

*[INTERIM RESULTS FOR NINE MONTHS TO 30 SEPTEMBER 2000 NOTES TO THE ACCOUNTS –  
PAS unconsolidated]*

**Basis of preparation**

Presented financial statements for the third quarter and nine months of 2000 have been prepared under Polish accounting principles accepted by the Company for the purposes of preparation of the accounts on the balance sheet date which are set out in the Company's 1999 statutory accounts.

**Exchange**

Selected financial data were converted to EURO in the following manner:

- figures of the profit and loss statement for the 3rd quarter of 2000 were converted using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within the quarter, i.e. 3.9809 PLN for 1 EURO.
- figures of the profit and loss statement for the first nine months of 2000 were converted using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within this period, i.e. 4.0353 PLN for 1 EURO.
- balance sheet entries were converted using the average exchange rate published by the National Bank of Poland for the last day of the quarter, i.e. 4.0195 PLN for 1 EURO.

**Provisions**

In the period from 1 January 2000 to 30 September 2000 there were the following changes in provisions (in brackets figures for the 3rd quarter 2000 alone):

- increase in provisions for bad debts in the amount of 3 095 thousand PLN, (2 170 thousand PLN);
- increase in provision for interest on long-term and short-term loans in the amount of 1 287 thousand PLN, (551 thousand PLN);

As at 30 September 2000 provision for deferred income taxes amounted to 9 030 thousand PLN and decreased by 335 thousand PLN compared to 1 January 2000, and in the 3<sup>rd</sup> quarter, by the amount of 1 869 thousand PLN.

**Litigation**

As at 30 September 2000 the Company has not entered into litigation or have been litigated for claims or liabilities that in total exceed 10% of the Company's equity.

## SA-Q3/2000

SELECTED FINANCIAL DATA (current year)	'000 PLN		'000 EURO	
	3-rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000	3-rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000
I. Net Sale Revenue	185 965	595 224	46 714	147 504
II. Operating Profit (Loss)	28 907	138 258	7 261	34 262
III. Profit (Loss) Before Taxes	27 929	151 644	7 016	37 579
IV. Net Profit (Loss)	19 107	107 269	4 800	26 583
V. Assets (as at 30/09/2000)	1 120 299		278 716	
VI. Shareholders' Equity (as at 30/09/2000)	879 461		218 799	
VII. Number of Shares (as at 30/09/2000)	56 757 525		56 757 525	
VIII. Net Book Value per Share (in PLN) (as at 30/09/2000)	15,50		3,86	

Balance Sheets '000 PLN	as at 30/09/2000 (current year)	as at 30/06/2000 (current year)	as at 30/09/1999 (prior year)	as at 30/06/1999 (prior year)
<b>ASSETS</b>				
I. Fixed Assets	794 110	745 688	496 176	446 696
1. Intangible assets	34 654	38 122	34 329	35 283
2. Tangible fixed assets	583 214	528 013	303 837	254 885
3. Financial fixed assets	176 242	179 553	157 824	156 528
4. Long-term receivables	-	-	186	-
II. Current Assets	325 343	363 117	458 036	464 220
1. Inventories	18 265	17 307	16 984	14 317
2. Accounts receivable	110 728	109 530	79 684	77 475
3. Own shares for sale	-	-	-	-
4. Current marketable securities	161 092	191 456	203 062	362 476
5. Cash and cash equivalent	35 258	44 824	158 306	9 952
III. Prepaid expenses and other assets	846	1 088	1 751	1 244
1. Deferred corporate income taxes recoverable	-	-	-	-
2. Other	846	1 088	1 751	1 244
<b>Total Assets</b>	<b>1 120 299</b>	<b>1 109 893</b>	<b>955 963</b>	<b>912 160</b>

