



## **CONSOLIDATED FINANCIAL STATEMENT**

**HALF-YEAR REPORT 2007**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

LUBLIN, SEPTEMBER 2007

**Table of Contents**

<b>1. Selected financial data .....</b>	<b>3</b>
<b>2. Balance sheet.....</b>	<b>4</b>
<b>3. Profit and loss .....</b>	<b>5</b>
<b>4. Changes in equity .....</b>	<b>6</b>
<b>5. Cash Flow.....</b>	<b>7</b>
<b>6. Other Information and explanatory notes .....</b>	<b>9</b>
<b>7. Selected financial data by segments.....</b>	<b>9</b>

## 1. Selected financial data

SELECTED FINANCIAL DATA	PLN		EURO	
	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006
I. Net sales of merchandise and finished products	2 181 912	666 256	566 937	170 826
II. Profit on operating activities	66 268	19 333	17 219	4 957
III. Profit (loss) before taxation	61 425	17 822	15 960	4 570
IV. Net profit (loss)	49 389	13 950	12 833	3 577
V. Net cash flow from operating activities	47 163	22 469	12 255	5 761
VI. Cash flow from investment activities	(18 519)	(11 585)	(4 812)	(2 970)
VII. Cash flow from financing activities	13 084	(7 550)	3 400	(1 936)
VIII. Total net cash flows	41 728	3 334	10 842	855
IX. Total assets	1 242 865	343 935	330 040	85 061
X. Liabilities and provisions for liabilities	822 003	223 302	218 281	55 226
XI. Long-term liabilities	229 242	53 185	60 875	13 154
XII. Short-term liabilities	592 761	170 117	157 406	42 073
XIII. Equity	420 862	120 633	111 759	29 835
XIV. Share capital	13 270	6 635	3 524	1 641
XV. Number of shares	13 270 200	6 635 100	13 210 200	6 635 100
XVI. Number of shares - weight average	13 052 727	6 635 100	13 052 727	6 635 100
XVII. Net profit per ordinary share (in PLN / EUR)	4,51	4,18	1,17	1,07
XVIII. Diluted net profit per ordinary share (in PLN / EUR)	4,51	4,18	1,17	1,07
XIX. Book value per share (in PLN / EUR)	32,24	18,18	8,56	4,50
XX. Diluted book value per share (in PLN/ EUR)	32,24	18,18	8,56	4,50
XXI. Declared or paid dividend (in PLN/ EUR)	1,74	2,76	0,46	0,68

## 2. Balance sheet

	Note	As At 30 June 2007	As At 31 December 2006
<b>Total Non-current Assets</b>		<b>521 622</b>	<b>442 607</b>
Property, plant, equipment and investments	1,2	340 119	177 488
Investments – real estates	3	4 369	
Intangible assets	4,5	3 219	450
Goodwill	6	147 816	
Financial assets	7	3 848	255 956
Receivables and prepayments	8	9 197	4 057
Deferred tax assets	9	13 054	4 656
<b>Total Current Assets</b>		<b>721 243</b>	<b>187 144</b>
Inventory	10	301 268	94 921
Receivables and prepayments	11	358 592	74 046
Income tax receivables		409	20
Short-term securities			
Prepaid expenses	12	6 398	2 934
Cash and cash equivalents	13	54 383	12 653
Other financial assets	14	193	2 570
<b>Total Assets</b>		<b>1 242 865</b>	<b>629 751</b>
<b>Total Equity</b>		<b>420 862</b>	<b>357 126</b>
Share capital	16	13 270	12 924
Share premium		286 448	273 292
Capital reserve		22 353	7 497
Other reserve capital		56 871	44 668
Retained earnings	17	41 920	18 745
<b>Total Long Term Liabilities</b>		<b>229 242</b>	<b>75 595</b>
Bank loans, borrowings and bonds	18	217 019	72 216
Long-term liabilities	19	1 606	1 374
Provisions	20	458	122
Deferred revenues and accruals	21	10 159	1 883
<b>Total Short Term Liabilities</b>		<b>592 761</b>	<b>197 030</b>
Bank loans, borrowings and bonds	22	79 213	29 521
Short-term liabilities	23	500 717	155 482
Income tax liabilities		3 119	4 239
Provisions	20	8 963	7 498
Other accrued liabilities	24	749	290
<b>Total Liabilities and Equity</b>		<b>1 242 865</b>	<b>629 751</b>

### 3. Profit and loss

	Note	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006
Sales		<b>2 181 912</b>	<b>666 256</b>
- including related entities		3 842	
Sales of products and services	25	112 179	29 576
Sales of goods and materials	26	2 069 733	636 680
Cost of sales		(1 869 157)	(567 509)
- including related entities		(324)	
Cost of manufactured products sold		(7 861)	(7 023)
Cost of goods and materials sold		(1 861 296)	(560 486)
<b>Gross profit (loss)</b>		<b>312 755</b>	<b>98 747</b>
Other operating income	27	19 273	9 470
Selling costs	28	(222 227)	(70 600)
Overhead costs	28	(39 204)	(15 380)
Other operating expenses	29	(4 329)	(2 904)
<b>Operating profit (loss)</b>		<b>66 268</b>	<b>19 333</b>
Finance income	30	7 573	409
Finance costs	31	(12 416)	(1 920)
<b>Profit (loss) before income tax</b>		<b>61 425</b>	<b>17 822</b>
Income tax		(12 036)	(3 872)
Current	32	(10 935)	(1 857)
Deferred	33	(1 101)	(2 015)
<b>Net profit</b>		<b>49 389</b>	<b>13 950</b>
Number of shares - weight average		13 052 727	6 635 100
Net profit per ordinary share		4,51 PLN	4,18 PLN
Diluted number of shares – weight average		13 052 727	6 635 100
Diluted net profit per ordinary share		4,51 PLN	4,18 PLN

