



CONSOLIDATED FINANCIAL STATEMENT

HALF-YEAR REPORT 2006

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

(ALL AMOUNTS IN THOUSANDS PLN)

LUBLIN, SEPTEMBER 2006

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1. Selected financial data

SELECTED FINANCIAL DATA	PLN		EURO	
	6 MONTHS ended 30 June 2006	6 MONTHS ended 30 June 2005	6 MONTHS ended 30 June 2006	6 MONTHS ended 30 June 2005
I. Net sales of merchandise and finished products	666 256	628 756	170 826	154 088
II. Profit on operating activities	19 333	11 838	4 957	2 901
III. Profit (loss) before taxation	17 822	9 096	4 570	2 229
IV. Net profit (loss)	13 950	7 104	3 577	1 741
V. Net cash flow from operating activities	22 469	18 630	5 761	4 566
VI. Cash flow from investment activities	(11 585)	(21 606)	(2 970)	(5 295)
VII. Cash flow from financing activities	(7 550)	3 431	(1 936)	841
VIII. Total net cash flows	3 334	455	855	112
IX. Total assets	343 935	335 681	85 061	83 087
X. Liabilities and provisions for liabilities	223 302	240 451	55 226	59 516
XI. Long-term liabilities	53 185	55 786	13 154	13 808
XII. Short-term liabilities	170 117	184 665	42 073	45 708
XIII. Equity	120 633	95 230	29 835	23 571
XIV. Share capital	6 635	6 635	1 641	1 642
XV. Number of shares - weight average	6 635 100	6 635 100	6 635 100	6 635 100
XVI. Net profit per ordinary share (in PLN / EUR)	4,18	2,00	1,07	0,49
XVII. Diluted net profit per ordinary share (in PLN/EURO)	4,18	2,00	1,07	0,49
XVIII. Book value per share (in PLN / EUR)	18,18	14,35	4,66	3,52
XIX. Diluted book value per share (in PLN/EURO)	18,18	14,35	4,66	3,52
XX. Declared or paid dividend (in PLN/ EUR)	0,35	0,32	0,09	0,07

Average rate of Exchange for points I-VIII, XVI-XVII, XX:

2006 - 3,9002 PLN/EURO
2005 - 4,0805 PLN/EURO

Exchange rate for points IX-XIV, XVIII-XIX: as at 30.06.2006 – 4,0434 PLN/EURO
as at 30.06.2005 – 4,0401 PLN/EURO

2. Balance sheet

	Note	As at 30 June 2006	As at 31 December 2005	As at 30 June 2005
Total Non-current Assets		161 290	158 389	159 396
Property, plant, equipment and investments	1,2	154 950	152 375	154 500
Intangible assets	3,4	680	654	645
Financial assets	5	243	278	284
Receivables and prepayments	6	2 530	2 908	1 428
Deferred tax assets	7	2 887	2 174	2 539
Total Current Assets		182 645	170 502	176 285
Inventory	8	103 654	103 213	105 199
Receivables and prepayments	9	65 580	57 119	60 443
Income tax receivables		9	170	
Short-term securities	10			12
Prepaid expenses	11	2 878	2 839	4 136
Cash and cash equivalents	12	10 478	7 144	6 490
Other financial assets	13	46	17	5
Total Assets		343 935	328 891	335 681
Total Equity		120 633	109 005	95 230
Share capital	14	6 635	6 635	6 635
Share premium		34 360	34 360	34 360
Capital reserve		7 497	2 613	2 613
Other reserve capital		60 660	46 707	46 707
Retained earnings	15	11 481	18 690	4 915
Total Long Term Liabilities		53 185	37 714	55 786
Bank loans, borrowings and bonds	16	47 476	36 230	53 435
Provisions	17	1 590	93	89
Deferred revenues and accruals	18	4 119	1 391	2 262
Total Short Term Liabilities		170 117	182 172	184 665
Bank loans, borrowings and bonds	19	20 313	37 716	35 124
Short-term liabilities	20	145 977	138 654	146 532
Income tax liabilities		309	3 005	259
Provisions	17	3 480	2 744	2 698
Deferred revenues and accruals	21	38	53	52
Total Liabilities and Equity		343 935	328 891	335 681

