



## **CONSOLIDATED INTERIM REPORT**

**2 ND QUARTER 2005**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

## 1. Selected financial data

SELECTED FINANCIAL DATA	6 months ended 30 June 2005	6 months ended 30 June 2004	6 months ended 30 June 2005	6 months ended 30 June 2004
I. Net sales of merchandise and finished products	628 756	527 702	154 089	111 538
II. Profit on operating activities	11 922	11 535	2 922	2 438
III. Profit before taxation	9 179	10 551	2 249	2 230
IV. Net profit (loss)	7 133	8 342	1 748	1 763
V. Net cash flow from operating activities	18 509	6 608	4 536	1 397
VI. Cash flow from investment activities	-21 500	-16 532	-5 269	-3 494
VII. Cash flow from financing activities	3 442	11 679	844	2 469
VIII. Total net cash flows	451	1 755	111	371
IX. Total assets	335 932	255 230	83 149	56 191
X. Liabilities and provisions for liabilities	240 470	171 190	59 521	37 689
XI. Long-term liabilities	55 803	17 484	13 812	3 849
XII. Short-term liabilities	184 667	153 706	45 709	33 840
XIII. Equity	95 462	84 040	23 629	18 502
XIV. Share capital	6 635	6 635	1 642	1 461
XV. Number of shares	6 635 100	6 635 100	6 635 100	6 635 100
XVI. Net profit per ordinary share (in PLN / EUR)	2,00	2,28	0,49	0,48
XVII. Diluted profit / (loss) after taxation per ordinary share (in PLN / EUR)	14,39	12,67	3,56	2,79

## 2. Consolidated financial statements

### Consolidated profit and loss statement

	3 months ended 30 June 2005	6 months ended 30 June 2005	3 months ended 30 June 2004	6 months ended 30 June 2004
Sales	324 663	628 756	273 864	527 702
Cost of sales	277 240	542 047	239 335	462 792
<b>Gross profit (loss)</b>	<b>47 423</b>	<b>86 709</b>	<b>34 529</b>	<b>64 910</b>
Other operating income	200	447	1 627	2 893
Selling costs	33 859	64 845	33 016	46 337
Overhead costs	4 690	9 364	-3 775	9 104
Other operating expenses	774	1 025	335	827
<b>Operating profit (loss)</b>	<b>8 300</b>	<b>11 922</b>	<b>6 580</b>	<b>11 535</b>
Finance income	173	306	138	308
Finance costs	1 474	3 049	673	1 292
<b>Profit (loss) before income tax</b>	<b>6 999</b>	<b>9 179</b>	<b>6 045</b>	<b>10 551</b>
Income tax	1 528	2 046	1 233	2 209
Net profit (loss)	5 471	7 133	4 812	8 342

Net profit (loss) (annualised)	12 689		14 062	
Weighted average number of ordinary shares	6 635 100		6 635 100	
Profit (loss) per ordinary share (in PLN)	1,91		2,12	
Net profit (loss) (annualised)				
Weighted average number of ordinary shares				