#### 4. Changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained Earnings	Total equity
<b>As at 1 January 2007</b>	<b>12 924</b>	<b>273 292</b>	<b>7 497</b>	<b>44 669</b>		<b>18 745</b>	<b>357 127</b>
Change of accounting policy							
<b>As at 1 January 2007 adjusted</b>	<b>12 924</b>	<b>273 292</b>	<b>7 497</b>	<b>44 669</b>		<b>18 745</b>	<b>357 127</b>
Net profit (loss) for the period						49 389	49 389
The issue of shares	346	13 156					13 502
Change in result of company's acquisitions						844	844
Dividend for 2006			14 856	12 202		(27 058)	
<b>As at 30 June 2007</b>	<b>13 270</b>	<b>286 448</b>	<b>22 353</b>	<b>56 871</b>		<b>41 920</b>	<b>420 862</b>
<b>As at 1 January 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>2 613</b>	<b>46 707</b>		<b>18 690</b>	<b>109 005</b>
Change of accounting policy							
<b>As at 1 January 2006 adjusted</b>	<b>6 635</b>	<b>34 360</b>	<b>2 613</b>	<b>46 707</b>		<b>18 690</b>	<b>109 005</b>
Net profit (loss) for the period						13 950	13 950
Distribution of profits			4 884	13 953		(18 837)	
Dividend for 2005						(2 322)	(2 322)
<b>As at 30 June 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>7 497</b>	<b>60 660</b>		<b>11 481</b>	<b>120 633</b>

## 5. Cash Flow

	<b>6 MONTHS ended 30 June 2007</b>	<b>6 MONTHS ended 30 June 2006</b>
Net profit (loss)	<b>49 389</b>	<b>13 950</b>
Adjustments provided by operating activities:		
Depreciation	18 467	8 836
Foreign exchange gain (loss)	(98)	
Interest	9 093	1 296
Corporate income tax	10 259	
Loss (profit) on investments	(10 886)	166
Change in provisions	(1 089)	4 899
Change in inventories	(22 096)	(441)
Change in receivables	(5 839)	(17 169)
Change in deferred revenues and accruals	(4 553)	(88)
Change in payables	14 260	11 000
Other adjustments	2 256	20
Corporate income tax paid	(12 000)	
<b>Net cash flow from operations</b>	<b>47 163</b>	<b>22 469</b>
<b>Revenues</b>	<b>35 464</b>	<b>602</b>
Disposal of tangible and intangible fixe assets	(2 564)	584
Disposal of financial assets	9 944	6
Dividends received		
Interest received	403	12
Loan repayment	967	
Cash from Company's acquisition	26 714	
Other revenues		
<b>Expenses</b>	<b>(53 983)</b>	<b>(12 187)</b>
Purchase of tangible and intangible fixe assets	(47 606)	(12 187)
Acquisition of entities	(145)	
Purchase of financial assets	(1 851)	
Grant of loan	(4 300)	
Other expenses	(81)	
<b>Net cash flow from investment activities</b>	<b>(18 519)</b>	<b>(11 585)</b>
<b>Revenues</b>	<b>150 730</b>	<b>38 044</b>
Loans and borrowings acquired	126 914	27 522
Income from financial assets	23 713	10 522
Other revenues	103	
<b>Expenses</b>	<b>(137 646)</b>	<b>(45 594)</b>
Repayment of loans and borrowings	(110 725)	(32 658)
Repayment of financial assets	(19 672)	(11 300)
Repayment of financial lease rates	(476)	
Interest paid	(7 126)	(1 636)

Dividends paid		
Other expenses	353	
<b>Net cash flow from financial activities</b>	<b>13 084</b>	<b>(7 550)</b>
<b>Total net Cash flow</b>	<b>41 728</b>	<b>3 334</b>
Exchange rate differences	2	
<b>Cash and Cash equivalents opening balance</b>	<b>12 653</b>	<b>7 144</b>
<b>Cash and Cash equivalents closing balance</b>	<b>54 383</b>	<b>10 478</b>



## 6. Other Information and explanatory notes

### Note 1

<b>TANGIBLE FIXED ASSETS</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Freehold land	31 407	12 895
- including right for perpetual usufruct	18 558	
Buildings and constructions	185 650	109 389
Equipment and machines	40 509	23 353
Vehicles	33 776	15 146
Other	21 126	11 393
Fixed assets in progress	27 651	5 040
Prepayments for construction in progress		272
<b>Total tangible fixed assets</b>	<b>340 119</b>	<b>177 488</b>

<b>Fixed assets</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Lands, including::	1 420	509
<i>Perpetual usufruct of land</i>		
Buildings and constructions	21 409	3 197
Equipment and machines	3 803	984
Vehicles	237	
Other fixed assets in progress	782	350
<b>Total fixed assets in progress</b>	<b>27 651</b>	<b>5 040</b>

<b>Off balance fixed assets (rental, leasing)</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Lands, including::	319	
<i>Perpetual usufruct of land</i>	319	
Buildings and constructions	207 165	143 546
Equipment and machines		
Vehicles	33	
Other fixed assets in progress		116
<b>Total</b>	<b>207 517</b>	<b>143 662</b>

<b>Pledges</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Pledges:	99 511	3 781
- bank loans – goods	99 511	3 781
Mortgage	81 340	33 102
- bank loans – goods	81 340	33 102
<b>Total pledges</b>	<b>192 807</b>	<b>36 833</b>

