

**Condensed standalone interim financial statements for the
period of three months ended 30 June 2008**

NFI Empik Media & Fashion S.A.

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Introduction

Narodowy Fundusz Inwestycyjny EMPIK Media & Fashion Spółka Akcyjna (hereinafter “NFI EMPiK Media & Fashion S.A.”, the “Fund”, the “Company” or “NFI EMF”), a company incorporated in Poland with registered office located at ul. Zurawia 8, 00-503 Warsaw, is the parent of the NFI EMPiK Media & Fashion Capital Group.

NFI EMPiK Media & Fashion S.A. continues to operate under specific laws governing the activities of National Investment Funds. Shares of NFI EMPiK Media & Fashion S.A. are listed on the Warsaw Stock Exchange.

These condensed standalone financial statements were prepared to comply with the Warsaw Stock Exchange reporting requirements. They should be read in conjunction with the consolidated financial statements for the three months ended 30 June 2008.

These condensed standalone financial statements have been approved by the Management Board of NFI EMPiK Media & Fashion S.A. on 14 August 2008.

.....
Maciej Dyjas
President of the Management Board

.....
Jacek Bagiński
Member of the Management Board

.....
Kjell Berggren
Member of the Management Board

.....
Dariusz Stolarczyk
Member of the Management Board

.....
Ewa Podgórska
Member of the Management Board

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Contents

Standalone income statement	4
Standalone balance sheet	5
Standalone statement of changes in equity	6
Standalone cash flow statement	7
Notes to the condensed standalone financial statements	8

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.
 Condensed standalone interim financial statements
 for the period of three months ended 30 June 2008.

Standalone income statement

		6 months ended	3 months ended	6 months ended	3 months ended
	Note	30 June 2008	30 June 2008	30 June 2007	30 June 2007
		thousand PLN	thousand PLN	thousand PLN	thousand PLN
Sales of services		5,722	3,657	5,542	3,553
Employee compensation and benefit expenses	2	(10,491)	(5,637)	(6,370)	(3,734)
Other operating profit	3	3,761	1,474	3,468	3,991
Other operating costs	4	(7,689)	(5,549)	(4,073)	(1,822)
Amortisation, depreciation and impairment charges		(283)	(139)	(262)	(136)
Other profit/(loss) – net	5	16,820	3,939	(457)	(457)
Operating profit / loss from continuing operations		7,840	(2,255)	(2,152)	1,395
Finance costs – net	6	(8,093)	(5,306)	(1,643)	(2,154)
(Loss) before income tax		(253)	(7,561)	(3,795)	(759)
Net loss		(253)	(7,561)	(3,795)	(759)
Basic and diluted loss per share (not in thousands)		-0.002		-0.037	

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.
Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Standalone balance sheet

	Note	As at	
		30 June 2008	31 December 2007
		thousand PLN	thousand PLN
ASSETS			
Non-current assets			
Property, plant and equipment		712	329
Intangible assets		10,055	6,347
Investments in subsidiaries	7	565,651	540,052
Investments in associates		12,497	12,497
Derivative financial instruments	8	40,196	24,947
Long-term borrowings	10	75,877	46,809
Financial assets available for sale		1	1
		704,989	630,982
Current assets			
Short-term borrowings	10	51,182	64,037
Intra-group receivables due to acquired bonds	10	85,001	-
Trade and other receivables	10	12,442	9,377
Cash and cash equivalents		3,848	46,279
		152,473	119,693
Total assets		857,462	750,675
EQUITY AND LIABILITIES			
Equity capital attributable to the Company's equity holders			
Share capital	11	736,660	728,388
Other reserves		4,686	3,189
Retained earnings		(192,240)	(191,987)
		549,106	539,590
LIABILITIES			
Non-current liabilities			
Borrowings	9, 10	191,485	47,215
		191,485	47,215
Current liabilities			
Borrowings	9, 10	108,207	147,939
Trade and other payables	10	8,664	15,931
		116,871	163,870
Total liabilities		308,356	211,085
Total equity and liabilities		857,462	750,675

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.
 Condensed standalone interim financial statements
 for the period of three months ended 30 June 2008.

Standalone statement of changes in equity

	Share capital	Other reserves	Retained earnings	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2008	728,388	3,189	(191,987)	539,590
Net loss for the period	-	-	(253)	(253)
Total profit/loss recognised in equity	-	-	(253)	(253)
Employee option incentive scheme				
- value of services provided	-	7,974	-	7,974
- shares exercised	6,477	(6,477)	-	-
- shares issued	1,795	-	-	1,795
As at 30 June 2008	736,660	4,686	(192,240)	549,106

	Share capital	Other reserves	Retained earnings	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2007	725,619	(2,433)	(182,719)	540,467
Cash flow hedges, net of tax	-	8	-	8
Net loss for the period	-	-	(3,795)	(3,795)
Total profit/loss recognised in equity	-	8	(3,795)	(3,787)
Employee option incentive scheme				
- value of services provided	-	2,890	-	2,890
- shares exercised	2,726	(2,726)	-	-
- shares issued	43	-	-	43
As at 30 June 2007	728,388	(2,261)	(186,514)	539,613

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.
Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Standalone cash flow statement

	6 months ended	6 months ended
	30 June 2008	30 June 2007
	thousand PLN	thousand PLN
Profit from operating activities before income tax	(253)	(3,795)
Adjustments for:		
Amortisation, depreciation and impairment charges	283	262
Financial costs - net	8,093	1,643
Gain on interests, commissions and guarantees granted	(2,177)	(3,332)
Gain on valuation of derivative financial instruments	(16,843)	(6,220)
Loss on disposal of investments and operations	30	6,677
Other	7,690	2,901
Operational profits before working capital changes	(3,177)	(1,864)
Changes in working capital:		
Trade and other receivables	(3,065)	205
Trade and other payables	(24,467)	(762)
Cash generated from operations	(30,709)	(2,421)
Purchase of property, plant and equipment	(395)	(150)
Purchase of intangible assets	(2,771)	(709)
Interest received	2,047	1,124
Purchase of investments and investment units	(25,343)	-
Loans extended to subsidiaries	(102,992)	(25,869)
Proceeds from disposal of investments	-	29,406
Net cash generated from investment activities	(129,454)	3,802
Proceeds from shares issue	1,795	43
Borrowings inflow	151,500	7,656
Repayment of borrowings	(32,100)	-
Interest paid	(3,752)	(457)
Net cash from financing activities	117,443	7,242
Net increase in cash and cash equivalents	(42,720)	8,623
Cash and cash equivalents at the beginning of the period	46,279	7,294
Effects of exchange rates changes on cash and cash equivalents	289	
Increase in cash and cash equivalents	(42,720)	8,623
Cash and cash equivalents at the end of the period	3,848	15,917

Notes on pages 8 to 25 are an integral part of these condensed standalone financial statements

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to the condensed standalone financial statements

1	Accounting policies	9
1.1	Basis for preparation	9
1.2	Foreign currency transactions.....	12
1.3	Investments in subsidiaries and affiliates	13
2	Employee compensation and benefit expenses.....	17
3	Other operating income	18
4	Other operating costs	19
5	Other income - net	19
6	Financial costs - net	19
7	Investments in subsidiaries	20
8	Derivative financial instruments	21
9	Borrowings	21
10	Related party transactions	22
11	Share capital	24
12	Contingent liabilities and future liabilities.....	25
13	Guarantees granted	25
14	Post balance sheet events.....	25

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to condensed standalone financial statements (cont.)

