

BORYSZEW GROUP

Consolidated balance sheet

	30.06.2010	31.12.2009	30.06.2009
ASSETS			
Fixed assets			
Tangible fixed assets	785 217	815 409	876 501
Investment real properties	111 758	112 827	75 061
Goodwill	23 464	23 464	23 464
Other intangibles	49 355	56 704	60 311
Stakes and shares in sub-ordinated entities	16 778	24 034	26 216
Financial assets available to sale	126	529	628
Financial assets maintained to due date	0	10 600	10 600
Other financial instruments	0	0	3
Deferred tax assets	47 453	46 191	32 763
Commercial receivables and others	3 013	810	1 098
Other assets	0	21	338
Total fixed assets	1 037 164	1 090 589	1 106 983
Current assets			
Inventories	319 871	341 127	325 440
Receivables	566 583	441 462	455 712
Short-term financial assets available to sale	291	362	3 043
Short-term financial assets maintained to due date	0	5 946	3 926
Other financial instruments	8 164	10 711	8 299
Current tax assets	836	1 710	2 899
Other assets	8 969	2 891	57 439
Cash and cash equivalents	60 452	51 476	55 938
Total current assets	965 166	855 685	912 696
Fixed assets for sale	93 065	97 472	100 194
TOTAL ASSETS	2 095 395	2 043 746	2 119 873

LIABILITIES

Equity

Share capital	46 748	15 404	15 404
Capital from share issue above its nominal value	24 435	24 435	24 435
Reserve capital – hedges accounting	306	2 811	930
Reserve capital - from revaluation of assets available to sell	502	560	374
F/X gains/losses from the valuation of subordinated entities	6 992	5 293	2 195
Retained profits, including:	385 302	369 425	381 448
current profit/loss	29 469	39 745	21 014

Total equity **464 285** **417 928** **424 786**

Equity belonging to the minority shareholders **501 504** **477 746** **396 169**

Total equity **965 789** **895 674** **820 955**

Long-term liabilities

Long-term bank loans and credits	78 313	113 701	115 632
Other financial instruments	0	0	535
Provision for deferred tax	64 987	61 864	51 172
Provisions on employees services	5 661	5 934	7 802
Other provisions	6 612	7 578	7 455
Other liabilities	34 532	36 040	13 225
Commercial liabilities and others	190 105	225 117	195 821

Total long-term liabilities

Short-term liabilities

Short-term bank loans and credits	505 907	534 152	557 509
Short-term liabilities on debt securities issue	0	0	70 210
Commercial liabilities and others	322 158	280 577	243 362
Other short-term financial instruments	7 537	8 607	9 270
Current tax liabilities	603	0	19
Provisions on employees services	5 391	5 043	5 136
Short-term provisions	8 431	10 381	45 267
Deferred income	33 842	37 693	41 384

Total short-term liabilities **883 869** **876 453** **972 157**

Liabilities connectd. directly with assets for sale **55 632** **46 502** **130 940**