**Nota 2 –At 30 June 2007**

<b>TANGIBLE FIXED ASSETS – MOVEMENTS (by group)</b>	land including perpetual usufruct	Buildings	machines and technical equipment	Vehicles	other fixed assets	<b>Total fixed tangible assets</b>
<b>a) opening balance of fixed assets, gross value</b>	<b>14 122</b>	<b>126 592</b>	<b>41 948</b>	<b>30 402</b>	<b>23 069</b>	<b>236 133</b>
b) additions:	21 008	111 092	42 654	37 859	22 915	235 528
- purchases	1 520	3 059	3 008	6 260	995	14842
- acquisition of entities	15 706	94 967	32 932	29 862	14 449	187 916
- transfers from construction in progress	1 943	8 774	6 566	1 737	7 476	26 496
- donations			10		1	11
- other	1 839	4 292	138		-6	6263
c) disposals:	(1 428)	(14 128)	(10 373)	(16 770)	(5 724)	0
- sale	(1 427)	(10 323)	(3 397)	(2 827)	(1 402)	0
- liquidation		(1 432)	(608)	(8)	(245)	-861
- split up			-93		-12	-105
- other	(1)	(2 373)	(6 275)	(13 935)	(4 065)	-1
<b>d) closing balance of fixed assets, gross value</b>	<b>33 702</b>	<b>223 556</b>	<b>74 229</b>	<b>51 491</b>	<b>40 260</b>	<b>423 238</b>
<b>e) opening balance of cumulative depreciation</b>	<b>2 186</b>	<b>35 286</b>	<b>35 658</b>	<b>28 228</b>	<b>21 147</b>	<b>122 505</b>
f) depreciation additions:	1089	24958	23256	18118	12474	79895
- planned	130	5 960	6 075	5 146	3 003	20 314
- acquisition of entities	959	18 998	17 181	12 972	9 471	59 581
g) depreciation disposals:	-21	(4 023)	(8 993)	(15 659)	(5 235)	-21
- sales	-21	-661	(2 250)	(1 723)	-998	-1680
- liquidation		-989	-481	-1	-181	-1652
- split up						0
- other		(2 373)	(6 262)	(13 935)	(4 056)	0
h) closing balance of cumulative depreciation	<b>2 295</b>	<b>37 223</b>	<b>32 740</b>	<b>17 715</b>	<b>18 915</b>	<b>108 888</b>
i) opening balances of value adjustments		711	120	6	235	1072
- additions		75	8			83
- acquisition of entities		300	977			1277
- disposals		-403	-125	-6	-16	-550
j) closing balances of value adjustments		-683	980		219	516
<b>k) closing balance of fixed assets, net value</b>	<b>31 407</b>	<b>185 650</b>	<b>40 509</b>	<b>33 776</b>	<b>21 126</b>	<b>312 468</b>

**Nota 2 – At 31 December 2006**

TANGIBLE FIXED ASSETS – MOVEMENTS (by group)	land including perpetual usufruct	Buildings	machines and technical equipment	Vehicles	other fixed assets	Total fixed tangible assets
<b>a) opening balance of fixed assets, gross value</b>	<b>7 253</b>	<b>104 255</b>	<b>37 118</b>	<b>29 770</b>	<b>19 698</b>	<b>198 094</b>
b) additions:	6 869	24 342	8 049	3 396	3 744	46 400
- purchases	6 869	5 987	1 991	3 396	538	18 781
- transfers from construction in progress		18 355	6 054		3 206	27 615
- transfers from warehouse						
- donations			4			4
c) disposals:		(2 005)	(3 219)	(2 764)	(373)	(8 361)
- sale		(815)	(351)	(2 497)		(3 663)
- liquidation		(1 186)	(1 644)	(209)	(216)	(3 255)
- split up						
- relocation						
- steals			(20)	(58)		(78)
- other		(4)	(1 204)		(157)	(1 365)
<b>d) closing balance of fixed assets, gross value</b>	<b>14 122</b>	<b>126 592</b>	<b>41 948</b>	<b>30 402</b>	<b>23 069</b>	<b>236 133</b>
<b>e) opening balance of cumulative depreciation</b>	<b>1 137</b>	<b>11 610</b>	<b>15 603</b>	<b>12 783</b>	<b>8 863</b>	<b>49 996</b>
f) depreciation additions:	90	5 157	4 813	4 592	3 064	17 716
- planned	90	5 157	4 813	4 592	3 064	17 716
g) depreciation disposals:		(479)	(1 939)	(2 119)	(251)	(4 788)
- sales		(176)	(132)	(1 781)		(2 089)
- liquidation		(303)	(1 624)	(291)	(210)	(2 428)
- steals			(12)	(47)		(59)
- other			(171)		(41)	(212)
h) closing balance of cumulative depreciation	<b>1 227</b>	<b>16 288</b>	<b>18 477</b>	<b>15 256</b>	<b>11 676</b>	<b>62 924</b>
i) opening balances of value adjustments		711	120			831
- additions		327	21			348
- disposals		(123)	(23)			(146)
j) closing balances of value adjustments		915	118			1 033
<b>k) closing balance of fixed assets, net value</b>	<b>12 895</b>	<b>109 389</b>	<b>23 353</b>	<b>15 146</b>	<b>11 393</b>	<b>172 176</b>

**Note 3**

<b>Investments – real estates</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
<b>Gross value opening balance</b>		
Increase	4 478	
- purchase		
- acquisition of entities	3 448	
- other	1 030	
Disposals		
- sell		
- other		
<b>Gross value closing balance</b>	<b>4 478</b>	
<b>Deduction for depreciation opening balance</b>	<b>73</b>	
Increase	36	
Decrease		
<b>Deduction for depreciation closing balance</b>	<b>109</b>	
Rental revenues	116	
Direct operating costs of rented real estates	32	
Direct operating costs of unrented real estates	76	

**Note 4**

<b>INTANGIBLE FIXED ASSETS</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Research and development expenditure		
Concessions, patents, licenses and similar assets	2 679	347
Other intangible assets	140	103
Intangible fixed assets in progress	400	
<b>Total intangible fixed assets</b>	<b>3 219</b>	<b>450</b>