3. Profit and loss statement

	Note	3 months ended 30 June 2006	6 months ended 30 June 2006	3 months ended 30 June 2005	6 months ended 30 June 2005
Sales		346 684	666 256	324 662	628 756
- including related entities					
Sales of products and services	1	15 951	29 576	14 373	23 526
Sales of goods and materials	2	330 733	636 680	310 289	605 230
Cost of sales		294 903	567 509	277 307	542 114
- including related entities					
Cost of sales of products		3 687	7 023	3 483	6 375
Cost of goods and materials sold		291 216	560 486	273 824	535 739
Gross profit (loss)		51 781	98 747	47 355	86 642
Other operating income	3	3 170	9 470	173	420
Selling costs	4	35 295	70 600	33 830	64 816
Overhead costs		10 677	15 380	4 709	9 382
Other operating expenses	5	2 509	2 904	775	1 026
Operating profit (loss)		6 470	19 333	8 214	11 838
Finance income	6	190	409	174	307
Finance costs	7	896	1 920	1 474	3 049
Profit (loss) before income tax		5 764	17 822	6 914	9 096
Income tax		1 269	3 872	1 474	1 992
Current	8	928	1 857	777	1 554
Deferred	9	341	2 015	697	438
Net profit	10	4 495	13 950	5 440	7 104

4. Changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained Earnings	Total equity
As at 1 January 2006	6 635	34 360	2 613	46 707		18 690	109 005
Change of accounting policy							
As at 1 January 2006 adjusted	6 635	34 360	2 613	46 707		18 690	109 005
Net profit (loss) for the period- at 30 June 2006						13 950	13 950
Distribution of profits			4 884	13 953		(18 837)	
Dividend for 2005						(2 322)	-2 322
As at 30 June 2006	6 635	34 360	7 497	60 660		11 481	120 633
As at 1 January 2005	6 635	34 360	2 057	34 260	(112)	13 730	90 930
Change of accounting policy						(571)	(571)
As at 1 January 2005 adjusted	6 635	34 360	2 057	34 260	(112)	13 159	90 359
Net profit (loss) for the period – at 31 December 2005						20 860	20 860
Revaluation of financial instruments					112		112
Distribution of profits			556	12 447		(13 003)	
Correction of consolidation exemptions for 1999-2002						(203)	(203)
Dividend for 2004						(2 123)	(2 123)
As at 31 December 2005	6 635	34 360	2 613	46 707		18 690	109 005
As at 1 January 2005	6 635	34 360	2 057	34 260	(112)	13 730	90 930
Change of accounting policy						(589)	(589)
As at 1 January 2005 adjusted	6 635	34 360	2 057	34 260	(112)	13 141	90 341
Net profit (loss) for the period – at 30 June 2005						7 104	7 104
Revaluation of financial instruments					112		112
Distribution of profits			556	12 447		(13 003)	
Correction of consolidation exemptions for 1999-2002						(204)	(204)
Dividend for 2004						(2 123)	(2 123)
As at 30 June 2005	6 635	34 360	2 613	46 707		4 915	95 230