1 Accounting policies

1.1 Basis for preparation

These condensed standalone financial statements have been prepared in accordance with the International Accounting Standard no. 34 (“IAS 34”) „Interim financial reporting”.

The accounting standards, which form the basis for preparing these condensed financial statements for the period of three months ended 30 June 2008, comply with all applicable International Accounting Standards as adopted by the EU, published and legally binding as at the date of preparing the financial statements. The same accounting policies and methods of calculation as the ones applied in the standalone financial statements for the year ended 31 December 2007 were applied in these financial statements.

Comparable data

In the second quarter of 2008, the Group changed the presentation method of expenses incurred for project work, as a result of which IT systems will be designed for the purposes of the Group companies. The financial statements drawn up as of 31 December 2007 disclosed these expenses under “Property, plant and equipment under construction”. As at 30 June 2008, these expenses were presented under “Intangible assets”.

The results of the adjustment in the presentation method of the above mentioned items are as follows:

<i>Description of adjustment</i>	<i>presentation in the balance sheet as at 30 June 2008</i>	<i>presentation in the balance sheet as at 31 December 2007</i>
expenses related to designing and implementation works on new IT systems	intangible assets PLN 5 877 thousand	property, plant and equipment under construction PLN 5 877 thousand

The above adjustments did not influence the amounts disclosed in equity.

Standards, amendments and interpretations that are not yet effective and were not adopted by the Group

IFRS 2 (Amendment) “Share-based Payments”

On 17 January 2008, the International Accounting Standards Board issued an amendment to IFRS 2, which is effective for annual periods beginning on or after 1 January 2009. The amendment deals with two matters: it clarifies that vesting conditions are service conditions and operational performance of an entity only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The Group will apply the amended version of IFRS 2 as of 1 January 2009. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Company.

IFRS 3 (Amendment) “Business Combinations”

On 10 January 2008, the International Accounting Standards Board issued an amended version of IFRS 3, which applies prospectively to business combinations with an acquisition date falling on or after 1 July 2009. The introduced amendments include the possibility to recognise the minority interests either at fair value or as their proportionate interest in the net identifiable assets; the revaluation of any investment in the acquired business held before the acquisition at fair value and its recognition in the income statement, as well as some additional guidelines for applying the acquisition method, inclusive of the treatment of transaction costs as the costs of the period in which they were incurred.

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to condensed standalone financial statements (cont.)

1.1 Basis for preparation (cont.)

The Group will apply the amended standard as described as soon as it becomes effective, on 1 January 2010 because the Group business year is identical to calendar year. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Company.

IFRS 8 “Operating Segments”

On 30 November 2006, the International Accounting Standards Board issued IFRS 8, which is effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 “Segment Reporting”. This standard specifies new requirements for disclosures of operating segments as well as for disclosures of products and services, geographical areas in which the operations are carried out, or about major customers. IFRS 8 requires an entity to adopt the “management approach” to reporting on the financial performance of its operating segments.

The Group will apply the amended version of IFRS 8 as of 1 January 2009. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Company.

IAS 1 (Amendment) “Presentation of Financial Statements”

On 6 September 2007, the International Accounting Standards Board issued an amended IAS 1, which is effective for annual periods beginning on or after 1 January 2009. The objective of the amendment relates mainly to aspects of presenting results with regard to changes in equity, is to allow users of financial statements to better analyse and compare the information contained therein.

The Company will apply the amended version of IAS 1 as of 1 January 2009. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Company.

IAS 23 (Amendment) “Borrowing Costs”

On 29 March 2007, the International Accounting Standards Board issued an amendment to IAS 23, which is effective for annual periods beginning on or after 1 January 2009. This amendment pertains to the accounting approach to borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale. As part of this amendment, the possibility of immediate recognition of such costs in the income statement for the period in which they were incurred has been dismissed. To fulfill the new requirement of the standard, these costs should be capitalised.

In accordance with the Management Board’s decision, the IAS 23 amendment has been introduced to NFI Empik Media & Fashion S.A.’s accounting policies as of 1 January 2008.

IAS 27 (Amendment) “Consolidated and Separate Financial Statements”

On 10 January 2008, the International Accounting Standards Board issued an amendment to IAS 27, which is effective for annual periods beginning on or after 1 July 2009. The standard requires that the consequences of transactions with minority shareholders be directly recognised in equity, provided that the parent entity retains control over its subsidiary. The standard further specifies the manner of recognition if the entity loses control over its subsidiary, i.e. it requires that any investment retained in that subsidiary be measured at its fair value and the difference be recognised in the income statement.

The Group will apply the amended standard as described as soon as it becomes effective, on 1 January 2010 because the Group business year is identical to the calendar year. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Company.

IAS 32 (Amendment) “Consolidated and Separate Financial Statements” and IAS 1 (Amendment) “Presentation of Financial Statements”

On 14 February 2008, the International Accounting Standards Board issued amendments to IAS 32 and IAS 1, which are effective for annual periods beginning on or after 1 January 2009. These amendments pertain to the accounting approach to certain financial instruments with characteristics similar to equity instruments, but classified as financial liabilities. To fulfill the new requirement of the Standard, the financial instruments, such as puttable financial instruments and instruments that impose on the entity an obligation to deliver a pro rata share of the net assets of the entity only on liquidation, provided that certain criteria were met, are classified as equity.

The Group will apply the amended standards as described as soon as they become effective, on 1 January 2009. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Group.

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to condensed standalone financial statements (cont.)

1.1 Basis for preparation (cont.)

Amendments to IFRS 1 "First-time Adoption of IFRSs" and IAS 27 "Consolidated and Separate Financial Statements"

On 23 May 2008, the International Accounting Standards Board issued an amendment to IFRS 1 and IAS 27, which is effective for annual periods beginning on or after 1 January 2009.

These amendments allow entities to use a deemed cost of either the fair value or of the carrying amount under previous accounting practice with respect to subsidiaries, associates and co-subsiaries in the separate financial statements. In addition, the definition of the cost method was removed and replaced with a requirement to present dividends as income in the separate financial statements.

The Group will apply the amendments to IFRS 1 and IAS 27 as of 1 July 2009. In the opinion of the Management Board, the interpretation is not relevant to the Company's financial statements.

Improvements to IFRS 2008

The International Accounting Standards Board issued "Improvements to IFRS", amending the existing 20 standards. The improvements include amendments concerning the presentation, recognition and valuation as well as terminology or editorial amendments. The majority of amendments will be effective for annual periods beginning on or after 1 January 2009.

The Group will apply the improvements to IFRS taking into account the transitional provisions referring to the above amendments.

IFRIC 13 "Customer Loyalty Programmes"

On 27 June 2007, the International Financial Reporting Interpretations Committee issued IFRIC 13, which is effective for annual periods beginning on or after 1 July 2008. This interpretation provides guidance on how to recognise in the books transactions resulting from customer loyalty programmes, such as loyalty cards or loyalty points programmes implemented by an entity. IFRIC 13 addresses, in particular, how companies should account for their obligation to provide free or discounted goods or services if and when the customers redeem their "points".

The Company will apply IFRIC 13 as of 1 January 2009. In the opinion of the Management Board, the interpretation is not relevant to the Company's financial statements.