**Nota 5 – At 30 June 2007**

<b>INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)</b>	research and development	concessions, patents, licences and similar assets	- including computer software	other intangible fixed assets	<b>Total intangible fixed assets</b>
<b>a) gross value at the beginning of the period</b>		<b>3731</b>	<b>3573</b>	<b>277</b>	<b>4008</b>
b) additions:		8 093	6 054	1 281	9 374
- purchases		2 152	293		2152
- acquisition of entities		5877	5543	1281	7158
- transfers from investments		64			64
- other			218		0
c) disposals		-510	-19	-33	-543
- sale		-10		-7	-17
- other		-500	-19	-26	-526
<b>d) gross value at end of the period</b>		<b>11 314</b>	<b>9 608</b>	<b>1 525</b>	<b>12 839</b>
<b>e) opening balance of cumulative depreciation</b>		<b>3 384</b>	<b>3 233</b>	<b>174</b>	<b>3 558</b>
f) depreciation additions		4814	4384	1240	6054
- planned		739	700	133	872
- acquisition of entities		4075	3684	1107	5182
g) depreciation disposals		-508	-18	-29	-537
- sales		-9		-7	-16
- other		-499	-18	-22	-521
h) closing balance of cumulative depreciation		<b>7 177</b>	<b>7 107</b>	<b>1 385</b>	<b>8 562</b>
i) opening balances of value adjustments		0	0		0
- additions		1 458	1 458		1458
- disposals					0
j) closing balances of value adjustments		1 458	1 458		1458
<b>k) closing balance of fixed assets, net value</b>		<b>2 679</b>	<b>1 043</b>	<b>140</b>	<b>2819</b>

**Nota 5 – At 31 December 2006**

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	research and development	concessions, patents, licences and similar assets	- including computer software	other intangible fixed assets	<b>Total intangible fixed assets</b>
<b>a) gross value at the beginning of the period</b>		<b>3 395</b>	<b>3 237</b>	<b>277</b>	<b>3 672</b>
b) additions:		337	337		337
- purchases		225	225		225
- transfers from investments		112	112		112
c) disposals		(1)	(1)		(1)
- sale		(1)	(1)		(1)
<b>d) gross value at end of the period</b>		<b>3 731</b>	<b>3 573</b>	<b>277</b>	<b>4 008</b>
<b>e) opening balance of cumulative depreciation</b>		<b>2 871</b>	<b>2 741</b>	<b>146</b>	<b>3 017</b>
f) depreciation additions		513	492	28	541
- planned		513	492	28	541
g) depreciation disposals					
- sales					
h) closing balance of cumulative depreciation		3 384	3 233	174	3 558
i) opening balances of value adjustments					
- additions					
- disposals					
j) closing balances of value adjustments					
<b>k) closing balance of fixed assets, net value</b>		<b>347</b>	<b>340</b>	<b>103</b>	<b>450</b>

**Note 6**

<b>Goodwill</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
<b>Cost - opening balance</b>	<b>1 644</b>	<b>1 644</b>
Additional good will – BOS SA acquisition	147 816	
<b>Cost - closing balance</b>	<b>149 460</b>	<b>1 644</b>
<b>Valuation allowances and deduction of depreciation opening balance</b>	<b>1 644</b>	<b>1 644</b>
<b>Valuation allowances and deduction of depreciation closing balance</b>	<b>1 644</b>	<b>1 644</b>
<b>Value – opening balance</b>		
<b>Value – closing balance</b>	<b>147 816</b>	

**Note 7**

<b>FINANCIAL ASSETS</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
- other shares	3 666	
- including related entities	1 599	
- shares		255 747
- including related entities		
- other securities		
- including related entities		
- loans granted	182	209
- including related entities	182	
- other financial assets		
- including related entities		
<b>Total financial assets</b>	<b>3 848</b>	<b>255 956</b>

<b>Long-term financial assets in related entities</b>	<b>other shares</b>	<b>shares</b>	<b>other securities</b>	<b>loans grantem</b>	<b>other financial assets</b>	<b>Total long-term financial assets in related entitties</b>
<b>a) opening balance of long-term financial assets in related entitties, gross value</b>		<b>255 747</b>		<b>209</b>		<b>255 956</b>
b) additions:	1 599					1 599
- purchases	1 230					1 230
- acquisition of entities	369					369
- other						
c) disposals		(255 747)		(27)		(255 774)
- sale				(27)		
- other		(255 747)				(255 747)
<b>d) closing balance of long-term financial assets in related entitties, net value</b>	<b>1 599</b>			<b>182</b>		<b>1 781</b>

**Note 8**

<b>Long-term receivables and prepaid expenses</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Long-term receivables	7 003	1 959
a) deposit on rental fee	2 966	1 685
- including related entities		
b) other long receivables	4 037	275
- including related entities		

Other prepaid expenses	2 194	2 098
<b>Long-term receivables and other prepaid expenses</b>	<b>9 197</b>	<b>4 057</b>

<b>Other prepaid expenses</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Marketing services	83	95
Rent	2 051	1 992
Concessions, licences	13	
Others	47	11
<b>Other prepaid expenses</b>	<b>2 194</b>	<b>2 098</b>

**Note 9**

<b>Deferred tax assets</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Deferred tax asset at beginning of period	<b>4 656</b>	<b>2 641</b>
a) posted to net result	4 234	2 259
b) posted to equity	422	382
Additions	11 760	3 034
a) posted to net result	4 176	2 994
b) posted to equity		40
c) acquisition of entities	7 584	
Disposals	(3 362)	(1 020)
a) posted to net result	(2 895)	(1 019)
b) posted to equity	(467)	
<b>Total deferred tax asset at the end of period, including</b>	<b>13 054</b>	<b>4 656</b>
<b>a) posted to net result</b>	<b>13 014</b>	<b>4 234</b>
<b>b) posted to equity</b>	<b>40</b>	<b>422</b>

<b>Deferred income tax assets from:</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Trade debtors	<b>1 825</b>	
Salaries to pay	4 452	
Provision for pensions	97	
Provision for holiday equivalents	<b>1 349</b>	
Provision for premium salary for management	<b>10</b>	
Bonds discount	21	
Provision for audit	43	
Impairment losses - inventory	2 360	
Loan interest - unrealised	30	
Other interest unrealised	31	
Other	2 836	
<b>Deffered income tax assets total</b>	<b>13 054</b>	

**Note 10**

<b>Inventory</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Materiale	6 521	6 158
Merchandises	307 180	93 003
Finished products		
Semi-products and work in progress		



Prepayments for inventory		1 069
Revaluation of inventory	(12 433)	(5 309)
<b>Total inventory</b>	<b>301 268</b>	<b>94 921</b>