Short-term and long-term liabilities **1 129 606** **1 148 072** **1 298 918**

TOTAL LIABILITIES **2 095 395** **2 043 746** **2 119 873**

Consolidated profit and loss account

	01.01.2010- 30.06.2010	01.04.2010- 30.06.2010	01.01.2009- 30.06.2009	01.04.2009- 30.06.2009
	not audited		not audited	
Continued activity				
Sales of products	1 117 711	581 535	859 146	438 314
Sales of goods and materials	272 826	137 235	185 802	86 463
Total sales	1 390 537	718 770	1 044 948	524 777
				0
Cost of manufacturing of product sold	1 025 020	530 293	779 734	397 028
Value of goods and materials sold	230 937	114 074	169 541	79 133
Cost of products, goods and materials sold	1 255 957	644 367	949 275	476 161
Gross profit (loss) on sales	134 580	74 403	95 673	48 616
Selling and distribution costs	22 535	13 300	20 446	10 991
General and administration costs	63 745	31 924	68 471	33 476
Other operating income	43 953	26 764	65 621	42 445
Other operating costs	19 152	9 845	13 590	8 997
Net profit (loss) from sale of stakes in consolidated entities	2 513	0	0	0
Operating profit (loss)	75 614	46 098	58 787	37 597
Financial income	13 110	5 530	32 982	12 128
Financial costs	27 608	13 119	57 812	20 284
Financial activity result	-14 498	-7 589	-24 830	-8 156
Pre-taxed profit (loss)	61 116	38 509	33 957	29 441
Income tax	8 893	5 814	7 605	5 561
Nett profit (loss) from continued activity	52 223	32 695	26 352	23 880
Abandoned activity				
Gross profit/loss from abandoned activity	-7 519	-3 159	-9 491	-1 787
Income tax	203	147	185	171
Nett profit/loss from abandoned activity	-7 722	-3 306	-9 676	-1 958
NET PROFIT/LOSS	44 501	29 389	16 676	21 922
Net profit/loss, including:	44 501	29 389	16 676	21 922
Owners of dominant entity	29 469	21 058	21 014	23 555
Minority shareholders	15 032	8 331	-4 338	-1 633

CONSOLIDATED STATEMENT OF TOTAL INCOMES

	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010	01.01.2009 - 30.06.2009	01.04.2009 -30.06.2009
Consolidated nett profit/loss	44 501	29 389	16 676	21 922
Other income transferred to capital, total				
Rates differences on foreign activity	3 683	5 836	6 093	1 844
Financial assets available to sale	-72	-91	63	98
Security of cash flow	-5 796	-7 377	12 142	4 150
Income tax from items of other incomes, total (-)	1 115	1 419	-2 319	-1 518
Total income after taxation	-1 070	-213	15 979	4 574
Total income	43 431	29 176	32 655	26 496
Other income of dominant entity	28 917	20 934	31 016	26 445
Other income of minority shareholders	14 514	8 242	1 639	51
Net profit/loss (in PLN th.)	29 469	21 058	21 014	23 555
Total income	43 431	29 176	32 655	26 496
Numbers of stakes/shares (pcs)	376 119 282	376 119 282	62 686 547	62 686 547
Diluted profit/loss for 1 share (PLN)	0.08	0.06	0.34	0.38
Total income for 1 share (PLN)	0.12	0.08	0.52	0.42

CONSOLIDATED STATEMENT OF CHANGES IN OWN CAPITAL

	Share capital	Share issue surplus over their nominal value	Hedges accounting	Capital from revaluation	Rates differences from foreign activity	Retained profits	Capital of dominant entity	Capital of minority shareholders	Total
As of 1.01. 2010	15 404	24 435	2 811	560	5 293	369 425	417 928	477 746	895 674
Validation of valuation of hedging instruments			-2 396				-2 396	-2 299	-4 695
Change of fair value of assets available to sale				-58			-58		-58
Rates differences					1 902		1 902	1 781	3 683
Profit / loss for 2 Q 2010						29 469	29 469	15 032	44 501
Total profit for 2 Q 2010	0	0	-2 396	-58	1 902	29 469	28 917	14 514	43 431
Shares issue	31 344						31 344		31 344
Shares disposal in IPX Group not resulting in lost of control			-109		-203	-6 014	-6 326	16 388	10 062
payment of dividends							0	-51	-51
buy-back of own shares by Impexmetal						-7 578	-7 578	-7 093	-14 671
As of 30.06. 2010	46 748	24 435	306	502	6 992	385 302	464 285	501 504	965 789

	Share capital	Share issue surplus over their nominal value	Hedges accounting	Capital from revaluation	Rates differences from foreign activity	Retained profits	Capital of dominant entity	Capital of minority shareholders	Total
As of 1.01. 2009	15 404	24 435	-5 252	323	-1 574	360 434	393 770	391 997	785 767
									0
Validation of valuation of hedging instruments			8 063				8 063	6 273	14 336
Change of fair value of assets available to sale				237			237		237
Rates differences					6 867		6 867	-5 945	922
Profit / loss for 2009						39 745	39 745	11 953	51 698
Total profit for 2009	0	0	8 063	237	6 867	39 745	54 912	12 281	67 193
Payment of dividends							0	-199	-199
Shares disposal in IPX Group not resulting in lost of control						-30 754	-30 754	77 245	46 491
Disposal of ZTiF							0	0	0
As of 31.12. 2009	15 404	24 435	2 811	560	5 293	369 425	417 928	477 746	895 674