5. Cash Flow

	6 months ended 30 June 2006	6 months ended 30 June 2005
Net profit (loss)	13 950	7 104
Adjustments provided by operating activities:		
Depreciation	8 519	11 526
Foreign exchange gain (loss)	8 836	8 464
Interest	1 296	2 205
Loss (profit) on investments	166	51
Change in provisions	4 899	2 067
Change in inventories	(441)	(6 111)
Change in receivables	(17 169)	(1 522)
Change in deferred revenues and accruals	(88)	(8 782)
Change in payables	11 000	15 046
Other adjustments	20	108
Net cash flow from operations	22 469	18 630
Revenues	602	908
Disposal of tangible and intangible fixed assets	584	363
Disposal of financial assets	6	6
Dividends received		
Interest received	12	39
Other revenues		500
Expenses	12 187	22 514
Purchase of tangible and intangible fixed assets	12 187	22 514
Purchase of financial assets		
Other expenses		
Net cash flow from investment activities	(11 585)	(21 606)
Revenues	38 044	17 218
Loans and borrowings acquired	27 522	17 218
Income from financial assets	10 522	
Other revenues		
Expenses	45 594	13 787
Repayment of loans and borrowings	32 658	10 810
Repayment of financial assets	11 300	
Interest paid	1 636	2 977
Dividends paid		
Net cash flow from financial activities	(7 550)	3 431
Total net Cash flow	3 334	455
Cash and Cash equivalents opening balance	7 144	6 035
Cash and Cash equivalents closing balance	10 478	6 490

6. Other Information and explanatory notes

a) notes for Balance Sheet

Note 1

TANGIBLE FIXED ASSETS	30 June 2006	31 December 2005
Freehold land	6 036	6 116
Buildings and constructions	92 997	91 847
Equipment and machines	22 101	21 395
Vehicles	16 283	16 987
Other	10 822	10 834
Tangible fixed assets in progress	6 088	4 722
Prepayments for construction in progress	623	474
Total tangible fixed assets	154 950	152 375

Note 2 At 30 June 2006

TANGIBLE FIXED ASSETS – MOVEMENTS (by group)	- land including perpetual usufruct	- buildings	- machines and technical equipment	- vehicles	- other fixed assets	Total fixed tangible assets
a) opening balance of fixed assets, gross value	7 252	104 255	37 118	29 770	19 699	198 094
b) additions:		3 846	3 903	1 686	1 571	11 006
- purchases		38	932	1 095	146	2 211
- transfers from tangible fixed assets in progress		3 808	2 967	591	1 425	8 791
- donations			4			4
c) disposals:		-236	-1 648	-872	-113	-2 869
- sale		-236	-143	-872		-1 251
- liquidation			-570			-570
- transfer activities			-915		-113	-1 028
- stealing			-20			-20
d) closing balance of fixed assets, gross value	7 252	107 865	39 373	30 584	21 157	206 231
e) opening balance of cumulative depreciation	1 137	11 609	15 603	12 783	8 864	49 996
f) depreciation	79	2 435	1 559	1 518	1 471	7 062
- part payment	79	2 481	2 297	2 306	1 499	8 662
- sales		-46	-37	-788		-871
- liquidation			-565			-565
- split up			-11			-11
- transfer activities			-125		-28	-153
g) closing balance of cumulative depreciation	1 216	14 044	17 162	14 301	10 335	57 058
h) opening balances of value adjustments		799	120			919
- additions		106	10			116
- disposals		-81	-20			-101
i) closing balances of value adjustments		824	110			934
j) closing balance of fixed assets, net value	6 036	92 997	22 101	16 283	10 822	148 239

Pledges	30 June 2006	31 December 2005
Pledges:	7 239	7 239
- bank loans – goods	7 239	7 239
Mortgage	28 502	23 292
- bank loans – goods	28 502	23 292
Total pledges	35 741	30 531

Note 3

INTANGIBLE FIXED ASSETS	30 June 2006	31 December 2005
Research and development expenditure		
Concessions, patents, licenses and similar assets	680	654
Other intangible assets		
Total intangible fixed assets	680	654