<b>Revaluation of inventory</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Revaluation of inventory – opening balance	(12 384)	(2 457)
Creating of write-offs – inventory	(7 112)	(2 852)
Reversal of write-offs – inventory	7 063	
<b>Revaluation of inventory – closing balance</b>	<b>(12 433)</b>	<b>(5 309)</b>

<b>Pledges</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Pledges:		
- bank loans – goods	137 728	82 139
- warranty	14 645	1 800
<b>Total pledges</b>	<b>152 373</b>	<b>83 939</b>

**Note 11**

<b>Receivables</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Trade debtors	326 528	71 724
<i>including: related entities</i>	81	
Taxation, subsidy and social security debtors	18 226	6 037
Subject to legal proceedings	4 249	194
Prepayments	3 966	
Other receivables	35 786	2 809
<i>including: related entities</i>	2	
Impairment loss for bad debts	(30 163)	(6 718)
<b>Total receivables</b>	<b>358 592</b>	<b>74 046</b>

<b>Change in impairment losses for current bad debts</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Opening balance - at the beginning of the year	(6 718)	(5 687)
Additions	(28 153)	(1 556)
Disposals	4 708	525
Closing balance - at the end of the year	<b>(30 163)</b>	<b>(6 718)</b>

<b>Pledges</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Pledges:		
- bank loans – goods	182 800	
- warranty	1 725	
<b>Total pledges</b>	<b>184 525</b>	

<b>Ageing of trade debtors</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Due within 1 month	175 011	46 451
Due between 1 and 3 months	16 816	2 977
Due between 3 and 6 months	111	
Due between 6 months and 1 year	80	
Due after 1 year	1 907	
Overdue trade debtors	132 603	22 296
Impairment loss for trade debtors	(23 845)	(6 401)

<b>Total net trade debtors</b>	<b>302 683</b>	<b>65 323</b>
--------------------------------	----------------	---------------

<b>Ageing of overdue trade debtors</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
1 month	90 373	13 976
between 1 and 3 months	16 814	2 211
between 3 and 6 months	3 873	298
between 6 months and 1 year	2 171	500
after 1 year	19 372	5 311
Impairment loss for trade debtors	(18 123)	(6 401)
<b>Total net overdue trade debtors</b>	<b>114 480</b>	<b>15 895</b>

**Note 12**

<b>Short term prepaid expenses</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Marketing services	243	268
Insurance	910	693
Technical assistance	185	112
Perpetual usufruct of land fees	121	
Property tax	582	
Concessions, licences	197	
Alcohol sale licence	369	
Stock-exchange quotations	38	
Rental costs	1 533	1 286
Road permissions	83	25
Advertisements	8	6
Subscriptions, charges and other fees	62	
Electricity	22	3
Service	5	
Shop pre - opening costs	170	70
Email costs	1	5
Costs to re-invoice	239	147
Costs of the next year		196
Other	1 630	123
<b>Total short term prepaid expenses</b>	<b>6 398</b>	<b>2 934</b>

**Note 13**

<b>Cash and cash equivalents</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Cash at cash desk	3 716	2 509
Cash at bank	29 052	444
other	21 615	9 700
<b>Total cash and cash equivalents</b>	<b>54 383</b>	<b>12 653</b>

**Note 14**

<b>Other short term financial assets</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Deposit		
Loans	193	2 570
<i>including: related entities</i>		
<b>Total other short term financial assets</b>	<b>193</b>	<b>2 570</b>

Note 15 – At 30 June 2007

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
H	preference shares	none	2 085 323	2 085 323	contribution - BOS S.A. shares	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. shares	02.01.2007	01.01.2006
J	preference shares	none	55 747	55 747	contribution - BOS S.A. shares	11.05.2007	01.01.2006
K	preference shares	none	290 468	290 468	contribution - BOS S.A. shares	11.05.2007	01.01.2006
<b>Total number of shares</b>			<b>13 270 200</b>				
<b>Total equity</b>				<b>13 270 200</b>			
<b>One share nominal value = 1 PLN</b>							

**Note 15 – At 31 December 2006**

<b>Equity</b>							
<b>Series/ issue</b>	<b>Type of shares</b>	<b>Type of preference</b>	<b>Number of shares</b>	<b>Value of series/ issue in nominal value</b>	<b>Origin of capital</b>	<b>Registration date</b>	<b>Right to dividend (from date)</b>
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
H	preference shares	none	2 085 323	2 085 323	contribution - BOS S.A. shares	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. shares	02.01.2007	01.01.2006
<b>Total number of shares</b>			<b>12 923 985</b>				
<b>Total equity</b>				<b>12 923 985</b>			
<b>One share nominal value = 1 PLN</b>							

Changes in reserve capital	Reserve capital	Other reserve capital
<b>1 January 2007</b>	<b>7 497</b>	<b>44 669</b>
Net profit (loss) for the period	14 856	12 202
<b>30 June 2007</b>	<b>22 353</b>	<b>56 871</b>
<b>1 January 2006</b>	<b>2 613</b>	<b>46 708</b>
Net profit (loss) for the period	4 884	13 953
Dividend paid		(15 992)
<b>31 December 2006</b>	<b>7 497</b>	<b>44 669</b>

**Note 16**

Retained earnings	30 June 2007	31 December 2006
Retained net profit	(7 469)	(4 631)
- including: corrections of fundamental errors		(2 161)
Net profit (loss) from the current year	49 389	23 376
<b>Total retained earnings</b>	<b>41 920</b>	<b>18 745</b>

**Note 17**

Long-term bank loans and other	30 June 2007	31 December 2006
Bank loans	211 847	72 216
Leasing	5 172	
<b>Total long-term bank loans and other</b>	<b>217 019</b>	<b>72 216</b>

**Note 18**

Long-term liabilities	30 June 2007	31 December 2006
Deposit on rental fee	1 606	1 374
- including: related entities		
□ other long-term liabilities		
<b>Total long-term liabilities</b>	<b>1 606</b>	<b>1 374</b>