Balance Sheets '000 PLN				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
I. Shareholders' Equity	879 461	860 354	737 908	707 004
1. Share capital	56 758	56 758	56 758	56 758
2. Outstanding share capital contributions (negative figure)	-	-	-	-
3. Reserve capital	714 721	714 270	593 676	593 658
4. Revaluation reserve capital	713	740	823	841
5. Other reserve capital	-	-	-	-
6. Foreign exchange gains (losses) on foreign branches translation	-	-	-	-
7. Accumulated profit (loss)	-	424	-	-
8. Net profit (loss)	107 269	88 162	86 651	55 747
II. Provisions	9 030	10 899	9 603	4 798
1. Provisions for deferred tax	9 030	10 899	9 603	4 798
2. Other	-	-	-	-
III. Liabilities	209 942	219 448	199 548	186 683
1. Long-term debt	92 549	86 027	77 358	72 848
2. Current liabilities	117 393	133 421	122 190	113 835
IV. Accrued expenses and deferred income	21 866	19 192	8 904	13 675
<b>Total Liabilities and Shareholders' Equity</b>	<b>1 120 299</b>	<b>1 109 893</b>	<b>955 963</b>	<b>912 160</b>

PROFIT AND LOSS ACCOUNTS	3 rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000	3 rd quarter from 1/07/1999 to 30/09/1999	cumulatively from 1/01/1999 to 30/09/1999
<b>I. Net Sales Revenue</b>	<b>185 965</b>	<b>595 224</b>	<b>161 200</b>	<b>498 524</b>
1. Net sales of products	184 844	591 572	160 253	495 714
2. Net sales of merchandise and materials	1 121	3 652	947	2 810
<b>II. Cost of Sales</b>	<b>(110 602)</b>	<b>(311 053)</b>	<b>(82 553)</b>	<b>(257 611)</b>
1. Cost of products sold	(109 812)	(308 278)	(81 720)	(255 057)
2. Cost of merchandise and materials sold	(790)	(2 775)	(833)	(2 554)
<b>III. Gross Profit (Loss) on Sales (I-II)</b>	<b>75 363</b>	<b>284 171</b>	<b>78 647</b>	<b>240 913</b>
<b>IV. Selling Expenses</b>	<b>(19 092)</b>	<b>(57 201)</b>	<b>(12 929)</b>	<b>(37 905)</b>
<b>V. General and Administrative Expenses</b>	<b>(23 966)</b>	<b>(79 862)</b>	<b>(25 021)</b>	<b>(69 256)</b>
<b>VI. Profit (Loss) on Sales (III-IV-V)</b>	<b>32 305</b>	<b>147 108</b>	<b>40 697</b>	<b>133 752</b>
<b>VII. Other Operating Income</b>	<b>888</b>	<b>5 105</b>	<b>743</b>	<b>2 057</b>
<b>VIII. Other Operating Expenses</b>	<b>(4 286)</b>	<b>(13 955)</b>	<b>(2 254)</b>	<b>(9 248)</b>
<b>IX. Operating Profit (Loss) (VI+VII-VIII)</b>	<b>28 907</b>	<b>138 258</b>	<b>39 186</b>	<b>126 561</b>
<b>X. Equity Income</b>	<b>2 612</b>	<b>4 697</b>	-	<b>288</b>
<b>XI. Income on Other Financial Fixed Assets</b>	-	-	-	-
<b>XII. Other Financial Income</b>	<b>8 968</b>	<b>34 622</b>	<b>23 806</b>	<b>54 866</b>
<b>XIII. Financial Expenses</b>	<b>(12 558)</b>	<b>(25 998)</b>	<b>(14 862)</b>	<b>(50 614)</b>
<b>XIV. Gross Profit (Loss) on Business Activities (IX+X+XI+XII-XIII)</b>	<b>27 929</b>	<b>151 579</b>	<b>48 130</b>	<b>131 101</b>