Note 4

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	research and development	Goodwill	concessions, patents, licenses and similar assets		other intangible fixed assets	TOTAL
				- including computer software		
a) gross value at the beginning of the period		1 644	3 395	3 237	277	5 316
b) additions:			199	199		199
- purchases			87	87		87
- transfers from investments			112	112		112
c) disposals						
d) gross value at end of the period		1 644	3 594	3 436	277	5 515
e) opening balance of cumulative depreciation		1 644	2 871	2 741	147	4 662
f) depreciation		159	149	14		173
- part payment		159	149	14		173
- sale						
g) closing balance of cumulative depreciation		1 644	3 030	2 890	161	4 835
h) opening balances of value adjustments						
- additions						
- disposals						
i) closing balances of value adjustments						
j) closing balance of fixed assets, net value			564	546	116	680

Note 5

FINANCIAL ASSETS	30 June 2007	31 December 2006
Share		
- including related entities		
Loans	243	278
- including related entities		
Total financial assets	243	278

Note 6

Long-term receivables and prepaid expenses	30 June 2006	31 December 2005
Long-term receivables	89	178
a) deposit on rental fee		
- including related entities		
b) other long receivables	89	178
- including related entities		
Other prepaid expenses	2 441	2 730
Long-term receivables and other prepaid expenses	2 530	2 908

Other prepaid expenses	30 June 2006	31 December 2005
Marketing services	75	96
Credit commission	1	
Others	2	1
Rent	613	804
Cost of manufactured computer software	1 750	1 829
Other prepaid expenses	2 441	2 730

Note 7

Deferred tax assets	30 June 2006	31 December 2005
Deferred tax asset at beginning of period	2 174	997
a) posted to net result	2 035	832
b) posted to equity	139	165
Additions	1 459	2 417
a) posted to net result	1 459	2 417
b) posted to equity		
Disposals	746	1 241
a) posted to net result	746	1 214
b) posted to equity		26
Total deferred tax asset at the end of period, including	2 887	2 174
a) posted to net result	2 748	2 035
b) posted to equity	139	139

Note 8

Inventory	30 June 2006	31 December 2005
Materials	7 684	6 880
Merchandises	94 487	96 333
Prepayments for inventory	1 483	
Revaluation of inventory		
Total inventory	103 654	103 213

Revaluation of inventory	30 June 2006	31 December 2005
Revaluation of inventory – opening balance		
Creating of write-offs – inventory		
Reversal of write-offs – inventory		
Revaluation of inventory – closing balance		

Pledges	30 June 2006	31 December 2005
Pledges:	75 210	59 412
- bank loans – goods	75 210	59 412
- warranty		
Total pledges	75 210	59 412

Note 9

Receivables	30 June 2006	31 December 2005
Trade debtors <i>including: related entities</i>	63 977	57 008
Taxation, subsidy and social security debtors	4 366	3 382
Subject to legal proceedings	465	487
Other receivables <i>including: related entities</i>	3 028	1 911
Impairment loss for bad debts	6 256	5 669
Total receivables	65 580	57 119

Change in impairment losses for current bad debts	30 June 2006	31 December 2005
Opening balance - at the beginning of the year	5 687	4 276
Additions	800	1 839
Disposals	231	446
Closing balance - at the end of the year	6 256	5 669

Ageing of trade debtors	30 June 2006	31 December 2005
Due within 1 month	46 336	37 905
Due between 1 and 3 months	1 382	1 634
Due between 3 and 6 months	15	15
Due between 6 months and 1 year	15	29
Due after 1 year		15
Overdue trade debtors	16 229	17 410
Impairment loss for trade debtors	5 795	5 369
Total net trade debtors	58 182	51 639

Ageing of overdue trade debtors	30 June 2006	31 December 2005
1 month	8 261	9 383
between 1 and 3 months	1 891	1 409
between 3 and 6 months	508	818
between 6 months and 1 year	762	1 575
after 1 year	4 807	4 225
Impairment loss for trade debtors	5 855	5 369
Total net overdue trade debtors	10 374	12 041

Note 10

Short term financial assets	30 June 2006	31 December 2005
- debt securities <i>including: related entities</i>		
Total short term financial assets		