**Note 19**

Provisions	30 June 2007	31 December 2006
Provisions for employees' benefits	<b>7 813</b>	<b>7 429</b>
a) provision for pensions	521	122
b) provision for holiday equivalents	7 239	2 945
c) provision for premium salary	53	4 362
Other provisions	<b>1 608</b>	<b>191</b>
a) provision for audit	228	180
b) prizes for customers	149	
c) provision for packages	161	
d) provision for bonuses	420	
e) provision for future liabilities	150	
f) other	500	11
<b>Total provisions</b>	<b>9 421</b>	<b>7 620</b>

<b>Provisions for employees' benefits</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Long-term	<b>458</b>	<b>122</b>
a) provision for pensions	458	122
Short-term	<b>8 963</b>	<b>7 498</b>
a) provision for pensions	63	
b) provision for holiday equivalents	7 239	2 945
c) provision for premium salary	53	4 362
d) other long-term provisions	1 608	191
<b>Total provisions for employees' benefits</b>	<b>9 421</b>	<b>7 620</b>

<b>Change of provisions for employees' benefits</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Provision for pensions opening balance	122	96
Additions	518	31
Disposals	(118)	(5)
Provision for pensions closing balance	522	122
Provision for holiday equivalents opening balance	2 945	2 483
Additions	5 890	607
Disposals	(1 597)	(145)
Provision for holiday equivalents closing balance	7 238	2 945
Provision for premium salary opening balance	4 362	188
Additions	53	5 287
Disposals	(4 362)	(1 113)
Provision for premium salary closing balance	53	4 362
<b>Change of provisions for employees' benefits opening balance</b>	<b>7 429</b>	<b>2 767</b>
<b>Additions</b>	<b>6 461</b>	<b>5 925</b>
<b>Disposals</b>	<b>(6 077)</b>	<b>(1 263)</b>
<b>Change of provisions for employees' benefits closing balance balance</b>	<b>7 813</b>	<b>7 429</b>

**Note 20**

<b>Deferred tax income - provisions</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Deferred tax income - provisions opening balance	<b>1 883</b>	<b>1 391</b>
a) posted to net result	1 883	1 391
b) posted to equity		
Additions	11 021	4 439
a) posted to net result	8 359	4 439
b) posted to equity	598	
c) deferred tax income - acquisition of entities	2 064	
Disposals	(2 745)	(3 947)
a) posted to net result	(2 638)	(3 947)
b) posted to equity	(107)	
<b>Deferred tax income - provisions closing balance balance</b>	<b>10 159</b>	<b>1 883</b>
<b>a) posted to net result</b>	<b>7 604</b>	<b>1 883</b>
<b>b) posted to equity</b>	<b>491</b>	
<b>c) deferred tax income - acquisition of entities</b>	<b>2 064</b>	

Deferred income tax provisions by kind	30 June 2007
Bonds' discount	3
Long term bank loans comission.	48
Difference between tax value and book value of fixed assets	6 027
Other	4 081
<b>Deferred income tax provisions by kind</b>	<b>10 159</b>

**Note 21**

Short- term bank loans and others	30 June 2007	31 December 2006
Bank loans	62 058	19 569
Bonds	13 935	9 952
<i>including: related entities</i>	7	
Leasing	2 096	
Valuation of other financial instrumnets	1 124	
<b>Total short- term bank loans and others</b>	<b>79 213</b>	<b>29 521</b>

**Note 22**

Short-term liabilities	30 June 2007	31 December 2006
Trade payables	453 624	135 629
<i>including: related entities</i>	404	
Taxation, subsidy and social security	26 526	9 554
Salary	14 052	4 527
Prepayments	209	45
<i>including: related entities</i>		
Other liabilities	6 306	5 727
<i>including: related entities</i>	18	
<b>Total short-term liabilities</b>	<b>500 717</b>	<b>155 482</b>

Ageing of trade payables	30 June 2007	31 December 2006
Due within 1 month	301 825	88 657
Due between 1 and 3 months	99 626	35 203
Due between 3 and 6 moths	631	
Due between 6 months and 1 year	90	
Due after 1 year	48	
Overdue trade debtors	51 404	11 769
<b>Total trade payables</b>	<b>453 624</b>	<b>135 629</b>

Ageing of overdue trade payables	30 June 2007	31 December 2006
1 month	49 893	11 376
between 1 and 3 months	372	375
between 3 and 6 moths	562	2
between 6 months and 1 year	547	3
after 1 year	30	13
<b>Overdue trade payables</b>	<b>51 404</b>	<b>11 769</b>

**Note 23**

<b>Deferred income</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
Settlement of vehicles' damages	27	38
Settlement of estates' damages	225	5
Penalties	25	
Unrealised interest on tenant's deposits	12	10
Other	1	
<b>Total deferred income</b>	<b>290</b>	<b>53</b>

**Note 24**

<b>NET SALES OF PRODUCTS (by type of products)</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Sales of services	112 179	29 576
- including to related entities	130	
<b>Total net sales of products</b>	<b>112 179</b>	<b>29 576</b>
- including to related entities	130	

<b>NET SALES OF PRODUCTS (by geographic area)</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Domestic	111 267	29 562
- including to related entities	130	
Export	912	14
- including to related entities		
<b>Total net sales of products</b>	<b>112 179</b>	<b>29 576</b>
- including to related entities	130	

**Nota 25**

<b>NET SALES OF MERCHANDISES AND MATERIALS (by type of activity)</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Sales of merchandises and materials	2 069 733	636 680
- including to related entities	3 712	
<b>Sales of merchandises and materials</b>	<b>2 069 733</b>	<b>636 680</b>
- including to related entities	3 712	

<b>NET SALES OF MERCHANDISE AND MATERIALS (by geographic area)</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Domestic	2 010 242	636 680
- including to related entities	3 712	
Export	59 491	
- including to related entities	0	
<b>Total net sales of merchandise and materials</b>	<b>2 069 733</b>	<b>636 680</b>
- including to related entities	3 712	



**Nota 26**

<b>NON OPERATING INCOME</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Profit from the disposal of non-financial fixed assets	13 019	84
Revaluation of non-financial assets	319	
Other non operating income	5 935	9 386
<b>Total non operating income</b>	<b>19 273</b>	<b>9 470</b>