IFRIC 15 "Agreements for the Construction of Real Estate"

On 3 July 2008, the International Financial Reporting Interpretations Committee issued IFRIC 15, which is effective for annual periods beginning on or after 1 January 2009. This interpretation provides guidance on how to define a construction contract in order to determine whether the effects thereof should be presented in the financial statements in accordance with IAS 11 Construction Contracts or IAS 18 Revenue. In addition, IFRIC 15 addresses when to recognise revenue from the construction of real estate.

The Group will apply IFRIC 15 as of 1 January 2009. In the opinion of the Management Board, the interpretation is not relevant to the Group's financial statements.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

On 3 July 2008, the International Financial Reporting Interpretations Committee issued IFRIC 16, which is effective for annual periods beginning on or after 1 October 2008. This interpretation provides guidance on how to determine whether risks arise from foreign exchange differences between the functional currency of the foreign operation and the presentation currency of the parent's consolidated financial statements. In addition, IFRIC 16 provides an explanation for which entity within a group could hold a hedging instrument in a hedge of a net investment in a foreign operation, in particular whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument. IFRIC 16 also explains how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment.

The Group will apply IFRIC 16 as of 1 January 2009. The Management Board is currently assessing the impact of the aforesaid amendment on financial statements of the Group.

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to condensed standalone financial statements (cont.)

1.1 Basis for preparation (cont.)

As at the date of the financial statements the above described amendments to IFRS 2, IFRS 3, IAS 1, IAS 23, IAS 27 and IAS 32 as well as interpretations IFRIC 13, IFRIC 15, IFRIC 16 are still to be approved by the European Union.

1.2 Foreign currency transactions

(i) Functional and presentation currency

The financial information is presented in Polish zloty (PLN), which is the functional and presentation currency of NFI EMPiK Media & Fashion S.A. Functional currency is the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are recognised in the income statement, except when deferred in equity when qualified as cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value valuation gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in income statement as fair value valuation gain or loss. Translation differences on such non-monetary financial assets and liabilities classified as available for sale are included in the fair value reserve in equity.

The exchange rates applicable for the foreign currencies are presented in the table below:

Currency	6 months ended 30 June 2008		12 months ended 31 December 2007		6 months ended 30 June 2007	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
EUR	3.35	3.49	3.58	3.78	3.77	3.85
USD	2.12	2.28	2.44	2.77	2.80	2.90
CZK	0.14	0.14	0.13	0.14	0.13	0.14
CHF	2.09	2.17	2.16	2.30	2.27	2.36
UAH	0.47	0.46	0.48	0.55	0.56	0.57
RUB	0.09	0.10	0.10	0.11	n/a	n/a

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

1.3 Investments in subsidiaries and affiliates

(i) Subsidiaries and affiliates

The following companies are direct and indirect subsidiaries and affiliates of NFI EMPiK Media & Fashion S.A.

Name	Location	Activity	GRUPA NFI EMF		NFI EMF S.A.	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007
			% share	% share	% share	% share
Subsidiaries						
EMPiK Sp. z o.o.	Poland	Books, newspapers and multimedia retail network; photography sales points and language schools	100.00	100.00	100.00	100.00
EMPiK Technologies Sp. z o.o. ⁽¹⁾	Poland	Retail trading in IT products	100.00	100.00	-	-
EMPiK Comfort Media Sp. z o.o. ⁽¹⁾	Poland	Publisher of "Empik News" magazine	82.00	82.00	-	-
Esprentino Trading Limited ⁽¹⁾	Cyprus	Special purpose vehicle holding 14% of shares in Magalla Holdings Limited	100.00	100.00	-	-
Magalla Holdings Limited ⁽¹⁾	Cyprus	Investment vehicle holding 100% of Buk Investment LLC and 1 share in Bukva Closed Joint Stock Company	100.00	79.00	-	-
Buk Investment LLC ⁽¹⁾	Ukraine	Investment vehicle holding 100% less 1 share in Bukva Closed Joint Stock Company	100.00	79.00	-	-
Bukva Closed Joint Stock Company ⁽¹⁾	Ukraine	Operator of bookstores network	100.00	79.00	-	-
Polperfect Sp. z o.o. ⁽¹⁾	Poland	Distributor of Polish & international newspapers and magazines	94.00	94.00	-	-
Learning Systems Poland Sp. z o.o. ⁽¹⁾	Poland	Operator of language schools	73.97	71.50	9.69	7.22
LSP Master Sp. z o.o. ⁽²⁾	Poland	The owner of a license for the integrated language school management system	100.00	100.00	-	-
Smyk Sp. z o.o.	Poland	Network of children's stores	100.00	100.00	100.00	100.00
Smyk GmbH ⁽³⁾	Germany	Operator of children's stores network	100.00	100.00	-	-
Kids Sp. z o.o. ⁽³⁾	Poland	Operator of chain of shops with products for children	100.00	-	-	-
Prolex Services Limited ⁽³⁾	Cyprus	Investment vehicle holding 100% of Smyk-Rus Limited	100.00	100.00	-	-
Name	Location	Activity	GRUPA NFI EMF		NFI EMF S.A.	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007
			% share	% share	% share	% share
Subsidiaries						
Smyk-Rus Limited ⁽³⁾	Russia	Operator of children's stores network	100.00	100.00	-	-
Madras Enterprises Limited ⁽³⁾	Cyprus	Investment vehicle holding 100% of Paritet – Smyk LLC	79.00	65.00	-	-
Paritet – Smyk LLC ⁽⁴⁾	Ukraine	Operator of children's			-	

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

		stores network	79.00	65.00		-
Smyk Ukraine LLC ⁽³⁾	Ukraine	Logistics and other support services for Paritet – Smyk LLC	100.00	100.00	100.00	100.00
Optimum Distribution Sp. z o.o.	Poland	Wholesale trading of selected cosmetics, optical products and sportswear in Poland	100.00	100.00	100.00	100.00
Optimum Distribution CZ&SK s.r.o.	Czech Republic	Wholesale trading of selected cosmetics, optical products and sportswear in the Czech & Slovak Republics	100.00	100.00	100.00	100.00
Optimum Sport Sp. z o.o. ⁽⁸⁾	Poland	Special purpose entity holding 100% of shares of Amersport Sp. z o.o.	100.00	-	-	-
Poland 1 Development Sp. z o.o. ⁽⁸⁾	Poland	Special purpose entity holding 100% of shares of PolaAnd 1 Sp. z o.o. and Soul Sp. z o.o.	100.00	-	-	-
Amersport Sp. z o.o. ⁽⁹⁾	Poland	Trading of sport clothing and articles	100.00	-	-	-
PolAnd 1 Sp. z o.o. ⁽¹⁰⁾	Poland	Trading of sport clothing and articles	100.00	-	-	-
Soul Sp. z o.o. ⁽¹⁰⁾	Poland	Trading of sport clothing and articles	100.00	-	-	-
Ultimate Fashion Sp. z o.o.	Poland	Franchise operations of Wallis, Esprit, River Island etc.	100.00	100.00	100.00	100.00
Ultimate Fashion International Sp. z o.o.	Poland	Wholesale trading of clothes, footwear and other selected products	100.00	-	100.00	-
Licomp EMPiK Multimedia Sp. z o.o.	Poland	Distributor of interactive entertainment software	100.00	100.00	100.00	100.00
EMF Investment Project Sp. z o.o.	Poland	Investment vehicle holding 48.33% of HDS WP Sp. z o.o.	100.00	100.00	100.00	100.00
East Services S.A.	Switzerland	Wholesale trading of selected cosmetics and sportswear	100.00	100.00	100.00	100.00
HDS WP Sp. z o.o.	Poland	Non-operating company	48.33	48.33	-	-
Maratex Limited ⁽⁵⁾	Cyprus	Investment vehicle holding shares of B4 SA, ZAO Maratex and ZAO BTI Systems	100.00	100.00	43.30	43.30
B4 SA ⁽⁶⁾	Switzerland	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30
BAZA Limited ⁽⁶⁾	Ukraine	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30