	Share capital	Share issue surplus over their nominal value	Hedges accounting	Capital from revaluation	Rates differences from foreign activity	Retained profits	Capital of dominant entity	Capital of minority shareholders	Total
As of 1.01. 2009	15 404	24 435	-5 252	323	-1 574	360 434	393 770	391 997	785 767
Validation of valuation of hedging instruments			6 182				6 182	3 653	9 835
Change of fair value of assets available to sale				51			51		51
Rates differences					3 769		3 769	2 324	6 093
Profit / loss for 2 Q 2009						21 014	21 014	-4 338	16 676
Total profit for 2 Q 2009	0	0	6 182	51	3 769	21 014	31 016	1 639	32 655
Change of minority's stakes structure in IPX							0	2 566	2 566
Payment of dividends							0	-33	-33
As of 30.06. 2009	15 404	24 435	930	374	2 195	381 448	424 786	396 169	820 955

Consolidated cash flow statement

	01.01.2010 – 30.06.2010	01.01.2009 – 31.12.2009	01.01.2009 – 30.06.2009
Cash flow from operating activity			
Profit (loss) before tax	53 597	58 901	24 466
Adjustments:			0
Share in result of entities valuated in owners rights method			0
Depreciation	37 975	76 086	38 647
F/X gains/losses	644	1 981	4 075
Interests costs from financial liabilities accounted and paid	16 674	44 659	24 680
Interest and dividends connected with investing activity	-1 154	559	0
Profit/ loss from investing activities	-9 649	40 260	-34 010
Profit/loss before change of acting capital	98 087	222 446	57 858
Change in working capital:			
Movements in receivables	-127 324	53 286	64 458
Movements in inventories	21 256	17 883	34 235
Movements in liabilities	43 178	40 722	-17 670
Movements in provisions and between-periods settlements	-15 028	-91 900	-54 824
Abandoned activity	0	0	0
Other items	10 671	16 818	1 275
Cash flow from operating activity	30 840	259 255	85 332
Paid/returned income tax	-6 062	4 242	-709
Net cash flow from operating activity	24 778	263 497	84 623
Cash flow from investing activity			
Inflow from disposal of tangible fixed and intangible assets	24 021	46 989	31 576
Inflow from disposal of financial assets	18 500	68 966	6 397
Granted dividends and shares in profit	1 154	611	600
Inflow from paid loans	5 650	20 350	0
Other investment inflows	14 931	3 047	0
Cash flow from investing activities	64 256	139 963	38 573
Purchase of tangible fixed and intangible assets	13 106	33 386	9 744
Purchase of financial assets	4 579	14 569	-10 859
Loans granted	1 017	447	0
Other investment expenses	35	84	0
Investment activity expenses	18 737	48 486	-1 115
Net cash from investment activity	45 519	91 477	39 688
Cash flow from financial activities			
Net inflow from shares issue and other financial instruments	31 344	50	0
Inflows from credits and loans	0	131 741	99 470
Issue of debts securities	0	0	0
Other financial inflows	8 505	0	3 700
Cash inflow from financial activities	39 849	131 791	103 170

Purchase of own shares	14 671	0	0
Dividends paid	51	201	33
Repayment of loans and credits	63 633	343 572	205 605
Buy-back of debts securities	0	81 760	24 680
Paid interest from financial liabilities	16 674	44 659	11 550
Payments on financial leasing	1 691	3 757	1 742
Other financial expenses	5 529	29 058	0
Expenses on financial activity	102 249	503 007	243 610
Net cash from financial activity	-62 400	-371 216	-140 440
Total net cash flow	7 897	-16 242	-16 129
Cash and cash equivalents at the beginning of the period	51 476	69 407	69 407
Change of F/X gains/losses to cash and cash equivalents	1 079	-1 517	2 875
Cash and cash equivalents at the end of the period	60 452	51 698	56 153
Cash from abandoned activity		-222	-215
Cash and cash equivalents at the end of the period	60 452	51 476	55 938

BORYSZEW S.A.