<b>OTHER NON OPERATING INCOME</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Penalties	130	23
Compensation of vehicle damages	491	262
Compensation of fixed assets damages	298	63
Court proceedings costs	190	22
Cash premium		2
Transfer rights from rental	1 550	8 960
Other	3 276	54
<b>Total other non operating income</b>	<b>5 935</b>	<b>9 386</b>

**Note 27**

<b>COST BY KIND</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
depreciation and amortisation	(18 467)	(8 830)
materials and energy	(39 466)	(15 191)
external services	(82 752)	(21 833)
payroll	(96 599)	(35 687)
social security and other employee benefits	(21 978)	(7 634)
taxes and charge	(5 632)	(2 221)
other costs	(4 398)	(1 607)
<b>Total cost by kind of expenditure</b>	<b>(269 292)</b>	<b>(93 003)</b>
Sales costs	(222 227)	(70 600)
Overhead costs	(39 204)	(15 380)
Cost of products sold	(7 861)	(7 023)
Cost of manufactured computer software		

<b>Payroll</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Salary	(96 599)	(35 687)
social security	(18 145)	(6 435)
company's social benefit fund	(1 976)	(570)
personel training	(606)	(232)
other	(1 251)	(397)
<b>Total payroll</b>	<b>(118 577)</b>	<b>(43 321)</b>

**Note 28**

<b>NON OPERATING EXPENSES</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Loss from the sale of non-financial fixed assets	(295)	(185)
Revaluation of non-financial assets	(637)	(577)
Other non operating expenses	(3 397)	(2 142)
<b>Total non operating expenses</b>	<b>(4 329)</b>	<b>(2 904)</b>

<b>Other non operating expenses</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Donations	(389)	(19)
Vehicle damages	(373)	(212)
Fixed assets damages	(106)	(38)
Court proceedings costs	(191)	(42)
Transfer rights from rental		(1 803)
Other	(2 338)	(28)
<b>Total other non operating expenses</b>	<b>(3 397)</b>	<b>(2 142)</b>

**Note 29**

<b>FINANCIAL INCOME</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Interest	583	409
<i>- including related entities</i>		
Profit on investments disposal	626	
Other financial income	6 364	
<b>Total financial income</b>	<b>7 573</b>	<b>409</b>

<b>Interest</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Loans grantem	41	12
<i>- including related entities</i>		
Interest on overdue receivables	398	355
<i>- including related entities</i>		
Interest on debt securities		
<i>- including related entities</i>		
Other interest	144	42
<i>- including related entities</i>		
<b>Total interest</b>	<b>583</b>	<b>409</b>

<b>Other financial income</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Positive exchange rate differences	3 687	
Valuation of financial instruments	2 448	
Other	229	
<b>Total other financial income</b>	<b>6 364</b>	

**Note 30**

<b>FINANCIAL EXPENSES</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Interest	(6 818)	(1 889)
- <i>including related entities</i>		
Loss on the disposal of investments	9	
Other financial expenses	(5 607)	(31)
<b>Total financial expenses</b>	<b>(12 416)</b>	<b>(1 920)</b>

<b>Interest</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Bank loan interest	(6 141)	(1 693)
Leasing interest	(314)	
- <i>including related entities</i>		
Loans interest	(7)	
- <i>including related entities</i>		
Interest on overdue payables	(77)	(60)
- <i>including related entities</i>	(1)	
Bonds interest	(258)	(130)
- <i>including related entities</i>		
Tresury interests	(17)	(6)
Other interest	(4)	
- <i>including related entities</i>	(1)	
<b>Total interest</b>	<b>(6 818)</b>	<b>(1 889)</b>

<b>Other financial expenses</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Financial expenses of bank warranty	(27)	
Exchange rate differences	(3 904)	
Write offs – long term liabilities	(130)	
Write offs – financial instruments	(1 141)	
Other	(405)	(31)
<b>Total other financial expenses</b>	<b>(5 607)</b>	<b>(31)</b>

**Note 31**

<b>CORPORATE INCOME TAX</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
<b>Gross profit</b>	<b>61 331</b>	<b>17 565</b>
<b>Non taxable revenues</b>		
<u>financial incomes</u>	(28 217)	(158)
<u>non operating incomes</u>	(836)	(66)
<u>non operating incomes</u>	(27 381)	(92)
<b>Other taxable income</b>	<b>117</b>	<b>7</b>
<b>Non taxable costs and losses</b>		
<u>operating costs</u>	73 022	21 566
<u>financial expenses</u>	44 215	20 546
<u>other non operating expenses</u>	2 980	137
<u>other non operating expenses</u>	25 827	883
<b>Additional taxable costs</b>	<b>(34 309)</b>	<b>(18 111)</b>
<b>Taxable revenue</b>	<b>71 944</b>	<b>20 869</b>
Reductions – donations	(488)	(7)
<b>Base of tax calculation</b>	<b>70 488</b>	<b>20 862</b>
<b>Tax amount 19%</b>	<b>(13 392)</b>	<b>(3 963)</b>
<b>CIT paid</b>	<b>(10 935)</b>	<b>(1 857)</b>

**Note 32**

<b>DEFERRED CORPORATE INCOME TAX</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Increase (decrease) from temporary differences from previous years	968	(287)
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.	473	(26)
Decrease (increase) allowances for corporate income tax – simplify method	(2 542)	2 278
Increase (decrease) from temporary differences – deferred income tax un consolid. Exemptions		50
<b>Total deferred corporate income tax</b>	<b>(1 101)</b>	<b>2 015</b>

**Note 33**

<b>NET PROFIT PRE SHARE</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Net profit	49 389	13 950
Annualised net profit	58 815	27 706
Quantity of shares – January – March 2007	12 923 985	
Quantity of shares – April 2007	13 004 006	

Quantity of shares – May – June 2007	13 270 200	
Number of shares - weight average	13 052 727	6 635 100
<b>Net profit per share</b>	<b>4,51</b>	<b>4,18</b>
<b>Diluted net profit per share</b>	<b>4,51</b>	<b>4,18</b>