### Consolidated balance sheet

	As At 30 June 2005	As At 31 March 2005	As At 30 June 2004	As At 31 March 2004
<b>ASSETS</b>				
<b>Non-current asset</b>				
Property, plant, equipment and investments	154 279	149 938	107 199	95 043
Intangible assets	948	570	608	659
Financial assets	284	296		
Receivables and prepayments	1 428	1 607	932	1 053
Deferred tax assets	2 503	2 378	261	277
<b>Total non current assets</b>	<b>159 442</b>	<b>154 789</b>	<b>109 000</b>	<b>97 032</b>
<b>Current assets</b>				
Inventory	105 402	99 135	87 878	79 754
Receivables and prepayments	60 449	56 574	48 832	48 805
Income tax receivables				
Short-term securities	12	12		
Prepaid expenses	4 136	3 618	2 124	2 415
Cash and cash equivalents	6 486	5 284	7 396	6 637
Other financial assets	5	5		1 005
<b>Total current assets</b>	<b>176 490</b>	<b>164 628</b>	<b>146 230</b>	<b>138 616</b>
<b>Total assets</b>	<b>335 932</b>	<b>319 417</b>	<b>255 230</b>	<b>235 648</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6 635	6 635	6 635	6 635
Share premium	34 630		34 630	
Capital reserve	2 343	36 418	1 787	36 731
Other reserve capital	46 707	34 259	34 259	24 841
Capital from evaluation				
Retained earnings	5 147	14 802	6 729	12 814
<b>Total Equity</b>	<b>95 462</b>	<b>92 114</b>	<b>84 040</b>	<b>81 021</b>
<b>Long-term liabilities</b>				
Bank loans, borrowings and bonds	53 435	50 940	17 368	14 659
Provisions	89	77	59	58
Deferred revenues and accruals	2 279	1 404	57	19
<b>Total long-term liabilities</b>	<b>55 803</b>	<b>52 421</b>	<b>17 484</b>	<b>14 736</b>
<b>Short-term liabilities</b>				
Bank loans, borrowings and bonds	35 124	32 192	30 819	28 437
Short-term liabilities	146 051	138 756	121 097	109 096
Income tax liabilities	296	296	296	913
Provisions	2 698	3 059	1 419	1 419
Deferred revenues and accruals	498	579	75	26
<b>Total short term liabilities</b>	<b>184 667</b>	<b>174 882</b>	<b>153 706</b>	<b>139 891</b>
<b>Total Equity</b>	<b>335 932</b>	<b>319 417</b>	<b>255 230</b>	<b>235 648</b>

<b>Book value</b>	95 462		84 040	
<b>Number of shares</b>	6 635 100		6 635 100	
<b>Book value per share (in PLN)</b>	14,39		12,67	
<b>Diluted number of shares</b>				
<b>Diluted book value per share (in PLN)</b>				

**Consolidated statement of changes in equity for three months ended 30 June 2005**

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained earnings	Total equity
<b>As at 1 April 2005</b>	6 635	34 630	1 787	34 260		14 802	92 114
Change of accounting policy							
<b>As at 1 April 2005 adjusted</b>	6 635	34 630	1 787	34 260		14 802	92 114
Net profit (loss) for the period						5 471	5 471
Revaluation of financial instruments							
Distribution of profits			556	12 447		-13 003	
Dividends due to shareholders						-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>2 343</b>	<b>46 707</b>		<b>5 147</b>	<b>95 462</b>
<b>As at 1 January 2005</b>	6 635	34 630	1 787	34 260	-112	13 730	90 930
Change of accounting policy						-590	-590
<b>As at 1 January 2005 adjusted</b>	6 635	34 630	1 787	34 260	-112	13 140	90 340
Net profit (loss) for the period						7 133	7 133
Revaluation of financial instruments					112		112
Distribution of profits			556	12 447		-13 003	
Dividends due to shareholders						-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>2 343</b>	<b>46 707</b>		<b>5 147</b>	<b>95 462</b>
<b>As at 1 April 2005</b>	6 635	34 630	2 101	24 841		12 814	81 021
Change of accounting policy							
<b>As at 1 April 2005 adjusted</b>	6 635	34 630	2 101	24 841		12 814	81 021
Net profit (loss) for the period						4 812	4 812
Revaluation of financial instruments							
Distribution of profits				9 104		-9 104	
Dividends due to shareholders						-1 793	-1 793
Carrying over into other reserve capital			-314	314			

<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 787</b>	<b>34 259</b>	<b>6 729</b>	<b>84 040</b>
<b>As at 1 January 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>2 101</b>	<b>24 841</b>	<b>9 779</b>	<b>77 986</b>
Change of accounting policy					-495	-495
<b>As at 1 January 2005 adjusted</b>	<b>6 635</b>	<b>34 630</b>	<b>2 101</b>	<b>24 841</b>	<b>9 284</b>	<b>77 491</b>
Net profit (loss) for the period					8 342	8 342
Revaluation of financial instruments						
Distribution of profits				9 104	-9 104	
Dividends due to shareholders					-1 793	-1 793
Carrying over into other reserve capital			-314	314		
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>2 101</b>	<b>33 945</b>	<b>6 729</b>	<b>84 040</b>

