

CONSOLIDATED BALANCE SHEET

	as at 30 June 1998	as at 30 June 1999
ASSETS		
I. Fixed assets	262 938	378 918
1. Intangible fixed assets	7 302	43 712
2. Consolidated goodwill	111 863	
3. Tangible fixed assets	188 466	301 254
4. Financial fixed assets	(44 693)	33 952
- shares in entities consolidated using the equity method		
5. Long-term debtors		
II. Current assets	107 905	430 911
1. Stocks	9 609	15 260
2. Short-term debtors	71 571	78 156
3. Own shares for sale		
4. Short-term securities	17 625	326 938
5. Cash and cash equivalents	9 100	10 557
III. Prepaid expenses and other assets	2 730	1 306
1. Deferred corporate income taxes recoverable		
2. Other	2 730	1 306
Total assets	373 573	811 135

LIABILITIES		
I. Equity	160 979	607 042
1. Share capital	44 141	56 758
2. Outstanding share capital contributions (negative figure)		
3. Reserve capital	129 029	478 175
4. Revaluation reserve	1 090	851
5. Other reserve capital		
6. Foreign exchange rate differences on overseas branches		
7. Foreign exchange rate differences on consolidation		
8. Accumulated profit/(loss) from previous years		5 149
9. Loss after taxation for the financial year	(13 281)	66 109
II. Reserve capital from consolidation		
III. Minority interest		
IV. Provisions	5 719	4 798
1. Provisions for corporate income taxes payable	5 681	4 798
2. Other	38	
V. Liabilities	199 488	185 246
1. Long-term liabilities	95 372	72 848
2. Short-term liabilities	104 116	112 398
VI. Accrued expenses and deferred income	7 387	14 049
Total equity and liabilities	373 573	811 135

CONSOLIDATED PROFIT AND LOSS

	For the period of 1 January - 30 June 1998	For the period of 1 January - 30 June 1999
I. Net sales of merchandise and finished products	261 622	335 129
1. Net sales of finished products	259 872	333 310
2. Net sales of merchandise and materials	1 750	1 819
II. Cost of merchandise, finished products sold and materials	(131 828)	(161 831)
1. Cost of finished products sold	(130 179)	(160 110)
2. Cost of merchandise and materials sold	(1 649)	(1 721)
III. Gross profit on sales (I-II)	129 794	173 298
IV. Selling expenses	(17 353)	(24 748)
V. Administrative and general expenses	(29 768)	(44 632)
VI. Profit on sales (III-IV-V)	82 673	103 918
VII. Other operating revenues	854	1 372
VIII. Other operating expenses	(39 455)	(7 004)
IX. Profit on operating activities (VI+VII+VIII)	44 072	98 286
X. Dividend income		288
XI. Income from other financial assets		
XII. Other financial income	11 749	35 617
XIII. Financial expenses	(26 155)	(40 252)
XIV. Profit on ordinary activities (IX+X+XI+XII-XIII)	29 666	93 939
XV. Extraordinary items (XV.1. - XV.2.)	9	11
1. Extraordinary gains	11	11
2. Extraordinary losses	(2)	
XVI. Write-back of negative goodwill	(11 844)	
XVII. Write-back of consolidated reserve capital		
XVIII. Profit before taxation	17 831	93 950
XIX. Corporate income tax	(17 068)	(27 841)
XX. Other obligatory charges		
XXI. Net earnings from shares in associated entities	(14 044)	
XXII. Minority interest share in profit		
XXIII. Profit after taxation	(13 281)	66 109
Profit (Loss) after taxation (for 12 months)* (for 1.01 - 30.06.1998)	(13 281)	72 037
Weighted average number of ordinary shares	44 140 500	56 757 525
Net profit per ordinary share in PLN	(0,30)	1,27

* Since the Group's financial statements for the 6 months ended 30 June 1998 are the first prepared by the Group, the net result shown in the column of 1998 is the net for the 6 months ended 30 June 1998.

