for the effect of foreign exchange differences, LTL sales of the Group increased by 3.5 %). Total net sales of the Group were PLN 599.8 million and increased by 5.9 % as compared with the same period of the previous year. The gross margin percentage increased year-on-year by 0.6 % p.p. to 40.7%. EBITDA from core operations of the Group amounted to PLN 21.7 million, which constitutes a 29.1 % rise year-on-year. At the end of 1Q, the sales network consisted of 662 stores with a total area of 277,217 m².

** Deferred tax provisions were created to reflect the amount of the tax liability potentially resulting from the sales of minority stakes. As a result of actions undertaken by the EM&F Group aimed at an improvement of operating activities, there were tax savings as regards future sales of minority stakes. In consequence, deferred tax provisions became no longer legitimate and were released.*

Net profit / (loss) from core operations (reported)	(6 663)	5 759	-215.7
Deferred tax effect		(16 573)	
Adjusted net loss from core operations	(6 663)	(10 814)	+38.4
% of sales	-1.11%	-1.91%	