### Consolidated Cash flow statement for the three months ended 30 June 2005

	3 months ended 30 June 2005	6 months ended 30 June 2005	3 months ended 30 June 2004	6 months ended 30 June 2004
Net profit (loss)	5 471	7 133	4 812	8 342
Adjustments for:	1 312	11 376	314	-1 734
Depreciation	4 145	8 320	3 051	6 162
Foreign exchange gain (loss)				
Interest	1 041	2 205	509	999
Loss (profit) on investments	-11	24	-666	-188
Change In provisions	526	2 085	81	57
Change In inventories	-6 266	-6 111	-8 670	-11 450
Change In receivables	-27 982	-1 529	495	11 282
Change In deferred revenues and accruals	-564	-2 726	407	-174
Change In payables	30 376	9 017	5 104	-8 422
Other adjustments	47	91	3	
<b>Net cash flow from operations</b>	<b>6 783</b>	<b>18 509</b>	<b>5 126</b>	<b>6 608</b>
Disposal of tangible and intangible fixe assets	239	363	1 112	1 464
Disposal of financial assets	45	45		
Dividends received				
Interest received			-7	
Purchase of tangible and intangible fixe assets	10 017	22 408	12 524	17 859
Purchase of financial assets	-3		137	137
Other revenues		500		
<b>Net cash flow on investments</b>	<b>-9 730</b>	<b>-21 500</b>	<b>-11 556</b>	<b>-16 532</b>
Loans and borrowings acquired	10 259	13 608	10 421	19 971
Income from financial assets				
Repayment of loans and borrowings	5 035	7 943	2 730	7 261
Interest				
Dividends paid	1 075	2 223	503	1 031
Other				
<b>Net Cash flow from investments</b>				
<b>Total net Cash flow</b>	<b>4 149</b>	<b>3 442</b>	<b>7 188</b>	<b>11 679</b>
<b>Cash and Cash equivalents opening balance</b>	<b>1 202</b>	<b>451</b>	<b>758</b>	<b>1 755</b>
<b>Cash and Cash equivalents closing balance</b>	<b>5 284</b>	<b>6 035</b>	<b>6 638</b>	<b>5 641</b>

### 3. Stand alone financial statement ELDORADO S.A.

#### Profit and loss statement

	3 months ended 30 June 2005	6 months ended 30 June 2005	3 months ended 30 June 2004	6 months ended 30 June 2004
Sales	271 593	527 698	240 386	459 365
Cost of sales	242 876	477 009	218 340	419 378
<b>Gross profit (loss)</b>	<b>28 717</b>	<b>50 689</b>	<b>22 046</b>	<b>39 987</b>
Other operating income	106	218	1 060	2 256
Selling costs	17 883	35 296	15 273	29 117
Overhead costs	4 273	8 331	3 812	7 172
Other operating expenses	420	561	326	503
<b>Operating profit (loss)</b>	<b>6 247</b>	<b>6 719</b>	<b>3 695</b>	<b>5 451</b>
Finance income	218	406	324	473
Finance costs	899	1 880	476	898
<b>Profit (loss) before income tax</b>	<b>5 566</b>	<b>5 245</b>	<b>3 543</b>	<b>5 026</b>
Income tax	1 095	1 041	650	941
Net profit (loss)	<b>4 471</b>	<b>4 204</b>	<b>2 893</b>	<b>4 085</b>

<b>Net profit (loss) (annualised)</b>	9 697		9 463	
<b>Weighted average number of ordinary shares</b>	6 635 100		6 635 100	
<b>Profit (loss) per ordinary share (in PLN)</b>	1,46		1,43	
<b>Net profit (loss) (annualised)</b>				
<b>Weighted average number of ordinary shares</b>				