The Group changed presentation with respect to result on short term investments. Now it is being presented net of income from investments sold and their cost in financial income or expenses instead of showing them separately in full amounts. The comparative profit and loss statement for the 6 months ended 30 June 1998 has been restated to conform to the changed presentation. The effect of the change is an decrease in financial income and expenses by amount of 329,107 KPLN in the profit and loss statement for the 6 months ended 30 June 1998.

CONSOLIDATED CASH FLOW STATEMENT

	For the period of 1 January - 30 June 1998	For the period of 1 January - 30 June 1999
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method *)	21 168	109 173
I. Profit after taxation	(13 281)	66 109
II. Total adjustments	34 449	43 064
1. Profit (loss) of minority shareholders		
2. Share in profit of consolidated companies, using equity method	14 044	
3. Depreciation (including goodwill revaluation or capital reserve on consolidation)	19 297	19 555
4. Foreign exchange rates gains	(1 389)	9 642
5. Interests and dividends	(444)	4 328
6. Loss on investment activity	(3 484)	5 171
7. Change in other provisions	3 154	(39)
8. Corporate income tax (disclosed in profit and loss statement)	17 068	27 841
9. Corporate income tax paid	(15 467)	(19 925)
10. Change in inventory position	(1 017)	1 657
11. Change in accounts receivable position	(21 393)	(13 688)
12. Change in short-term liabilities (except for bank credits and loans)	2 888	5 478
13. Change in interperiod settlements	1 819	(846)
14. Change in deferred income	1 449	1 103
15. Other adjustments	17 924	2 787
B. CASH FLOW FROM INVESTMENT ACTIVITIES (I-II)	(79 561)	(385 928)
I. Cash inflows from investing activities	326 049	903 853
1. Sales of intangible fixed assets		
2. Sales of tangible fixed assets	143	27
3. Sales of financial fixed assets including:		
- in subsidiaries		
- in associates		
- in parent company		
4. Sales of short-term securities	324 110	903 514
5. Long-term loans repaid	774	
6. Dividends received		288
7. Interest received	1 022	22
8. Other		2
II. Cash outflows from investing activities	(405 610)	(1 289 781)
1. Purchase of intangible fixed assets	(1 028)	(2 166)
2. Purchase of tangible fixed assets	(71 083)	(34 843)
3. Purchase of financial fixed assets including:	(1 950)	(421)
- in subsidiaries	(1 824)	(421)
- in associates	(126)	
- in parent company		
4. purchase of own shares		
5. Purchase of short-term securities	(327 500)	(1 223 981)
6. Long-term loans granted	(4 049)	(1 735)
7. Dividends paid to minority shareholders		
8. Other expenses		(26 635)
C. CASH FLOW FROM FINANCIAL ACTIVITIES (I-II)	54 738	280 192
I. Inflows from financial activities	55 286	379 755
1. Long-term bank credits and loans received		
2. Issue of bonds and other long-term debt securities		
3. Short-term bank credits and loans received	53 928	
4. Issue of bonds and other short-term debt securities		
5. Inflows from own shares issued		374 867
6. Capital payments		
7. Other	1 358	4 888

II. Cash outflows from financing activities	(548)	(99 563)
1. Long-term bank credits and loans repaid		
2. Redemption of bonds and other long-term securities		
3. Short-term bank credits and loans repaid		(77 418)
4. Redemption of bonds and other short-term debt securities		
5. Expenses related to shares and bonds issues		(18 760)
6. Redemption of shares		
7. Dividends and other payments to shareholders		
8. Payments to members of the Company's governing bodies		
9. Charitable contributions		(387)
10. Payments of liabilities related to finance lease agreements		
11. Interest paid	(1 937)	(2 998)
12. Other expenditures	1 389	
D. NET CASH FLOWS, TOTAL (A+/-B+/-C)	(3 655)	3 437
E. CHANGE OF CASH POSITION IN BALANCE SHEET	(3 655)	3 437
- including change in cash position due to foreign exchange differences		
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	12 755	7 120
G. CASH AND CASH EQUIVALENTS AND THE END OF THE FINANCIAL YEAR (F+/- D)	9 100	10 557