<b>XV. Extraordinary Result (XV.1. - XV.2.)</b>	-	<b>65</b>	<b>(1)</b>	<b>10</b>
1. Extraordinary gain	-	66	-	11
2. Extraordinary loss	-	(1)	(1)	(1)
<b>XVI. Profit (Loss) Before Taxes</b>	<b>27 929</b>	<b>151 644</b>	<b>48 129</b>	<b>131 111</b>
<b>XVII. Corporate Income Tax</b>	<b>(8 822)</b>	<b>(44 375)</b>	<b>(17 225)</b>	<b>(44 460)</b>
<b>XVIII. Other Obligatory Profit Decreases (Loss Increases)</b>	-	-	-	-
<b>XIX. Net Profit (Loss)</b>	<b>19 107</b>	<b>107 269</b>	<b>30 904</b>	<b>86 651</b>
Profit / (Loss) after taxation (for 12 months)	141 368		114 726	
Weighted average number of ordinary shares	56 757 525		56 757 525	
Net profit per ordinary share in PLN	2,49		2,03	
<b>CASH FLOW STATEMENTS</b>	<b>3 rd quarter from 1/07/2000 to 30/09/2000</b>	<b>cumulatively from 1/01/2000 to 30/09/2000</b>	<b>3 rd quarter from 1/07/1999 to 30/09/1999</b>	<b>cumulatively from 1/01/1999 to 30/09/1999</b>
<b>A. Net Cash Flow from Operating Activities</b>	<b>48 310</b>	<b>139 729</b>	<b>45 147</b>	<b>145 564</b>
<b>I. Net Profit (Loss)</b>	<b>19 107</b>	<b>107 269</b>	<b>30 904</b>	<b>86 651</b>
<b>II. Total Adjustments</b>	<b>29 203</b>	<b>32 460</b>	<b>14 243</b>	<b>58 913</b>
1. Depreciation	15 195	37 648	10 277	28 758
2. Foreign exchange (gains)/losses	7 673	10 515	4 892	19 423
3. Interest and dividends (collected) and paid	(971)	(178)	2 175	6 503
4. (Profit)/Loss on sale and liquidation of investment	(10 683)	(15 101)	3 494	7 499
5. Other provisions	-	-	-	(39)
6. Corporate income tax charged on profit before taxation	8 822	44 375	17 225	44 460
7. Corporate income tax paid	(10 645)	(32 710)	(11 631)	(30 982)
8. Change in inventories	(957)	(1 063)	(2 667)	(955)
9. Change in accounts receivable	5 681	(25 434)	(2 146)	(15 542)
10. Change in current liabilities (except for loans and bank credits) including special funds	9 529	12 528	1 265	7 810
11. Change in accruals and prepayments	(1 927)	2 646	(1 107)	(1 896)
12. Change in deferred income	(54)	1 007	(3 474)	(2 073)
13. Other items	7 540	(1 773)	(4 060)	(4 053)
<b>B. Net Cash Flow from Investing Activities</b>	<b>(55 177)</b>	<b>(132 789)</b>	<b>104 046</b>	<b>(273 589)</b>
<b>I. Cash Provided by Investing Activities</b>	<b>281 996</b>	<b>576 641</b>	<b>389 349</b>	<b>1 323 501</b>
1. Sale of intangible assets	-	-	-	-
2. Sale of tangible fixed assets	286	561	15	42
3. Sale of shares and other securities, including those	-	-	-	-
- subsidiary companies	-	-	-	-
- associated companies	-	-	-	-
- the parent company	-	-	-	-
4. Sale of current marketable securities	280 411	571 784	389 184	1 322 998
5. Long-term loans collected	-	34	122	122
6. Dividends collected	1 299	3 384	-	288
7. Interest received	-	5	3	24
8. Other income	-	873	25	27