#### Balance sheet

	As At 30 June 2005	As At 31 March 2005	As At 30 June 2004	As At 31 March 2004
<b>ASSETS</b>				
<b>Non-current asset</b>				
Property, plant, equipment and investments	49 930	49 202	36 617	33 766
Intangible assets	340	326	293	338
Financial assets	41 198	41 209	40 514	38 514
Receivables and prepayments	138	173	373	400
Deferred tax assets	1 126	1 138	166	190
<b>Total non current assets</b>	<b>92 732</b>	<b>92 048</b>	<b>77 963</b>	<b>73 208</b>
<b>Current assets</b>				
Inventory	88 200	81 784	75 612	68 234
Receivables and prepayments	73 276	72 514	60 023	59 149
Income tax receivables	0	0	0	0
Short-term securities	1 117	2 901	600	600
Prepaid expenses	1 093	1 398	992	1 244
Cash and cash equivalents	2 577	2 373	2 167	2 271
Other financial assets	0	0	0	
<b>Total current assets</b>	<b>166 263</b>	<b>160 970</b>	<b>139 394</b>	<b>131 498</b>



<b>Total assets</b>	<b>258 995</b>	<b>253 018</b>	<b>217 357</b>	<b>204 706</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6 635	6 635	6 635	6 635
Share premium	0	0	0	0
Capital reserve	35 886	35 887	35 887	35 887
Other reserve capital	38 285	30 892	30 892	24 523
Capital from evaluation	0	0	0	0
Retained earnings	4 253	9 297	4 071	9 338
<b>Total Equity</b>	<b>85 059</b>	<b>82 711</b>	<b>77 485</b>	<b>76 383</b>
<b>Long-term liabilities</b>				
Bank loans, borrowings and bonds	23 117	29 559	6 855	8 570
Provisions	57	50	39	39
Deferred revenues and accruals	868	305	31	15
<b>Total long-term liabilities</b>	<b>24 042</b>	<b>29 914</b>	<b>6 925</b>	<b>8 624</b>
<b>Short-term liabilities</b>				
Bank loans, borrowings and bonds	22 214	21 611	24 281	22 848
Short-term liabilities	125 499	116 351	107 240	95 682
Income tax liabilities	173	173	525	296
Provisions	1 547	1 716	867	866
Deferred revenues and accruals	461	542	34	7
<b>Total short term liabilities</b>	<b>149 894</b>	<b>140 393</b>	<b>132 947</b>	<b>119 699</b>
<b>Total Equity</b>	<b>258 995</b>	<b>253 018</b>	<b>217 357</b>	<b>204 706</b>

<b>Book value</b>	85 059		77 485	
<b>Number of shares</b>	6 635 100		6 635 100	
<b>Book value per share (in PLN)</b>	12,82		11,68	
<b>Diluted number of shares</b>				
<b>Diluted book value per share (in PLN)</b>				

**Statement of changes in equity for three months ended 30 June 2005**

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained earnings	Total equity
<b>As at 1 April 2005</b>	6 635	34 630	1 256	30 892		9 298	82 711
Change of accounting policy							
<b>As at 1 April 2005 adjusted</b>	6 635	34 630	1 256	30 892		9 298	82 711
Net profit (loss) for the period						4 471	4 471
Revaluation of financial instruments							
Distribution of profits				7 393		-7 393	
Dividends due to shareholders						-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>38 285</b>		<b>4 253</b>	<b>85 059</b>
<b>As at 1 January 2005</b>	6 635	34 630	1 256	30 892	-112	9 516	82 817
Change of accounting policy						48	48
<b>As at 1 January 2005 adjusted</b>	6 635	34 630	1 256	30 892	-112	9 564	82 865
Net profit (loss) for the period						4 204	4 204
Revaluation of financial instruments					112		112
Distribution of profits				7 393		-7 393	
Dividends due to shareholders						-2 122	-2 122
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>38 285</b>		<b>4 253</b>	<b>85 059</b>
<b>As at 1 April 2005</b>	6 635	34 630	1 256	24 523		9 339	76 383
Change of accounting policy							
<b>As at 1 April 2005 adjusted</b>	6 635	34 630	1 256	24 523		9 339	76 383
Net profit (loss) for the period						2 893	2 893
Revaluation of financial instruments							
Distribution of profits				6 369		-6 369	
Dividends due to shareholders						-1 791	-1 791
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>30 892</b>		<b>4 072</b>	<b>77 485</b>
<b>As at 1 January 2005</b>	6 635	34 630	1 256	24 523		8 162	75 206