BALANCE SHEET

	<u>30.06.2010</u>	<u>31.12.2009</u>	<u>30.06.2009</u>
ASSETS			
Fixed assets			
Tangible fixed assets	15 164	15 640	17 687
Investment real properties	103 737	104 806	105 373
Intangibles	112	130	152
Shares and stakes in subordinated entities	341 558	362 983	402 034
Financial assets available for sale	3	3	3
Deferred tax assets	23 730	22 684	14 712
Commercial receivables and other	91	64	64
Total fixed assets	484 395	506 310	540 025
Current assets			
Inventories	3 311	8 552	10 055
Receivables	31 376	19 885	24 184
Short-term financial assets available for sale	291	362	349
Current tax assets	1 803	117	509
Other assets	3 805	1 758	3 014
Cash and cash equivalents	3 311	8 552	10 055
Total current assets	40 586	30 674	38 111
Fixed assets for sale	685	1 544	942
Total assets	525 666	538 528	579 078

LIABILITIES

Equity

Share capital	46 748	15 404	15 404
Capital from share issue above its nominal value	22 346	22 346	22 346
Capital from revaluation	502	560	373
Retained profits from previous years	177 173	162 551	162 550
Profit/loss from the current period	19 511	14 622	3 384

Total equity

266 280	215 483	204 057
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Long-term liabilities

Long-term bank loans and credits	55 128	74 698	34 655
Provision on employees services	502	502	615
Commercial liabilities and others	26 595	27 211	2 932

Total long-term liabilities

82 225	102 411	38 202
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Short-term liabilities

Short-term bank loans and credits	57 861	84 514	109 109
Short-term liabilities from debt securities issue	109 004	110 474	179 969
Commercial liabilities and other liabilities	9 671	23 127	13 831
Provisions on employees services	590	538	451
Other short-term provisions	0	1 981	33 180
Deferred income	35	0	279

Total short-term liabilities

177 161	220 634	336 819
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Short-term and long-term liabilities

259 386	323 045	375 021
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Total liabilities

525 666	538 528	579 078
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PROFIT AND LOSS ACCOUNT

	01.01.2010 -30.06.2010	01.04.2010- 30.06.2010	01.01.2009- 30.06.2009	01.04.2009- 30.06.2009
		not audited		not audited
Continued activity				
Sales of products	37 518	19 289	38 559	18 483
Income from of products, goods and materials sold	3 358	1 613	5 845	2 861
Total income from sale	40 876	20 902	44 404	21 344
Selling and distribution costs	26 460	13 563	28 273	13 348
Value of products and materials sold	3 411	1 466	5 072	2 132
Cost of products, goods and materials sold	29 871	15 029	33 345	15 480
Gross profit/loss on sale	11 005	5 873	11 059	5 864
Costs of sale	751	396	820	252
General administration costs	12 652	5 975	13 336	7 064
Other operating income	27 524	17 978	31 535	21 356
Other operating costs	6 303	3 416	14 477	13 554
Profit/loss from operating activity	18 823	14 064	13 961	6 350
Financial income	8 904	605	2 045	458
Financial costs	9 248	4 054	15 826	9 970
Result on financial activity	-344	-3 449	-13 781	-9 512
Pre-taxed profit/loss	18 479	10 615	180	-3 162
Income tax	-1 032	-162	-3 280	-3 781
Nett profit/loss from continued activity	19 511	10 777	3 460	619
Nett profit/loss from abandoned activity	0	0	-76	0
Net profit/loss	19 511	10 777	3 384	619

STATEMENT OF TOTAL INCOMES

	01.01.2010 - 30.06.2010	01.04.2010- 30.06.2010	01.01.2009 - 30.06.2009	01.04.2009 - 30.06.2009
Nett profit/loss	19 511	10 777	3 384	619
Other incomes transferred to capital				
Financial assets available to sell	-72	-91	63	98
Income tax from items of Rother incomes, total (-)	14	18	-13	-20
Total after taxed other incomes	-58	-73	50	78
Total incomes	19 453	10 704	3 434	697
Weighted average pieces of shares	376 119 282	376 119 282	62 686 547	62 686 548
Total incomes per 1 share	0,05	0,03	0,05	0,01