Name	Location	Activity	GRUPA NFI EMF		NFI EMF S.A.	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007
			% share	% share	% share	% share
Subsidiaries						
ZAO Maratex (previously ZAO BTI Systems M) ⁽⁶⁾	Russia	Franchise operations of Esprit, Peacocks, Lulu Castagnette etc.	100.00	100.00	43.30	43.30
TOO BTI Systems M ⁽⁶⁾	Kazakhstan	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30
OOO BTI Systems M Spb ⁽⁶⁾	Russia	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30
ZAO BTI Systems ⁽⁶⁾	Russia	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30
OOO BTI Systems Spb ⁽⁶⁾	Russia	Franchise operations of Peacock, Esprit etc.	100.00	100.00	43.30	43.30
TOO BTI Systems ⁽⁶⁾	Kazakhstan	Franchise operations of		100.00		

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

		Peacock, Esprit etc.	100.00		43.30	43.30
LuxPol Invest S.a.r.l	Luksembur g	Investment vehicle holding 80% of shares in EPCD Sp. z o.o.	75.00	-	75.00	-
EPCD Sp. z o.o. ⁽⁷⁾	Poland	Distribution of selected cosmetics in Poland	60.00	-	-	-
EPCD Cz&Sk s.r.o. ⁽⁷⁾	Czech Republic	Distribution of cosmetics in the Czech & Slovak Republics	60.00	-	-	-
Smyk Çocuk Giyim Oyuncak ve Aksesuarlari ⁽³⁾	Turkey	Operator of children's stores network	100.00	-	-	-
Affiliated companies:						
Zara Polska Sp. z o.o.	Poland	Franchise operations of Zara	20.00	20.00	20.00	20.00

- (1) Subsidiaries of EMPiK Sp. z o.o.
- (2) Subsidiary of Learning Systems Poland Sp. z o.o.
- (3) Subsidiaries of Smyk Sp. z o.o.
- (4) Subsidiary of Madras Enterprises Limited
- (5) The Group holds 51% of votes in Maratex Limited
- (6) Subsidiaries of Maratex Limited
- (7) Subsidiaries of LuxPol Invest Sarl
- (8) Subsidiaries of Optimum Distribution Sp. z o.o.
- (9) Subsidiaries of Optimum Sport Sp. z o.o.
- (10) Subsidiaries of PolAnd 1 Development Sp. z o.o.

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

1.3. Investments in subsidiaries and affiliates (cont.)

(ii) Subsidiaries

Subsidiaries are all those entities in respect of which the Company has the power to govern their financial and operating policies, which usually accompanies holding of more than one half of the voting rights in governing bodies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls a given entity.

(iii) Affiliates

Affiliates are all entities over which the Fund has significant influence but not control, which usually accompanies holding of between 20% and 50% of the voting rights in governing bodies. Investments in affiliates are stated at cost (purchase price) less accumulated impairment losses.

NFI Empik Media & Fashion S.A.

Condensed standalone interim financial statements
for the period of three months ended 30 June 2008.

Notes to condensed standalone financial statements (cont.)

2 Employee compensation and benefit expenses

Employee compensation costs comprise employee incentive scheme programme remuneration in the amount of PLN 7 974 thousand (in 2007 – PLN 2 891 thousand). The following NFI EMF management persons are entitled to participate in the programme.

- Mr Maciej Dyjas (President of the Management Board);
- Mr Jacek Bagiński (Member of the Management Board);
- Ms Ewa Podgórska (Member of the Management Board);
- Mr Dariusz Stolarezyk (Member of the Management Board);
- Mr Kjell Berggren (Member of the Management Board);
- Mr Eyal Lahav (President of the Management Board of EMPiK Sp. z o.o.)

The President of the Management Board is entitled to subscribe for Series D, D1, F, G, H, E, E1 registered subscription warrants. Series D subscription warrants entitle their holder to acquire 150 000 Series B ordinary shares at a nominal price of PLN 0.10. Series D1 subscription warrants entitle to take up 125 000 Series C ordinary shares at a nominal price of PLN 0.10. Series F, G, H subscription warrants entitle to acquire 275 000 Series C ordinary shares at a nominal price of PLN 0.10. Each of the Series E and Series E1 subscription warrants entitles to take up 1 Series C ordinary share at a nominal price of PLN 0.10. The warrants were issued and allocated free of charge. Exercising of each warrant is conditional upon the holder of the option still rendering his/her services for the benefit of the Company as at the date of warrant execution.

On 29 January 2008, Jonquille Investments Limited, with its registered seat in Cyprus, a company wholly owned by Mr Maciej Dyjas, the President of the Management Board of NFI EMF, acquired 150 000 ordinary Series B bearer shares of NFI EMF and 125 000 Series C bearer shares of NFI Empik EMF at a nominal price of PLN 0.10 (ten grosz) per share. The total transaction value was PLN 27 500. The shares were acquired as a result of exercising rights resulting from Series C subscription warrant issued by NFI EMF on the basis of the resolution no 6 of the General Shareholders Meeting of NFI Empik EMF of 8 December 2005 and on the basis of Series C1 subscription warrant issued on the basis of the resolution no 14 of the General Shareholders Meeting of NFI EMF of 13 July 2007. On 27 May 2008, NFI EMF shares were again acquired by Jonquille Investments Limited in the amount of 138 163 B series ordinary bearer shares. The shares were acquired at the nominal price, i.e. at PLN 0.10 per share. The total transaction price amounted to PLN 13 816.30. The shares were acquired as a result of the execution of E and E1 series subscription warrant rights issued by NFI EMF based on resolution no. 6 of the General Shareholders Meeting of NFI EMF of 8 December 2005 and based on the resolution of the General Shareholders Meeting of NFI EMF of 13 July 2007.

Mr. Jacek Bagiński is entitled to subscribe for I, J and K series registered subscription warrants. Each warrant entitles a subscription for 300 000 D series ordinary shares at a transaction rate equal to the issue price of D series shares amounting to PLN 14 with the nominal price of PLN 0.10 per share. Subscription warrants shall be executed in full or in part in the following periods:

I Series	30 days following the registration of conditional capital increase
J Series	July 2008
K Series	July 2009

The warrants were issued and allocated free of charge. Exercising of each warrant is conditional upon the holder of the option still rendering his/her services for the benefit of the Company as at the date of warrant execution.

On 15 January 2008, Ms Ewa Podgórska was granted options to acquire shares issued by the Company by way of acquisition of subscription warrants. The option holder is entitled to subscribe for Series L, M, N registered subscription warrants. Each warrant entitles to subscribe for 30 000 Series E ordinary shares at a nominal price of PLN 0.10 PLN per share. The subscription warrants will be exercised on the following dates:

L Series	from the issuance date to 31 December 2011
M Series	from 2008 to 31 December 2011
N Series	from 2009 to 31 December 2011

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

2 Employee compensation and benefit expenses (cont.)

The warrants were issued and allocated free of charge. Exercising of each warrant is conditional upon the holder of the option still rendering his/her services for the benefit of the Company as at the date of warrant execution.