Note 11

Short term prepaid expenses	30 June 2006	31 December 2005
Marketing services	270	336
Subscriptions, charges and other fees		
Insurance	267	632
Technical assistance	65	26
Inspection	43	
Road permissions	40	21
Advertisements	24	7
Electricity	9	
Stock-exchange quotations	23	
Costs to re-invoice	89	139
Equipment and machines inspection	10	1
Before opening costs	125	57
Mail box support		1
Rent	1 197	1 414
Company's relief fund	570	
Other	146	205
Total short term prepaid expenses	2 878	2 839

Note 12

Cash and cash equivalents	30 June 2006	31 December 2005
Cash at cash desk	1 408	1 343
Cash at bank	3 511	606
Other	5 559	5 195
Total cash and cash equivalents	10 478	7 144

Note 13

Other short term financial assets	30 June 2006	31 December 2005
Deposit	5	5
Loans	41	12
<i>including: related entities</i>		
Total other short term financial assets	46	17

Note 14

Equity							
Series/ issue	Type of shares	Type of preference	Number of shares	Value of series/ issue in nominal value	Origin of capital	Registration date	Right to dividend (from date)
A	ordinary	none	100 000	100 000	cash	30.11.1994	30.11.1994
B	ordinary	none	2 200 000	2 200 000	cash	26.09.1995	01.01.1995
C	ordinary	none	2 093 700	2 093 700	cash	11.02.1999	01.01.1999
D	ordinary	none	408 400	408 400	cash	25.06.1999	01.01.1999
E	ordinary	none	240 200	240 200	cash	12.12.2001	01.01.2001
F	ordinary	none	259 500	259 500	cash	12.12.2001	01.01.2001
G	ordinary	none	1 333 300	1 333 300	cash	12.12.2001	01.01.2001
Total number of shares			6 635 100				
Total equity				6 635 100			
One share nominal value = 1 PLN							

Note 15

Retained earnings	30 June 2006	31 December 2005
Retained net profit	-2 469	-2 170
- including: corrections of fundamental errors		
Net profit (loss) from the current year	13 950	20 860
Total retained earnings	11 481	18 690

Note 16

Long-term bank loans and other	30 June 2006	31 December 2005
Bank loans	47 476	36 230
Other		
Total long-term bank loans and other	47 476	36 230

Note 17

Provisions	30 June 2006	31 December 2005
Provisions for employees' benefits	4 465	2 766
a) provision for pensions	106	96
b) provision for holiday equivalents	2 872	2 483
c) provision for premium salary	1 486	188
Other provisions	605	71
a) provision for audit	498	71
b)	107	
Total provisions	5 070	2 837

Provisions	30 June 2006	31 December 2005
Provisions for employees' benefits	4 465	2 767
a) provision for pensions	106	96
- long-term	104	93
- short-term	2	3
b) provision for holiday equivalents	2 872	2 483
- long-term		
- short-term	2 872	2 483
c) provision for premium salary		188
- long-term	1 486	
- short-term		188
Other provisions	605	71
a) others	498	71
- long-term	498	71
- short-term		
b)	107	
- long-term		
- short-term	107	
Total provisions	5 070	2 837
- long-term	1 590	93
- short-term	3 480	2 744

Change of provisions for employees' benefits	30 June 2006	31 December 2005
Provision for pensions opening balance	96	77
Additions	10	19
Disposals		
Provision for pensions closing balance	106	96
Provision for holiday equivalents opening balance	2 483	2 218
Additions	390	338
Disposals		73
Provision for holiday equivalents closing balance	2 872	2 483
Provision for premium salary opening balance	188	395
Additions	1 486	188
Disposals	188	395
Provision for premium salary closing balance	1 486	188
Change of provisions for employees' benefits opening balance	2 767	2 690
Additions	1 886	545
Disposals	188	468
Change of provisions for employees' benefits closing balance	4 465	2 767

