

## SA-Q2/2000

SELECTED FINANCIAL DATA (current year)	'000 PLN		'000 EURO	
	2nd quarter from 1/04/2000 to 30/06/2000	cumulatively from 1/01/2000 to 30/06/2000	2nd quarter from 1/04/2000 to 30/06/2000	cumulatively from 1/01/2000 to 30/06/2000
I. Net Sale Revenue	223 125	409 259	54 407	100 743
II. Operating Profit (Loss)	61 706	109 351	15 047	26 918
III. Profit (Loss) Before Taxes	68 788	123 715	16 773	30 454
IV. Net Profit (Loss)	48 989	88 162	11 946	21 702
V. Assets (as at 30/06/2000)	1 109 893		266 865	
VI. Shareholders' Equity (as at 30/06/2000)	860 354		206 866	
VII. Number of Shares (as at 30/06/2000)	56 757 525		56 757 525	
VIII. Net Book Value per Share (in PLN) (as at 30/06/2000)	15,15		3,64	

Balance Sheets '000 PLN	as at	as at	as at	as at
	30/06/2000 (current year)	31/03/2000 (current year)	30/06/1999 (prior year)	31/03/1999 (prior year)
<b>ASSETS</b>				
I. Fixed Assets	745 688	666 397	446 696	404 880
1. Intangible assets	38 122	38 490	35 283	17 935
2. Tangible fixed assets	528 013	453 800	254 885	231 867
3. Financial fixed assets	179 553	174 107	156 528	155 078
4. Long-term receivables	-	-	-	-
II. Current Assets	363 117	358 555	464 220	560 785
1. Inventories	17 307	17 155	14 317	15 268
2. Accounts receivable	109 530	101 436	77 475	73 271
3. Own shares for sale	-	-	-	-
4. Current marketable securities	191 456	218 643	362 476	115 907
5. Cash and cash equivalent	44 824	21 321	9 952	356 339
III. Deferred settlements	1 088	1 693	1 244	2 964
1. Deferred tax asset	-	-	-	-
2. Deferred expenses	1 088	1 693	1 244	2 964
<b>Total Assets</b>	<b>1 109 893</b>	<b>1 026 645</b>	<b>912 160</b>	<b>968 629</b>

Balance Sheets '000 PLN	as at	as at	as at	as at
	30/06/2000 (current year)	31/03/2000 (current year)	30/06/1999 (prior year)	31/03/1999 (prior year)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
I. Shareholders' Equity	860 354	811 368	707 004	671 104
1. Share capital	56 758	56 758	56 758	56 758
2. Not paid-up capital	-	-	-	-
3. Reserve capital	714 270	593 513	593 658	526 334
4. Revaluation reserve capital	740	751	841	861
5. Other reserve capital	-	-	-	-
6. Foreign exchange gains (losses) on foreign branches translation	-	-	-	-
7. Accumulated profit (loss)	424	121 173	-	62 415
8. Net profit (loss)	88 162	39 173	55 747	24 736
IV. Reserves	10 899	9 780	4 798	5 512
1. Accrued income taxes	10 899	9 780	4 798	5 512
2. Other reserve	-	-	-	-
V. Liabilities	219 448	187 741	186 683	265 747
1. Long-term debt	86 027	80 083	72 848	73 285
2. Current liabilities	133 421	107 658	113 835	192 462
VI. Accrued expenses and deferred income	19 192	17 756	13 675	26 266
<b>Total Liabilities and Shareholders' Equity</b>	<b>1 109 893</b>	<b>1 026 645</b>	<b>912 160</b>	<b>968 629</b>