On 14 April, Ms. Ewa Podgórska acquired 30 000 E series ordinary bearer shares of NFI EMF at the nominal price of PLN 0.10 per share. The total transaction price amounted to PLN 3 000. The shares were acquired as a result of the execution of L series subscription warrants rights issued by NFI EMF based on resolution no 16 of the General Shareholders Meeting of NFI EMF of 13 July 2007 as amended by resolution no 1 of the General Shareholders Meeting of NFI EMF of 26 October 2007.

Mr. Dariusz Stolarczyk is entitled to acquire 17 765 registered L series subscription warrants at the average market price of NFI EMF shares quoted on the Warsaw Stock Exchange in the three-month period ended 31 December 2007. Each warrant entitles him to acquire E series ordinary shares. Subscription warrants shall be exercised in the period from 1 January 2009 to 31 December 2011.

Mr. Kjell Berggren was granted 80 000 L series subscription warrants entitling him to acquire NFI EMF shares in the same amount at the average market price of NFI EMF shares quoted on the Warsaw Stock Exchange in the three-month period ended 31 December 2007. L series warrants may be exercised in the period from 1 January 2009 to 31 December 2011.

On 24 April 2008, Mr. Lahav was granted subscription warrants for acquisition of E series NFI EMF shares. Mr. Lahav is entitled to subscribe for L and M series warrants. Each warrant entitles him to acquire 125 000 shares at an issue price of PLN 14 per share. Subscription warrants may be exercised in the following periods:

L series	from date of issue until 31 May 2008
M series	from 1 January 2008 to 31 May 2009

On 30 May 2008, the company acting on behalf of Mr. Lahav acquired 125 000 E series shares at an issue price of PLN 14 per share as a result of execution of L series subscription warrant rights issued by NFI EMF based on resolution no 16 of the General Shareholders Meeting of NFI EMF of 13 July 2007 as amended by resolution no. 1 of the General Shareholders Meeting of NFI EMF of 26 October 2007.

3 Other operating income

6 months ended 30 June	2008	2007
	thousand PLN	thousand PLN
Guarantees	603	373
Interest income - third party	740	452
Interest income - related party	4,426	1,925
Commissions on loans granted to related entities	-	215
Currency translation differences	(2,027)	797
Other	19	158
	3,761	3,920

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

4 Other operating costs

6 months ended 30 June	2008	2007
	thousand PLN	thousand PLN
Advisory services	1,619	874
Marketing services	195	102
Rent of space	311	248
Mail and IT services	1,182	1,069
Business travel	1,083	360
Non-deductible VAT	261	305
Lease payments	149	54
Other	2,889	1,061
	7,689	4,073

5 Other income - net

6 months ended 30 June	2008	2007
	thousand PLN	thousand PLN
Gain on valuation of derivative financial instruments - Zara option	15,249	6,302
Profit on valuation of Zara option security	1,595	-
Loss on sale of financial assets at fair value through financial results - coffeeheaven	-	(6,677)
Change in liability amount due to acquisition of shares	-	(82)
Other	(24)	-
Total other income - net	16,820	(457)

6 Financial costs - net

6 months ended 30 June	2008	2007
	thousand PLN	thousand PLN
Interest income - third party	(6,975)	(407)
Interest income - related party	(1,384)	(1,128)
Currency translation differences	266	(108)
Total financial costs	(8,093)	(1,643)

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

7 Investments in subsidiaries

	2008		2007	
	Current value of shares	Shares held	Current value of shares	Shares held
	thousand PLN	%	thousand PLN	%
Smyk Sp z o.o.	86,695	100.0	79,695	100.0
Ultimate Fashion Sp z o.o.	49,887	100.0	34,387	100.0
Empik Sp z o.o.	269,171	100.0	268,887	100.0
Licomp Empik Multimedia Sp z o.o.	6,003	100.0	6,003	100.0
East Services S.A.	20,260	100.0	20,260	100.0
Optimum Distribution CZ&SK sro	22,817	100.0	22,817	100.0
Optimum Distribution Sp z o.o.	35,557	100.0	35,587	100.0
Learning System Poland Sp. z o.o.	6,723	9.7	4,828	7.2
Maratex Ltd	68,350	43.3	67,588	43.3
Ultimate Fashion International Sp. z o.o.	50	100.0	-	-
LuxPol Invest SARL	137	75.0	-	-
EPCD Sp. z o.o.	1	2.0	-	-
	565,651		540,052	

On 14 February 2008, NFI Empik Media & Fashion SA acquired 75% of shares (i.e 375 shares at a nominal value of EUR 100 per share, where each share entitles to one vote at a general meeting of shareholders), in the company operating under the laws of Luxemburg, under the name LuxPol Invest S.a.r.l (“LuxPol”). These shares were acquired directly in relation with the establishment of LuxPol and were purchased by NFI Empik Media & Fashion S.A at a nominal price, i.e EUR 37,500. The purpose of the LuxPol activity is the investment in the cosmetics sector in Poland, the Czech Republic, Slovakia and other countries in the region.

Subsequently, on 12 March 2008 LuxPol acquired 50 shares (each share at a nominal value of PLN 1,000 and each entitling to one vote at a general meeting of shareholders) in the Polish company EPCD Sp. z o.o. The total price of the acquisition of 100% shares in EPCD Sp. z o.o. paid by LuxPol was EUR 15 838.37. On 19 March 2008 NFI Empik Media & Fashion SA acquired one share in EPCD Sp. z o.o. from LuxPol Invest S.a.r.l. at a nominal value of PLN 1,000.

NFI Empik Media & Fashion SA acquired 100% shares in the company operating under the laws of Poland, under the name Ultimate Fashion International Sp. z o.o. These shares were acquired directly in relation with the establishment of the company. In the future Ultimate Fashion International will distribute clothing, footgear and other selected products.

On 3 January 2008, NFI EMF acquired 2.47% of shares in the share capital of Learning System Poland Sp. z o.o., running a chain of foreign languages learning schools, for PLN 1,895 thousand. As a result of this transaction, NFI EMF’s share in the share capital of Learning System Poland Sp. z o.o. increased from 7.22% to 9.69%.

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

8 Derivative financial instruments

	30 June 2008		31 December 2007	
	Assets	Liabilities	Assets	Liabilities
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Long-term derivative financial instruments				
Zara put option	40,196	-	24,947	-
Total derivative financial instruments	40,196	-	24,947	-

The put option for shares in Zara Polska Sp. z o.o. reflects the fair value assigned to the put option resulting from an agreement entered into by and between NFI EMPiK Media & Fashion S.A. and Inditex S.A. on the sale of shares in Zara Polska Sp. z o.o. (Young Fashion Sp. z o.o.). The fair value of the instrument is established either as its potential execution price, i.e. EUR 8 million or the current market value of a 20% stake in Zara Polska Sp. z o.o. by discounting the value of EBIDTA until the end of 30 June 2008 with a discount rate of 10.19%. In the reporting period, the fair value gain amounted to PLN 15 249 thousand (in 2007: PLN 6 302 thousand) and was recognised in "other income - net".