<b>II. Cash Used in Investing Activities</b>	<b>(337 173)</b>	<b>(709 430)</b>	<b>(285 303)</b>	<b>(1 597 090)</b>
1. Purchase of intangible assets	(242)	(3 494)	(1 521)	(2 870)
2. Purchase of tangible fixed assets	(89 648)	(214 741)	(25 667)	(54 973)
3. Purchase of shares and other securities including those in:	(944)	(2 227)	(51)	(471)
- subsidiary companies	(25)	(1 308)	(51)	(271)
- associated companies	(918)	(918)	-	(200)
- the parent company	-	-	-	-
4. Purchase of own shares (other securities)	-	-	-	-
5. Purchase of current marketable securities	(245 106)	(466 949)	(228 781)	(1 480 881)
6. Long-term loans extended	(905)	(4 019)	(1 212)	(3 182)
7. Other expenses	(328)	(18 000)	(28 071)	(54 713)
<b>C. Net Cash Flow from Financing Activities</b>	<b>(2 699)</b>	<b>(3 215)</b>	<b>(839)</b>	<b>279 363</b>
<b>I. Cash Provided by Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379 755</b>
1. Long-term bank credits and loans raised	-	-	-	-
2. Bonds and other long-term securities issued	-	-	-	-
3. Current bank credits and loans raised	-	-	-	-
4. Commercial papers issued	-	-	-	-
5. Shares issued	-	-	-	379 755
6. Additional paid-in capital	-	-	-	-
7. Other income	-	-	-	-
<b>II. Cash Used in Financing Activities</b>	<b>(2 699)</b>	<b>(3 215)</b>	<b>(839)</b>	<b>(100 392)</b>
1. Long-term bank credits and loans repaid	-	-	-	-
2. Bonds and other long-term securities redeemed	-	-	-	-
3. Current bank credits and loans repaid	-	-	-	(68 082)
4. Commercial papers redeemed	-	-	-	-
5. Expenses connected with share issue	-	-	-	(18 761)
6. Write down of share value	-	-	-	-
7. Dividends and other payments made to shareholders	-	-	-	-
8. Remuneration of supervisory board	-	-	-	-
9. Charitable contributions	(295)	(811)	(95)	(482)
10. Payment of nominees related to finance lease	-	-	-	-
11. Interest paid	-	-	(744)	(3 732)
12. Other expenses	(2 404)	(2 404)	-	(9 335)
<b>D. Net Change in Cash and Cash Equivalents (A+/-B+/-C)</b>	<b>(9 566)</b>	<b>3 725</b>	<b>148 354</b>	<b>151 338</b>
<b>E. Balance Sheet Change in Cash and Cash Equivalents, including:</b>	<b>(9 566)</b>	<b>3 725</b>	<b>148 354</b>	<b>151 338</b>
- change in cash related to foreign exchange results	243	80	8 046	8 058
<b>F. Balance at Beginning of Year</b>	<b>44 824</b>	<b>31 533</b>	<b>9 952</b>	<b>6 968</b>
<b>G. Balance at End of Year (F+/- D)</b>	<b>35 258</b>	<b>35 258</b>	<b>158 306</b>	<b>158 306</b>

CONTINGENT LIABILITIES	as at	as at	as at	as at
	30/09/2000 (current year)	30/06/2000 (current year)	30/09/1999 (prior year)	30/06/1999 (prior year)
<b>Contingent Liabilities</b>				
a) Total value of guarantees extended, including those to:	<b>9 520</b>	<b>9 520</b>	-	-
- subsidiary companies	-	-	-	-
- associated companies	9 520	9 520	-	-
- the parent company	-	-	-	-
b) Other contingent liabilities, specifically:	-	<b>98 518</b>	<b>98 518</b>	<b>98 518</b>
- guarantees extended	-	98 518	98 518	98 518
-	-	-	-	-
-	-	-	-	-
<b>Total Contingent Liabilities</b>	<b>9 520</b>	<b>108 038</b>	<b>98 518</b>	<b>98 518</b>

Signatures of person authorised  
to act on behalf of the Company

Wanda Rapaczynski - President of the Management Board  
Piotr Niemczycki - Vice President of the Management Board  
Helena Luczywo - member of the Management Board  
Zbigniew Bąk - member of the Management Board

3 November 2000

Signature of Chief Accountant

Hanna Kossowska

3 November 2000