Note 18

Deferred tax income - provisions	30 June 2006	31 December 2005
Deferred tax income - provisions opening balance	1 391	273
a) posted to net result	1 391	273
b) posted to equity		
Additions	2 882	5 560
a) posted to net result	2 882	5 560
b) posted to equity		
Disposals	154	4 442
a) posted to net result	154	4 442
b) posted to equity		
Deferred tax income - provisions closing balance	4 119	1 391
a) posted to net result	4 119	1 391
b) posted to equity		

Note 19

Short- term bank loans and others	30 June 2006	31 December 2005
Bank loans	15 351	32 162
Bonds	4 962	5 554
<i>including: related entities</i>		
Total short- term bank loans and others	20 313	37 716

Note 20

Liabilities	30 June 2006	31 December 2005
Trade payables <i>including: related entities</i>	126 010	125 363
Taxation, subsidy and social security	8 194	5 350
Salary	4 083	2 798
Prepayments <i>including: related entities</i>	190	368
Other liabilities <i>including: related entities</i>	7 500	4 775
Total short-term liabilities	145 977	138 654

Ageing of trade payables	30 June 2006	31 December 2005
Due within 1 month	85 237	85 814
Due between 1 and 3 months	36 263	30 534
Due between 3 and 6 months	439	
Due between 6 months and 1 year		
Due after 1 year		
Overdue trade debtors	4 071	9 015
Total trade payables	126 010	125 363

Ageing of overdue trade payables	30 June 2006	31 December 2005
1 month	3 847	7 402
between 1 and 3 months	199	1 561
between 3 and 6 months	6	34
between 6 months and 1 year	16	1
after 1 year	3	17
Overdue trade payables	4 071	9 015

Note 21

Deferred income	30 June 2006	31 December 2005
Settlement of vehicles' damages	15	38
Settlement of estates' damages	13	5
Interest on deposit	10	10
Total deferred income	38	53

b) Notes for profit and loss statement

Note 1

NET SALES OF PRODUCTS (by type of products)	6 months ended 30 June 2006	6 months ended 30 June 2005
Sales of services	29 576	23 526
- including to related entities		
Total net sales of products	29 576	23 526
- including to related entities		
NET SALES OF PRODUCTS (by geographic area)	6 months ended 30 June 2006	6 months ended 30 June 2005
Domestic	29 562	23 445
- including to related entities		
Export	14	81
- including to related entities		
Total net sales of products	29 576	23 526
- including to related entities		

Note 2

NET SALES OF MERCHANDISES AND MATERIALS (by type of activity)	6 months ended 30 June 2006	6 months ended 30 June 2005
Sales of merchandises and materials	636 680	605 230
- including to related entities		
Sales of merchandises and materials	636 680	605 230
- including to related entities		
NET SALES MERCHANDISES AND MATERIALS (by geographic area)	6 months ended 30 June 2006	6 months ended 30 June 2005
Domestic	636 680	605 230
- including to related entities		
Export		
- including to related entities		
Total net sales of merchandise and materials	636 680	605 230
- including to related entities		

Note 3

NON OPERATING INCOME	6 months ended 30 June 2006	6 months ended 30 June 2005
Profit from the disposal of non-financial fixed assets	84	14
Other non operating income	9 386	406
Total non operating income	9 470	420

OTHER NON OPERATING INCOME	6 months ended 30 June 2006	6 months ended 30 June 2005
Penalties	23	79
Compensation of vehicle damages	262	209
Compensation of fixed assets damages	63	53
Court proceedings costs	22	20
Transfer rights from rental	8 960	
Other	56	45
Total other non operating income		

Note 4

COSTS BY KIND	6 months ended 30 June 2006	6 months ended 30 June 2005
Depreciation and amortisation	8 830	8 464
Materials and energy	15 191	13 451
External services	21 833	24 967
Payroll	35 687	23 728
Social security and other employee benefits	7 634	6 743
Taxes and charge	2 221	1 855
Other costs	1 607	1 365
Total costs by kind of expenditure	93 003	80 573
Sales costs	70 600	64 816
Overhead costs	15 380	9 382
Cost of products sold	7 023	6 375
Cost of manufactured computer software		