PROFIT AND LOSS ACCOUNTS	2nd quarter from 1/04/2000 to 30/06/2000	cumulatively from 1/01/2000 to 30/06/2000	2nd quarter from 1/04/1999 to 30/06/1999	cumulatively from 1/01/1999 to 30/06/1999
<b>I. Net Sales Revenue</b>	<b>223 125</b>	<b>409 259</b>	<b>186 950</b>	<b>337 324</b>
1. Net sales of products	221 689	406 728	185 930	335 461
2. Net sales of merchandise and materials	1 436	2 531	1 020	1 863
<b>II. Cost of Sales</b>	<b>(106 718)</b>	<b>(200 451)</b>	<b>(94 790)</b>	<b>(175 058)</b>
1. Cost of products sold	(105 548)	(198 466)	(93 943)	(173 337)
2. Cost of merchandise and materials sold	(1 170)	(1 985)	(847)	(1 721)
<b>III. Gross Profit (Loss) on Sales (I-II)</b>	<b>116 407</b>	<b>208 808</b>	<b>92 160</b>	<b>162 266</b>
<b>IV. Selling Expenses</b>	<b>(20 688)</b>	<b>(38 109)</b>	<b>(14 721)</b>	<b>(24 976)</b>
<b>V. General and Administrative Expenses</b>	<b>(31 657)</b>	<b>(55 896)</b>	<b>(24 478)</b>	<b>(44 235)</b>
<b>VI. Profit (Loss) on Sales (III-IV-V)</b>	<b>64 062</b>	<b>114 803</b>	<b>52 961</b>	<b>93 055</b>
<b>VII. Other Operating Income</b>	<b>3 465</b>	<b>4 217</b>	<b>835</b>	<b>1 314</b>
<b>VIII. Other Operating Expenses</b>	<b>(5 821)</b>	<b>(9 669)</b>	<b>(3 905)</b>	<b>(6 994)</b>
<b>IX. Operating Profit (Loss) (VI+VII-VIII)</b>	<b>61 706</b>	<b>109 351</b>	<b>49 891</b>	<b>87 375</b>
<b>X. Equity Income</b>	<b>2 054</b>	<b>2 085</b>	<b>288</b>	<b>288</b>
<b>XI. Income on Other Financial Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XII. Other Financial Income</b>	<b>14 806</b>	<b>26 041</b>	<b>6 786</b>	<b>31 060</b>
<b>XIII. Financial Expenses</b>	<b>(9 827)</b>	<b>(13 827)</b>	<b>(7 579)</b>	<b>(35 752)</b>
<b>XIV. Gross Profit (Loss) on Business Activities (IX+X+XI+XII-XIII)</b>	<b>68 739</b>	<b>123 650</b>	<b>49 386</b>	<b>82 971</b>
<b>XV. Extraordinary Result (XV.1. - XV.2.)</b>	<b>49</b>	<b>65</b>	<b>1</b>	<b>11</b>
1. Extraordinary gain	49	66	1	11
2. Extraordinary loss	-	(1)	-	-
<b>XVI. Profit (Loss) Before Taxes</b>	<b>68 788</b>	<b>123 715</b>	<b>49 387</b>	<b>82 982</b>
<b>XVII. Corporate Income Tax</b>	<b>(19 799)</b>	<b>(35 553)</b>	<b>(18 376)</b>	<b>(27 235)</b>
<b>XVIII. Other Obligatory Profit Decreases (Loss Increases)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIX. Net Profit (Loss)</b>	<b>48 989</b>	<b>88 162</b>	<b>31 011</b>	<b>55 747</b>
Net Profit (Loss) /for 12 months ended June 30/	153 165		102 719	
Weighted Average Number of Shares	56 757 525		56 757 525	
Net Profit per Share (in PLN)	2,70		1,81	
CASH FLOW STATEMENTS	2nd quarter from 1/04/2000 to 30/06/2000	cumulatively from 1/01/2000 to 30/06/2000	2nd quarter from 1/04/1999 to 30/06/1999	cumulatively from 1/01/1999 to 30/06/1999
<b>A. Net Cash Flow from Operating Activities</b>	<b>56 883</b>	<b>92 064</b>	<b>33 652</b>	<b>100 417</b>
<b>I. Net Profit (Loss)</b>	<b>48 989</b>	<b>88 162</b>	<b>31 011</b>	<b>55 747</b>
<b>II. Total Adjustments</b>	<b>7 894</b>	<b>3 902</b>	<b>2 641</b>	<b>44 670</b>
1. Depreciation	11 855	22 453	9 762	18 481
2. Foreign exchange (gains)/losses	3 700	2 842	3 997	14 531
3. Interest and dividends (collected) and paid	(245)	793	1 779	4 328
4. (Profit)/Loss on sale and liquidation of investment activities	(4 095)	(4 418)	4 396	4 005
5. Other provisions	-	-	-	(39)
6. Corporate income tax charged on profit before taxation	19 799	35 553	18 376	27 235
7. Corporate income tax paid	(16 850)	(22 065)	(15 596)	(19 351)
8. Change in inventories	(152)	(106)	951	1 712
9. Change in accounts receivable	(5 613)	(31 115)	(6 362)	(13 396)
10. Change in current liabilities (except for loans and bank credits) including special funds	3 378	2 999	(2 687)	6 545
11. Change in accruals and prepayments	3 399	4 573	160	(789)
12. Change in deferred income	(2 073)	1 061	(13 532)	1 401
13. Other items	(5 209)	(8 668)	1 397	7
<b>B. Net Cash Flow from Investing Activities</b>	<b>(32 919)</b>	<b>(78 257)</b>	<b>(286 304)</b>	<b>(377 635)</b>
<b>I. Cash Provided by Investing Activities</b>	<b>83 131</b>	<b>294 973</b>	<b>736 198</b>	<b>934 152</b>
1. Sale of intangible assets	-	-	-	-
2. Sale of tangible fixed assets	2	275	3	27
3. Sale of shares and other securities, including those in:	-	-	-	-
- subsidiary companies	-	-	-	-
- associated companies	-	-	-	-
- the parent company	-	-	-	-
4. Sale of current marketable securities	80 733	291 373	735 902	933 814
5. Long-term loans collected	-	34	-	-
6. Dividends collected	2 054	2 085	288	288
7. Interest received	-	5	5	21
8. Other income	342	1 201	-	2
<b>II. Cash Used in Investing Activities</b>	<b>(116 050)</b>	<b>(373 230)</b>	<b>(1 022 502)</b>	<b>(1 311 787)</b>
1. Purchase of intangible assets	(2 243)	(2 865)	(741)	(1 349)
2. Purchase of tangible fixed assets	(61 974)	(125 093)	(21 425)	(29 306)