STATEMENT OF CHANGES IN OWN CAPITAL

	Share capital	Share issue surplus over their nominal value	Capital from revaluation	Retained profits	Total
As of 1.01.2010	15 404	22 346	1 729	259 841	299 320
Valuation of assets available to sell			-1 287		-1 287
I H 2010 result				-14 840	-14 840
Total incomes as of I H 2010	0	0	-1 287	-14 840	-16 127
shares issue	31 344				31 344
As of 30.06.2010	15 404	22 346	442	245 001	283 193

	Share capital	Share issue surplus over their nominal value	Capital from revaluation	Retained profits	Total
As of 1.01. 2009	15 404	22 346	323	162 550	200 623
Valuation of assets available to sell			50		50
I H 2009 result				3 384	3 384
Total incomes as of I H 2009			50	3 384	3 434
As of 30.06.2009	15 404	22 346	373	165 934	204 057

	Share capital	Share issue surplus over their nominal value	Capital from revaluation	Retained profits	Total
As of 1.01. 2009	15 404	22 346	323	162 551	200 624
Valuation of assets available to sell			237		237
2009 profit/loss				14 622	14 622
Total incomes as of 2009	0	0	237	14 622	14 622
As of 31.12.2009	15 404	22 346	560	177 173	215 483

CASH FLOW STATEMENT

	01.01.2010- 30.06.2010	01.01.2009- 31.12.2010	01.01.2009- 30.06.2009
Cash flow from operating activities			
Profit/loss before tax	18 479	3 326	104
Depreciation	1 187	2 500	1 615
Not realized F/X gains(losses) connctd with investment and financial activities	49	28	0
Interest from financial liabilities accounted and paid	8 519	19 892	2 680
Interest and dividends connected with investment activity	-9 440	-6 434	7 657
Profit (loss) from investing activity	-14 660	-12 212	-1 083
Profit (loss) before change of working capital	4 134	7 100	10 973
Change in working capital:			
Movements in receivables	-26 119	41 885	20 507
Movements in inventories	5 309	12 902	11 401
Movements in liabilities	1 234	13 162	-13 976
Movements in provisions	-3 580	-32 884	-1 773
Movements in other assets and liabilities	0	0	-13 429
Movements in assets available for sale	594	-16 561	-65
Cash flow from operating activities	-18 428	25 604	13 638
Paid interests			
Paid/returned income tax	-2 238	3 374	694
Net cash flow from operating activities	-20 666	28 978	14 332
Cash flow from investing activities			
Inflow from disposal of fixed and intangible assets	7 459	21 728	16 732
Receipts from disposal of financial assets	29 500	52 267	8 419
Granted dividends and shares in profits	9 354	6 434	0
Inflow from investing activity	46 313	80 429	25 151
Purchase of tangible and intangible assets	999	2 810	2 104
Purchase of financial assets	0	10 428	
Investing activity expenses	999	13 238	2 104
Nett cash from investing activity	45 314	67 191	23 047
Cash flow from financial activity			
Issue of shares issue			
Inflow from credits and loans	0	24 018	3 372
Issue of debts securities	0		0
Inflow from financial activity	31 344	24 018	3 372
Repayment of credits and loans	46 223	21 999	23 553
Paid interests from financial liabilities	1 470	80 955	7 441
Pay-back of debts securities	6 281	19 891	11 200
Other financial liabilities	-79	32	19
Financial lease payments	0	0	0
Financial acitivity expenditures	53 895	122 877	42 213
Net cash flow from financial activity	-22 551	-98 859	-38 841
Total net cash flow	2 097	-2 690	-1 462

Cash and cash equivalents at the beginning of the period	1 757	4 476	4 476
Change of F/X gains/losses to cash	-49	-28	0
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Cash and cash equivalents at the end of the period	3 805	1 758	3 014
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