9 Borrowings

As at 30 June 2008, the company's liabilities resulting from bonds issuance were as follows:

- 1) Coupon bonds with a total nominal value of PLN 3.9 million. The bonds interest rate was set at the level of WIBOR 3M + margin. The bonds shall be subject to a one-off redemption at their nominal value with accrued interest on 10 December 2008.
- 2) Interest-free discount bonds with a total nominal value of PLN 29 million. The level of the bond discount was set at the level of WIBOR 12M + margin. The bonds shall be subject to a one-off redemption at their nominal value on 10 December 2008. The total issuance value in 2007 amounted to PLN 46.1 million. In March 2008 the company redeemed part of the bonds with a total value of PLN 17.1 million.
- 3) Interest-free discount bonds with a total nominal value of PLN 25 million. The level of the bond discount was set at the level of WIBOR 1M + margin. The bonds shall be subject to a one-off redemption at their par value on 5 August 2008.
- 4) Coupon bonds with a total nominal value of PLN 151.5 million. The bonds interest rate was set at the level of WIBOR 6M + margin. The bonds shall be subject to a one-off redemption at their nominal value with accrued interest on 20 March 2012.

None of the issued bonds is secured.

In January 2006, NFI EMF took an investment credit in the amount of EUR 7 million to be repaid by 15 April 2008. The appendix of 10 April 2008 postponed the repayment date to 3 January 2011. The credit is secured on shares held at Zara Polska Sp. z o.o.

In September 2007, the Company signed a credit facility agreement for revolving credit of PLN 65 million. The Company has repaid a part of its liabilities, i.e. PLN 40 million by 30 June 2008. The outstanding balance of the loan in the amount of PLN 25 million is to be repaid by the Company by 17 September 2008. The credit is secured by guarantees granted by two NFI Empik Media & Fashion S.A. Group companies.

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

10 Related party transactions

NFI Empik Media & Fashion SA is controlled by EMPiK Centrum Investments S.A. (incorporated in Luxembourg) which owns 59.90% of NFI EMPiK Media & Fashion S.A.'s shares. The ultimate parent of the Fund is Eastbridge B.V./S.a.r.l. (a company incorporated in the Netherlands with the principal place of business in Luxembourg).

EMPiK Centrum Investments S.A. and its subsidiaries, Eastbridge B.V./S.a.r.l. as well as its subsidiaries and Zara Polska Sp. z o.o. are considered related parties for the purpose of the condensed standalone financial statements.

Transactions with subsidiaries of NFI Empik Media & Fashion S.A.

Transactions with subsidiaries pertain to loans which the Fund extended to its subsidiaries, charging interest equal to WIBOR or EURIBOR plus a 1.0% - 2.2% margin, and a one-off commission of 0.5% - 1% of the loan principal.

Furthermore, in the second quarter of 2008, NFI Empik Media & Fashion S.A. acquired bonds issued by affiliated entities and collected a fee for organisation of the issue of bonds in the amount of 0.11%-0.15% of the issue amount.

Moreover, the Fund provided business and management advisory services to its subsidiaries and granted and received loans to and from its related parties.

The following balances and movements in accounts with the Fund's subsidiaries were shown in the condensed standalone financial statements for the period of six months ended 30 June 2008 (in thousand PLN)

As at	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
	Receivables		Liabilities	
Empik Sp. z o.o.	19,054	13,541	29,206	47,131
Ultimate Fashion Sp. z o.o.	86,576	60,270	133	133
Ultimate Fashion International Sp. z o.o.	1	-	-	-
LuxPol Invest Sarl	1,734	-	-	-
Smyk Sp. z o.o.	41,954	25,421	-	1
EMF Investment Project Sp. z o.o.	104	-	-	-
Learning Systems Poland Sp. z o.o.	1,453	1,293	25	25
LSP Master Sp. z o.o.	120	120	-	-
Optimum Distribution Poland Sp. z o.o.	879	261	10,092	9,785
Optimum Sport Sp. z o.o.	487	-	-	-
Poland 1 Development	26	-	-	-
Licomp Empik Media Sp. z o.o.	47	140	-	-
Smyk GMBH	14	-	-	-
Optimum Distribution CZ&SK	187	731	-	-
East Services S.A.	-	5	939	1,003
Madras	15,114	-	-	-
Magalla	20,123	-	-	-
Eastbridge BV SARL	780	-	100	72
Maratex Limited	17,010	-	-	-
	205,663	101,782	40,495	58,150

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

10. Related party transactions (cont.)

6 months ended 30 June	2008	2007	2008	2007
	Revenues		Costs	
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Empik Sp. z o.o.	2,696	2,292	56	895
Ultimate Fashion Sp. z o.o.	2,731	1,689	-	-
Ultimate Fashion International Sp. z o.o.	1	-	-	-
Smyk Sp. z o.o.	2,673	1,737	-	-
EMF Investment Project Sp. z o.o.	92	62	-	-
Optimum Distribution Poland Sp. z o.o.	1,137	1,128	-	234
Optimum Sport Sp. z o.o.	399	-	-	-
Licomp Empik Multimedia Sp. z o.o.	116	114	-	-
Optimum Distribution CZ&Sk	582	644	-	-
Smyk GMBH	7	-	-	-
Madras	114	-	-	-
Magalla	123	-	-	-
LuxPol Invest Sarl	671	-	-	-
Maratex Limited	243	-	-	-
Poland 1 Development	21	-	-	-
Eastbridge BV SARL	780	-	210	-
Zara Polska Sp. z o.o.	-	30	-	-
Learning Systems Poland Sp. z o.o.	169	-	-	-
	12,555	7,696	266	1,129

As at 30 June 2008, the receivables of PLN 198 228 thousand (PLN 97 401 thousand as at 31 December 2007) pertain to loans granted to the subsidiaries. The remaining part of the receivables recorded as at 30 June 2008, i.e. PLN 7 395 thousand (PLN 4 381 thousand as at 31 December 2007) regards payments for advisory services. The Fund's liabilities comprise loans received from the Company's subsidiaries and amounts resulting from participation in intra-group financial settlements system.

The overall increase in receivables and payables resulted mainly from the inter-company loans and cash pool arrangements, regulated by the agreement with ABN Amro Bank.

For the period of six months ended 30 June 2008, the fund's revenues comprise advisory and IT services amounting to PLN 5 722 thousand (PLN 5 542 thousand in the same period of 2007), interest on loans extended amounting to PLN 4 426 thousand (PLN 1 925 thousand in the same period of 2007) and other revenues amounting to PLN 2 407 thousand (PLN 229 thousand in the same period of 2007).

Transactions with Eastbridge B.V./S.a.r.l

In the period from 1 January to 30 June 2008, Eastbridge B.V./S.a.r.l. provided business and management advisory services to the Fund. The total related remuneration of Eastbridge B.V./S.a.r.l. was PLN 210 thousand (PLN 225 thousand in the same period of 2007). The related liability to Eastbridge B.V./S.a.r.l. as at 30 June 2008 amounted to PLN 100 thousand (PLN 72 thousand as at 31 December 2007).

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

11 Share capital

	Number of shares (not in thousands)	Equity	Surplus on the sale of shares above the nominal value	Total
		thousand PLN	thousand PLN	thousand PLN
As at 1 January 2007	102,154,270	10,215	715,404	725,619
Issuance of shares - employee option incentive scheme	432,375	43		43
Employee shares exercised	-	-	2,726	2,726
As at 1 January 2008	102,586,645	10,258	718,130	728,388
Issuance of shares - employee option incentive scheme	568,163		6,477	6,477
Other issuance of shares	-	58	1,737	1,795
As at 30 June 2008	103,154,808	10,316	726,344	736,660

The nominal value of one share is PLN 0.10 (not in thousands). As at 30 June 2008 the share capital of NFI Empik Media & Fashion S.A. is 10 315 480.50 (not in thousands) and is divided into 101 893 645 ordinary A series shares, 981 163 ordinary B series shares, 125 000 ordinary C series shares and 155 000 ordinary E series shares. The total number of votes arising from all the issued shares after registration of the share capital increase is 103 154 808.