Note 5

NON OPERATING EXPENSES	6 months ended 30 June 2006	6 months ended 30 June 2005
Loss from the sale of non-financial fixed assets	185	12
Revaluation of non-financial assets	577	708
Other non operating expenses	2 142	306
Total non operating expenses	2 904	1 026

REVALUATION OF NON-FINANCIAL ASSETS	6 months ended 30 June 2006	6 months ended 30 June 2005
Creating of write-offs – fixed assets	116	105
Reversal of write-offs – fixed assets	101	
Creating of write-offs – receivables	730	773
Reversal of write-offs - receivables	168	170
Revaluation of non-financial assets	577	708

Other non operating expenses	6 months ended 30 June 2006	6 months ended 30 June 2005
Donations	19	10
Vehicle damages	212	206
Fixed assets damages	38	49
Court proceedings costs	42	33
Transfer rights from rental	1 803	
Other	28	8
Total other non operating expenses	2 142	306

Note 6

FINANCIAL INCOME	6 months ended 30 June 2006	6 months ended 30 June 2005
Interest	409	307
- including related entities		
Other financial income		
Total financial income	409	307

Interest

	6 months ended 30 June 2006	6 months ended 30 June 2005
Loans granted	12	15
- including related entities		
Interest on overdue receivables	355	289
- including related entities		
Interest on debt securities		
- including related entities		
Other interest	42	3
- including related entities		
Total interest	409	307

Note 7

FINANCIAL EXPENSES	6 months ended 30 June 2006	6 months ended 30 June 2005
Interest	1 889	3 049
- including related entities		
Loss on the disposal of investments		
Other financial expenses	31	
Total financial expenses	1 920	3 049

Interest

	6 months ended 30 June 2006	6 months ended 30 June 2005
Bank loan interest	1 693	2 986
Interest on overdue payables	60	23
- including related entities		
Bonds interest	130	1
- including related entities		

Eldorado SA
Consolidated Financial Statement as at 30 June 2006

all amounts in thousands PLN

Treasury interests	6	3
Other interest		36
Total interest	1 889	3 049

Other financial expenses	6 months ended 30 June 2006	6 months ended 30 June 2005
Financial expenses of bank warranty		
Other	31	
Total other financial expenses	31	

Note 8

CORPORATE INCOME TAX	6 months ended 30 June 2006	6 months ended 30 June 2005
Gross profit	17 565	9 410
Non taxable revenues	158	179
<u>financial incomes</u>	66	55
<u>non operating incomes</u>	92	124
Other taxable income	7	
Non taxable costs and losses	21 566	16 810
<u>operating costs</u>	20 546	15 819
<u>financial expenses</u>	137	81
<u>other non operating expenses</u>	883	910
Additional taxable costs	18 111	10 669
Taxable revenue	20 869	15 372
Reductions – donations	7	5
Base of tax calculation	20 862	15 367
Tax amount 19%	3 963	2 920
CIT paid	3 963	2 920

Note 9

DEFERRED CORPORATE INCOME TAX	6 months ended 30 June 2006	6 months ended 30 June 2005
Increase (decrease) from temporary differences from previous years	-287	-941
Decrease (increase) due to tax loss, tax relief or temporary difference that were not accounted for in previous periods		
Decrease (increase) due to income tax assets write offs.	-26	
Decrease (increase) allowances for corporate income tax – simplify method	2 278	1 439
Increase (decrease) from temporary differences – deferred income tax un consolidated exemptions	50	-60
Increase (decrease) as a title of simplified prepayment if income tax		
Total deferred corporate income tax	2 015	438