Change of accounting policy					-14	-14
<b>As at 1 January 2005 adjusted</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>24 523</b>	<b>8 147</b>	<b>75 191</b>
Net profit (loss) for the period					4 085	4 085
Revaluation of financial instruments						
Distribution of profits				6 369	-6 369	
Dividends due to shareholders					-1 791	-1 791
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>30 892</b>	<b>4 072</b>	<b>77 485</b>

**Cash flow statement for the three months ended 30 June 2005**

	<b>3 months ended 30 June 2005</b>	<b>6 months ended 30 June 2005</b>	<b>3 months ended 30 June 2004</b>	<b>6 months ended 30 June 2004</b>
Net profit (loss)	4 471	4 204	2 893	4 085
Adjustments for:	4 081	9 245	1 173	-2 216
Depreciation	2 126	4 041	1 522	3 051
Foreign exchange gain (loss)				
Interest	810	1 696	284	692
Loss (profit) on investments	-11	-6	-4	64
Change In provisions	402	846	16	31
Change In inventories	-6 416	-4 972	-7 377	-9 717
Change In receivables	-852	-1 541	-908	-5 665
Change In deferred revenues and accruals	271	-152	327	78
Change In payables	7 751	9 333	7 305	9 229
Other adjustments			8	21
<b>Net cash flow from operations</b>	<b>8 552</b>	<b>13 449</b>	<b>4 066</b>	<b>1 869</b>
Disposal of tangible and intangible fixe assets	102	40	-1	236
Disposal of financial assets	8 606	14 606		
Dividends received			162	162
Interest received	-3	39	10	18
Purchase of tangible and intangible fixe assets	3 561	8 202	3 106	4 833
Purchase of financial assets	6 798	9 667	500	1 100
Other revenues				
<b>Net cash flow on investments</b>	<b>-1 654</b>	<b>-3 184</b>	<b>-3 435</b>	<b>-5 517</b>
Loans and borrowings acquired			274	6 255
Income from financial assets	5 840	6 920	555	1 110
Repayment of loans and borrowings				
Interest	854	1 788	453	897
Dividends paid				
Other				
<b>Net Cash flow from investments</b>	<b>-6 694</b>	<b>-8 708</b>	<b>-734</b>	<b>4 248</b>
<b>Total net Cash flow</b>	<b>204</b>	<b>1 557</b>	<b>-103</b>	<b>600</b>
<b>Cash and Cash equivalents opening balance</b>	<b>2 373</b>	<b>1 020</b>	<b>2 270</b>	<b>1 567</b>
<b>Cash and Cash equivalents closing balance</b>	<b>2 577</b>	<b>2 577</b>	<b>2 167</b>	<b>2 167</b>

Lublin, August 2005

**Signatures of Mangement Board Memebers**

2005-08-09     Artur Kawa                     President

.....

			signature
2005-08-09	Jarosław Wawerski	V-ce President	..... signature
2005-08-09	Dariusz Kalinowski	Member / Financial Director	..... signature
2005-08-09	Jacek Dudzik	Memeber / IT Director	..... signature
2005-08-09	Renata Bronisz-Czyż	Member Personal Director	..... signature

**Signature of person responsible for Accounting**

2005-08-09	Elżbieta Świniarska		
	Economic Director	.	..... signature