<b>3. Purchase of shares and other securities, including those in::</b>	-	(1 283)	(50)	(420)
- subsidiary companies	-	(1 283)	(50)	(220)
- associated companies	-	-	-	(200)
- the parent company	-	-	-	-
<b>4. Purchase of own shares (other securities)</b>	-	-	-	-
<b>5. Purchase of current marketable securities</b>	(43 846)	(221 843)	(987 965)	(1 252 100)
<b>6. Long-term loans extended</b>	(955)	(3 114)	(1 546)	(1 970)
<b>7. Other expenses</b>	(7 032)	(19 032)	(10 775)	(26 642)
<b>C. Net Cash Flow from Financing Activities</b>	<b>(461)</b>	<b>(516)</b>	<b>(93 735)</b>	<b>280 202</b>
<b>I. Cash Provided by Financing Activities</b>	-	-	2 267	379 755
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	-	-	2 267	379 755
6. Additional paid-in capital	-	-	-	-
7. Other income	-	-	-	-
<b>II. Cash Used in Financing Activities</b>	<b>(461)</b>	<b>(516)</b>	<b>(96 002)</b>	<b>(99 553)</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)	(68 082)
4. Commercial papers redeemed	-	-	-	-
5. Expenses connected with share issue	-	-	(17 115)	(18 761)
6. Write down of share value	-	-	-	-
7. Dividends and other payments made to shareholders	-	-	-	-
8. Remuneration of supervisory board	-	-	-	-
9. Charitable contributions	(461)	(516)	(279)	(387)
10. Payment of liabilities related to finance lease agreements	-	-	-	-
11. Interest paid	-	-	(1 191)	(2 988)
12. Other expenses	-	-	(9 335)	(9 335)
<b>D. Net Change in Cash and Cash Equivalents (A+/-B+/-C)</b>	<b>23 503</b>	<b>13 291</b>	<b>(346 387)</b>	<b>2 984</b>
<b>E. Balance Sheet Change in Cash and Cash Equivalents, including:</b>	<b>23 503</b>	<b>13 291</b>	<b>(346 387)</b>	<b>2 984</b>
- change in cash related to foreign exchange results	(279)	(163)	(11 041)	12
<b>F. Balance at Beginning of Year</b>	<b>21 321</b>	<b>31 533</b>	<b>356 339</b>	<b>6 968</b>
<b>G. Balance at End of Year (F+/- D)</b>	<b>44 824</b>	<b>44 824</b>	<b>9 952</b>	<b>9 952</b>

CONTINGENT LIABILITIES	as at	as at	as at	as at
	30/06/2000 <i>(current year)</i>	31/03/2000 <i>(current year)</i>	30/06/1999 <i>(prior year)</i>	31/03/1999 <i>(prior year)</i>
<b>Contingent Liabilities</b>				
a) Total value of guarantees extended, including those to:	14 300	13 000	-	-
- subsidiary companies	-	-	-	-
- associated companies	14 300	13 000	-	-
- the parent company	-	-	-	-
b) Other contingent liabilities, specifically:	98 518	98 518	98 518	98 518
- guarantees extended	98 518	98 518	98 518	98 518
-	-	-	-	-
-	-	-	-	-
<b>Total Contingent Liabilities</b>	<b>112 818</b>	<b>111 518</b>	<b>98 518</b>	<b>98 518</b>

In March 1998 the Group provided a pledge on the TKP shares (held at that time of the carrying value of PLN 98 518 thousand) as a security for a bank loan granted to TKP. According to the representation of the bank TKP repaid the loan in full by the 31 December 1999. Therefore the pledge has expired and is now being removed out of a specific register.

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

Signature of Chief Accountant

Hanna Kossowska

4 August 2000

4 August 2000