During the period of six months ended 30 June 2008, the share capital was increased by PLN 58 thousand by means of the issue of 578 000 shares of PLN 0.10 each (not in thousands) each. As at 30 June 2008, the increase in share capital due to acquisition of shares by the Charman of the Management Board Maciej Dyjas and Member of the Management Board Ewa Podgórska, amounting to PLN 30 thousand, was not registered in the National Court Register.

Management Board shareholding

As at 30 June 2008 Mr. Maciej Dyjas, President of the Management Board, held through his subsidiary Jonquille Investments Limited, 856 163 shares i.e 0.8% of the share capital of NFI Empik Media & Fashion S.A. Furthermore, during the reporting period, Ms. Ewa Podgórska acquired 30 000 shares of NFI Empik Media & Fashion S.A., representing 0.03% of NFI EMF share capital.

As at 30 June 2008, the key shareholders of NFI EMPiK Media & Fashion S.A. were:

	Number of shares held (votes)	Direct shareholding
As at 30 June 2008		
Empik Centrum Investments S.A.	61,794,435	59.90%
Flime Investments S.A.	3,082,674	2.99%
Total number of shares	103,154,808	100%

Flime Investment S.A. is an affiliate of Eastbridge B.V./S.a.r.l and EMPiK Centrum Investments S.A. The Company is controlled by EMPiK Centrum Investments S.A. (with its registered office in Luxembourg) which holds 59.90% of shares in NFI EMPiK Media & Fashion S.A. The ultimate parent company publishing financial statements is Eastbridge B.V./S.a.r.l. (a company incorporated in the Netherlands with the principal place of business in Luxembourg). The ultimate controlling party of the Company is Mr Yaron Bruckner.

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

Condensed Standalone Interim Financial Statements

for the period of three months ended 30 June 2008

Notes to condensed standalone financial statements (cont.)

12 Contingent liabilities and future liabilities

1. As provided by general provisions of law, the tax authorities may, at any time, inspect the books and records of the taxpayer within 5 years subsequent to the reported tax year, and, if any inaccuracies are found, may impose additional tax assessments and penalties. NFI EMPiK Media & Fashion S.A.'s Management Board is not aware of any circumstances which may result in a material increase of liabilities in this respect.
2. The NFI EMPiK Media & Fashion Group also has contingent liabilities in respect of bank and other guarantees issued upon the request of the NFI EMF Group's subsidiaries, provided by NFI EMPiK Media & Fashion S.A. to guarantee rents and trade liabilities of its subsidiaries and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.
3. In order to protect Inditex and Young Fashion Sp. z o.o. (currently Zara Polska Sp. z o.o.) from any contingent liabilities arising from events that took place prior to the sale of 51% i.e. when Young Fashion Sp. z o.o. was under the management and control of NFI EMPiK Media & Fashion S.A., ABN Amro Bank (Polska) S.A. issued, at the request of NFI EMPiK Media & Fashion S.A., a bank guarantee up to EUR 500 thousand to the benefit of Young Fashion Sp. z o.o. Total responsibility of the Company resulting from the sale agreement of shares in Young Fashion Sp. z o.o. is limited to the amount of EUR 20 000 000. It is not anticipated that any material liabilities will arise from the contingent liabilities.

13 Guarantees granted

As at 30 June 2008, liabilities in respect of guarantees which the Fund granted for its subsidiaries, mainly to suppliers and landlords, amounted to PLN 63 041 thousand (EUR 18 795 thousand), PLN 566 thousand (USD 267 thousand) and PLN 5 808 thousand.

On 26 August 2004, NFI EMPiK Media & Fashion S.A. extended a guarantee to Sephora Polska Sp. z o.o. for up to PLN 15 866 thousand (EUR 4.5 million) as collateral for potential claims of Sephora Sp. z o.o. against EMPiK Sp. z o.o. in respect of the contract for the sale of the cosmetics retail division of EMPiK Sp. z o.o. to Sephora Polska Sp. z o.o. of 8 July 2003.

On 26 June 2007 NFI EMPiK Media & Fashion S.A. issued a guarantee in favour of ABN AMRO Bank (Polska) S.A. up to the amount of PLN 36 million in relation with the PLN 30 million current account overdraft facility made available.

14 Post balance sheet events

On 14 August 2008, NFI EMF and its subsidiaries: Empik Sp. z o.o., Smyk Sp. z o.o., Ultimate Fashion Sp. z o.o., Optimum Distribution Sp. z o.o. and Learning Systems Poland Sp. z o.o., concluded a credit agreement with PEKAO S.A. for PLN 150 million. The main part of the credit facility shall be used for financing of the development of the NFI EMF Group distribution network, logistic infrastructure and IT. The debt shall be repaid in 20 equal instalments between 30 September 2010 and 30 June 2015.

Additional information

We present below information we are required to disclose to meet the disclosure requirements of the Warsaw Stock Exchange.

Table of contents

1. Selected financial data.....	27
2. Investment portfolio.....	28

All amounts are presented in PLN thousand, unless stated otherwise.

NFI Empik Media & Fashion S.A.

Additional information (cont.)

1. Selected financial data

SELECTED FINANCIAL INFORMATION	'000' PLN		'000' Euro	
	6 months ended 30 June 2008	6 months ended 30 June 2007	6 months ended 30 June 2008	6 months ended 30 June 2007
I. Net sales	5,722	5,542	1,645	1,440
II. Profit (loss) from operating activities	7,840	(2,152)	2,254	(559)
III. Profit (loss) before income tax	(253)	(3,795)	(73)	(986)
IV. Net profit (loss)	(253)	(3,795)	(73)	(986)
V. Net cash flows from operations	(27,997)	(2,421)	(8,051)	(629)
VI. Net cash flows from investment activities	(132,166)	3,802	(38,005)	988
VII. Net cash flows from financing activities	117,443	7,242	33,771	1,882
VIII. Total net cash flows	(42,720)	8,623	(12,284)	2,241
IX. Total assets	857,462	626,360	255,638	166,329
X. Liabilities and provisions for liabilities	308,356	86,747	91,931	23,035
XI. Long- term liabilities	191,485	50,467	57,088	13,401
XII. Short- term liabilities	116,871	36,280	34,843	9,634
XIII. Equity	549,106	539,613	163,707	143,293
XIV. Share capital	736,660	728,388	219,623	193,422
XV. Number of shares	103,154,808	102,586,645	103,154,808	102,586,645
XVI. Profit (loss) per ordinary share (PLN/EUR)	-0.0025	-0.0370	-0.0007	-0.0096
XVII. Diluted profit (loss) per ordinary share (PLN/EUR)				
XVIII. Book value per share (PLN/EUR)	5.32	5.26	1.59	1.40
XIX. Diluted book value per share (PLN/EUR)				
XX. Dividend per share declared or paid (PLN/EUR)				