Note 10

NET PROFIT PER SHARE	6 months ended 30 June 2006	6 months ended 30 June 2005
Net profit	13 950	7 104
Annualised net profit	27 706	13 263
Number of shares - weight average	6 635 100	6 635 100
Net profit per share	4,18	2,00
Diluted net profit per share	4,18	2,00

c) notes for Cash Flow

Note 1

THE STRUCTURE OF CASH IN THE STATEMENT OF CASH FLOW	6 months ended 30 June 2006	6 months ended 30 June 2005
Cash in the cash desk		
- opening balance	1 342	814
- closing balance	1 408	1 150
Cash at bank		
- opening balance	450	1 009
- closing balance	4 345	1 857
Other cash		
- opening balance	5 153	4 211
- closing balance	4 725	3 483
Total cash		
- opening balance	6 945	6 034
- closing balance	10 478	6 490

Nota 2

CHANGES IN CASH FLOW POSITIONS	6 months ended 30 June 2006	6 months ended 30 June 2005
Receivables – changes		
- receivables - changes		
- investment receivables correct		
Short-term payables – changes		
- short-term payables - changes		
- credits excepting		
- as a title of decrease - investment receivables correct	-24	
- as a title of increase – investments liabilities - correct	272	
- as a title of increase – financial liabilities - correct		

7. Selected financial data by segments

In Emperia Group following segments can be separated:

- 1 Wholesale - Eldorado S.A.
- 2 Retail - Stokrotka Sp. z o.o.
- 3 Other – IT services, developer services, franchise services – Groszek Sp. z o.o., Elpro Sp. z o.o., Infinite Sp. z o.o.

At 30 June 2006	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	539 979	230 660	12 956	117 340	666 255
Sale (external customers)	427 658	229 729	8 868		666 255
Sale (internal customers)	112 321	931	4 088	117 340	
Costs	533 288	225 712	11 828	117 340	653 488
Costs (external customers)	421 907	222 584	8 997		653 488
Costs (internal customers)	111 381	3 128	2 831	117 340	
Result on other operating activity	-378	6 968	-23		6 567
Result on financial activity	-832	-354	-325		-1 511
Gross profit	4 541	13 759	-477		17 823
Income tax	1 101	2 438	284	-50	3 873
Net profit	3 440	11 321	-761	50	13 950

At 30 June 2006	Wholesale	Retail	Other	Total
Assets	197 596	96 453	49 886	343 935
Equity&liabilities	251 661	67 031	25 243	343 935
At 30 June 2006	Wholesale	Retail	Other	Total
Capital expenditures	3 609	6 867	2 469	12 186
Depreciation	4 106	3 678	1 052	8 836

At 30 June 2005	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	527 698	194 575	12 666	-106 183	628 756
Sale (external customers)	428 126	194 065	6 565		628 756
Sale (internal customers)	99 572	510	6 101	-106 183	
Costs	422 598	188 079	5 635		616 312
Result on other operating activity	-346	-300	41		-605
Result on financial activity	-1 582	-508	-653		-2 743
Gross profit	3 600	5 178	318		9 096
Income tax	1 012	773	207		1 992
Net profit	2 588	4 405	111		7 104

At 30 June 2005	Wholesale	Retail	Other	Total
Assets	238 666	89 582	7 432	335 680
At 30 June 2005	Wholesale	Retail	Other	Total
Capital expenditures	8 120	11 663	2 731	22 514
Depreciation	3 880	3 455	1 129	8 464

Lublin, September 2006

Management board of the company

2006-09-22 Artur Kawa President of the management board
signature

2006-09-22 Jarosław Wawerski Vice - President of the management board
signature

2006-09-22 Dariusz Kalinowski Member of the management board –
Financial Director
signature

2006-09-22 Jacek Dudzik Member of the management board –
IT Director
signature

2006-09-22 Renata Bronisz-Czyż Member of the management board –
Human Resources Director
signature

Signature person responsible for keeping accounting records:

2006-09-22 Elżbieta Świniarska Economic Director
signature