

Warsaw, 12 May 2009

Attachment 1
to Resolution No. 51/IV/2009

Following Rule no. III.1.1 of the Good Practices of the Companies listed on WSE introduced by the Board and Management Board of Warsaw Stock Exchange, the Supervisory Board of NFI Empik Media & Fashion S.A. presents short assessment of the situation of NFI Empik Media & Fashion S.A.

Following the review of the Company's affairs and discussions with its Management Board, held mainly at meetings attended by the Management Board, and of the received Management Board's report for 2008, the Supervisory Board has shortly assessed the Company's operational situation, especially pursuance of its investment objectives, market share and carried out strategic projects.

According to the Supervisory Board of NFI Empik Media & Fashion S.A., proper image of the Company's financial situation and operational result is presented in its consolidated results. The Company achieved satisfactory consolidated results in 2008. Its sales reached zł 2,317,300,000, which compared with zł 1,585,265,000 reflected increase by 46.2%. The Company achieved net profit at zł 120,835,000, compared with zł 83,120,000.

Available information on the Company's market (internet advertising, e-commerce, paid internet services) and public reports on revenues of its competitors evidence that the Company is developing at satisfactory rate.

Achieved financial results and strict control of costs exerted positive influence on the Company's investing possibilities.

Evaluation of system of management of risk essential for the Company:

Financial risk factors

The Company's activity is exposed to many various financial risks: market risk (including the risk of foreign exchange, fair value, cash flow caused by change of interest rates, or price risk), credit risk and liquidity risk. The Company's general programme for risk management is driven mainly by unpredictability of financial markets and is intended to minimise potential unfavourable influences on the Company's financial results. The Company uses financial instruments to become secure against some threats.

The Company's Management Board set general rules for risk management and defined its policy for some fields, such as foreign exchange, interest rates, credits, derivatives, other financial instruments and liquidity surplus investing.

(i) Foreign exchange risk

NFI Empik Media & Fashion S.A. is exposed to risks of foreign exchange resulting from transactions executed in currencies that are not its functional currency, mainly in EUR and USD. The risk of currency rate change results mainly from future transactions.

In order to secure its foreign exchange exposure, the Company concludes transactions securing future cash flows.

(ii) Interest rate risk

Profits of NFI Empik Media & Fashion S.A. and its operating cash flows are substantially independent of changes in market interest rates. Interest provided in financial lease contracts, in which the Company is the lessee, is fixed and set at the time of contract execution.

The Company's interest rates risk is created by long-term debt instruments. Credits and loans of variable rates expose the Company to cash flow risks resulting from changes in interest rates. The Company analyses interest rate risks on current basis and evaluates their potential impact on its financial result. The Company performs simulations of various scenarios, with consideration of refinancing, renewal of existing positions, alternative finance and collateral. On the basis of such scenarios, the Company calculates impact of certain interest rates on its financial result. Those scenarios are created only for biggest interest-bearing liabilities.

(iii) Credit risk

Credit risk is posed by cash and its equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit engagements for wholesale and retail clients, including not cleared receivables and obligations to conclude transactions.

At NFI Empik Media & Fashion S.A., credit risk is posed mainly by transactions with affiliates, which are controlled by a portfolio of investment companies. According to the Management Board, the credit risk is minimal.

(iv) Liquidity risk

Prudent management of liquidity risk requires maintenance of appropriate level of cash, availability of funds ensured by sufficient crediting sources, as well as taking advantage of payment terms offered by suppliers. Because of dynamic nature of its business, the Company intends to maintain flexibility of its finance by ensuring access to credit lines. The Company's management monitors its current expectations for liquid funds based on anticipated cash flows. The Company has secure access to working capital, including credit line, and to funds not used by other companies from the Capital Group of NFI Empik Media & Fashion S.A. Moreover, the Company has issued debts within the medium-term debt securities scheme.