**Note 34**

**DIVIDEND**

**Note 35**

<b>THE STRUCTURE OF CASH IN THE STATEMENT OF CASH FLOW</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
Cash in the cash desk		
- opening balance	2 509	1 342
- closing balance	3 716	1 408
Cash at bank		
- opening balance	444	450
- closing balance	29 052	4 345
Other cash		
- opening balance	9 700	5 153
- closing balance	21 615	4 725
<b>Total cash</b>		
<b>- opening balance</b>	<b>12 653</b>	<b>6 945</b>
<b>- closing balance</b>	<b>54 383</b>	<b>10 478</b>

**Note 36**

<b>CHANGES IN CASH FLOW POSITIONS</b>	<b>6 months ended 30 June 2007</b>	<b>6 months ended 30 June 2006</b>
<b>Receivables – changes in balance sheet</b>	(284 546,00)	(24)
- receivables – acquisition of entities	244 084,00	
- investment receivables correct	27 761,00	(24)
- Rother	6 862,00	
<b>Receivables – changes in cash flow</b>	<b>(5 839,00)</b>	
<b>Short-term payables – changes in balance sheet</b>	345 235,00	272
- payables – acquisition of entities	(311 650,00)	
- investment payables correct	(4 412,00)	272
- financial payables correct	(18 586,00)	
- other	3 673,00	
<b>Short-term payables – changes in cash flow</b>	<b>14 260,00</b>	

**Note 37**

**Classification of Company's activities by: operating, investing, financing in the cash flow statement:**

---

**I. Cash flow from operating activities includes:**

- 1) Inflow from sales of merchandise, finished products and services
- 2) Inflow included in "other operating revenue" excluding revenue from the sale of fixed assets, which are disclosed in cash flow from investing activities.
- 3) Any expenses regarding costs of basic activity, such as: cost of merchandise sold, cost of finished products sold, selling costs, general overhead costs.
- 4) Expenses regarding costs included in "other operating expenses" excluding cost of fixed assets sold and cost of unplanned depreciation

---

**II. Cash flow from investing activities includes:**

- 1) Inflow from sales of:
  - fixed assets
  - shares and other financial fixed assets
  - short-term securities
- 2) Expenses regarding the purchase of:
  - fixed assets
  - shares and other financial fixed assets
  - short-term securities
- 3) Inflow from payment of short and long term loans granted by the Company to other entities as well as payment of interest on those loans
- 4) Expenses regarding the granting of long term loans to other entities
- 5) Inflow of dividends received
- 6) Interest received on bank deposits

---

**III. Cash flow from financing activities includes:**

- 1) Inflow of short and long term credits and loans received
- 2) Expenses regarding:
  - service of loans and credits received
  - payment of loans and credits
  - payment of interest on loans and credits received
- 3) Inflow from own shares issue
- 4) Expenses regarding costs of own shares issues
- 5) Expenses regarding payment of dividends and other payments to owners
- 6) Any inflow regarding "other financial revenue" except for interest on loans granted, interest on bank deposits and profit from sale of securities held for resale, which are disclosed in investing activities.
- 7) Any expenses regarding "other financial expenses" except for the loss on the sale of securities held for resale, which are disclosed in investing activities

## 7. Selected financial data by segments

In Emperia Group following segments can be separated:

- 1 Wholesale - BOS S.A., DLS S.A., Sygel-Jool Sp. z o.o., Expres Podlaski Sp. z o.o., DEF Sp. z o.o., Arsenal Sp. z o.o., Eldorado Sp. z o.o.
- 2 Retail - Stokrotka Sp. z o.o. Berti Sp. z o.o., Jaskółka Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Rexpol Sp. z o.o., Milea Sp. z o.o. (Infoza Sp. z o.o. before)
- 3 Other – IT services, developer services, franchise services

At 30 June 2007	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	1 939 325	475 119	18 201	250 733	2 181 912
Sale (external customers)	1 701 891	472 555	7 466		2 181 912
Sale (internal customers)	237 434	2 564	10 735	250 733	0
Costs	(1 896 929)	(470 675)	(13 619)	(250 635)	(2 130 588)
Costs (external customers)	(1 659 558)	(468 132)	(2 898)		(2 130 588)
Costs (internal customers)	(237 371)	(2 543)	(10 721)	(250 635)	0
Result on other operating activity	941	13 949	54		14 944
Result on financial activity	(3 053)	(1 133)	(657)		(4 843)
Gross profit	40 221	17 239	3 965		61 425
Income tax	(7 722)	(3 788)	(526)		(12 036)
Net profit	32 499	13 451	3 439		49 389

At 30 June 2007	Wholesale	Retail	Other	Consolidation exemptions	Total
Assets	836 532	193 793	64 724	147 816	1 242 865
Equity&liabilities	1 120 441	107 954	14 470		1 242 865
At 30 June 2007	Wholesale	Retail	Other	Consolidation exemptions	Total
Capital expenditures	18 307	27 132	2 167		47 606
Depreciation	10 653	6 614	1 200		18 467

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

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



Lublin, September 2007

**Management board of the company**

2007-09-28	Artur Kawa	President of the management board	..... signature
2007-09-28	Jarosław Wawerski	Vice - President of the management board	..... signature
2007-09-28	Dariusz Kalinowski	Member of the management board – Financial Director	..... signature
2007-09-28	Jacek Dudzik	Member of the management board – IT Director	..... signature
2007-09-28	Renata Bronisz-Czyż	Member of the management board – Human Resources Director	..... signature
2007-09-28	Jarosław Rudnicki	Member of the management board – Purchase Director	..... signature
2007-09-28	Lesław Syguła	Member of the management board – Restructuring Director	..... signature
2007-09-28	Piotr Laskowski	Member of the management board – Distribution Director	..... signature
2007-09-28	Marek Wesołowski	Member of the management board – Retail Activity Director	..... signature
2007-09-28	Grzegorz Wawerski	Member of the management board – Retail Development Director	..... signature

Signature person responsible for keeping accounting records:

2007-09-28	Elżbieta Świniarska	Economic Director	..... signature
------------	---------------------	-------------------	--------------------