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio

No.	Name of the Company	Location	Activity	Capital relation	Number of shares	Book value of shares before adjustment	Adjustment to the book value of shares	Carrying value of shares	Shareholding (%)	Total number of votes at AGM
1	Smyk Sp. z o.o.	Warsaw	Children's stores chain	Subsidiary	176,080	86,695		86,695	100	100
2	Ultimate Fashion Sp. z o.o.	Warsaw	Franchise operations of Esprit, Wallis, River Island etc.	Subsidiary	222,000	49,887		49,887	100	100
3	Empik Sp. z o.o.	Warsaw	Multimedia and language schools retail chain	Subsidiary	51,147	269,171		269,171	100	100
4	Licomp Empik Multimedia Sp. z o.o.	Warsaw	Distributor of multimedia games	Subsidiary	11,500	6,003		6,003	100	100
5	East Services S.A.	Villars-sur-Glâne, Switzerland	Wholesale trading of selected cosmetics, optical products and sportswear	Subsidiary	100	20,260		20,260	100	100
6	Optimum CZ&SK sro	Prague, Czech Republic	Wholesale trading of selected cosmetics, optical products and sportswear in the Czech & Slovak Republics	Subsidiary	1	22,817		22,817	100	100
7	Optimum Distribution Sp. z o.o.	Warsaw	Wholesale trading of selected cosmetics, optical products and sportswear in the Czech & Slovak Republics	Subsidiary	1	35,557		35,557	100	100
8	Learning System Poland Sp. z o.o.	Warsaw	Operator of language schools	Subsidiary	1	6,723		6,723	9.69	9.69
9	Maratex Limited	Nicosia, Cyprus	Franchise operations of Esprit, Peacocks, Lulu Castagnette	Subsidiary	794,690	68,350		68,350	43	51
10	Ultimate Fashion International Sp. z o.o.	Poland	Wholesale trading of clothes, footwear and other selected products	Subsidiary	100	50		50	100	100
11	Zara Polska Sp. z o.o.	Warsaw	Franchise operations of Zara	Affiliate	4,016	12,497		12,497	20	20
12	LuxPol Invest S.a.r.l.	Luxembourg	Investment company	Subsidiary	375	137		137	75	75
13	EPKD Sp. z o.o.	Poland	Distribution of selected cosmetics in Poland	Subsidiary*	1	1		1	2	60

NFI Empik Media & Fashion S.A.

Additional information (cont.)

No.	Name of the Company	Location	Activity	Capital relation	Number of shares	Book value of shares before adjustment	Adjustment to the book value of shares	Carrying value of shares	Shareholding (%)	Total number of votes at AGM
14	EMF Investment Project Sp. z o.o.	Warsaw	Capital market services excluding brokerage services	Subsidiary	47	5,141	5,141	0	100	100
	Razem					583,289	5,141	578,148		
	* a company, in which Luxpol Invest S.a.r.l holds 98% of shares and NFI Empik Media & Fashion S.A. holds 2% of shares									

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio (cont.):

No.	Company name	Net sales	Operating profit/(loss)	Current assets	Short-term receivables	Long-term receivables	Inventories	Total assets
1	Smyk Sp zoo	148,843	6,545	59,067	13,724	23,982	41,634	183,626
2	Ultimate Fashion Sp z oo	109,949	(702)	57,562	2,970	7,551	52,094	166,490
3	Empik Sp z oo	369,050	9,133	242,567	51,739	133,231	183,758	600,283
4	Licomp Empik Multimedia Sp z oo	11,369	1,046	14,347	6,588	0	7,723	14,528
5	Maratex Limited	125,156	9,032	104,372	42,182	3,026	53,902	157,719
6	Optimum CZ&SK sro	23,425	72	25,798	13,763	0	6,550	27,454
7	Optimum Distribution Sp z oo	44,330	3,974	56,267	45,724	9,355	8,175	96,626
8	EMF Investment Project Sp. z o.o.	0	(21)	5	0	83	0	1,627
10	East Services SA	0	4,500	9,351	2,931	16,301	0	25,652
11	LuxPol Invest Sarl	0	(71)	472	0	0	0	2,241
12	Ultimate Fashion International Sp. z o.o.	420	(94)	592	15	0	562	973
	Total	832,542	33,414	570,400	179,636	193,529	354,398	1,277,219

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio (cont.):

No.	Company name	Equity, including:			share capital	payments for share capital due	supplementary capital	reserve capital	Retained earnings	net profit / (loss)	Liabilities	
		total	share capital	total							short-term	long-term
1	Smyk Sp zoo	47,126	15,104	9,000	(2,998)	21,381	4,639	136,498	59,809	76,689		
2	Ultimate Fashion Sp z oo	34,474	31,050	10,156	(3,338)	(1,068)	(2,326)	132,016	41,585	90,431		
3	Empik Sp z oo	234,763	49,203	20,458	(1,137)	159,070	7,169	365,308	303,655	61,653		
4	Licomp Empik Multimedia Sp z oo	6,934	0	2,151	0	3,941	842	7,452	7,452	0		
5	East Services S.A.	21,979	252	0	557	16,855	4,315	3,848	3,848	0		
6	Optimum CZ&SK sro	3,061	1,989	0	(147)	993	226	24,391	19,146	5,245		
7	Optimum Distribution Sp z oo	41,165	50	0	0	37,440	3,675	55,463	41,314	14,149		
8	EMF Investment Project Sp. z o.o.	(831)	88	0	0	(812)	(107)	2,458	120	2,338		
10	Maratex Limited	(10,934)	74	47,525	(2,831)	(59,943)	4,241	168,819	141,493	27,326		
11	LuxPol Invest Sarl	79	168	0	0	0	(89)	2,159	417	1,742		
12	Ultimate Fashion International Sp. z o.o.	(41)	50	0	0	0	(91)	1,014	654	360		
	Total	377,775	98,029	89,290	(9,894)	177,857	22,494	899,426	619,493	279,933		

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio (cont.)

Change in the carrying value of investment portfolio items	Lead shares	Minority interest	Shares in subsidiaries	Shares in co-subidiaries	Shares in affiliates	Total
Carrying value as at 1 January 2008		1	540,052		12,497	552,549
a. Increases (due to)			25,629			25,629
- share capital increases			22,500			22,500
- the role transaction of majority shareholding						0
-acquisitions			3,129			3,129
b. Decreases (due to)			(30)			(30)
- revaluation write-off			0			0
- sale of shares at book value			0			0
- redemption of shares			(30)			(30)
Carrying value as at 30 June 2008		1	565,651	0	12,497	578,148

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio (cont.)

Transferability of investment portfolio items	With unlimited transferability			With limited transferability
	Listed	OTC listed	Non-listed on regulated markets	
Lead shares				
carrying value				
value at cost				
fair value				
market value				
Minority interest				
carrying value				
value at cost				
fair value				
market value				
Shares in subsidiaries				
carrying value			565,651	
value at cost			583,289	
fair value			565,651	
market value				
Shares in affiliated entities				
carrying value			12,497	
value at cost			17,155	
fair value			12,497	
market value				
TOTAL				
carrying value			578,148	
value at cost			600,444	
market value			578,148	

NFI Empik Media & Fashion S.A.

Additional information (cont.)

2. Investment portfolio (cont.)

Minority shareholdings:

No.	Name of the company and its legal form	Registered seat	Activity	Number of shares	Book value of shares before adjustment	Adjustment of the book value of shares	Carrying value of shares	Market value for listed companies	Shareholding (%)	Total number of votes at GMS
1	Złotoryjskie Zakłady Obuwia S.A. *	Złotoryja	Shoes production	186,723	3,520	(3,520)			33	33
	Total				3,520	(3,520)				

* The companies have filed for bankruptcy; no financial data available