

BORYSZEW GROUP

PLN thousand

Consolidated profit and loss account	1.01-30.09. 2010	1.07-30.09. 2010	1.01-30.09. 2009	1.07-30.09. 2009
Continued activity				
Sales of products	1 824 018	706 307	1 355 024	495 878
Sales of goods and materials	397 501	124 675	271 098	85 296
Total sales	2 221 519	830 982	1 626 122	581 174
Cost of manufacturing of product sold	1 652 418	627 398	1 234 512	454 778
Value of goods and materials sold	340 349	109 412	251 070	81 529
Cost of products, goods and materials sold	1 992 767	736 810	1 485 582	536 307
Gross profit (loss) on sales	228 752	94 172	140 540	44 867
Selling and distribution costs	38 209	15 674	31 288	10 842
General and administration costs	96 558	32 813	95 982	27 511
Other operating income	71 103	27 150	113 043	47 422
Other operating costs	25 011	5 859	37 836	24 246
Profit (loss) from sale of stakes in consolidated entities	1 305	-1 208	0	0
Operating profit (loss)	141 382	65 768	88 477	29 690
Financial income	15 533	2 423	38 963	26 011
Financial costs	38 373	10 765	71 100	33 318
Result on financial activity	-22 840	-8 342	-32 137	-7 307
Pre-taxed profit/loss	118 542	57 426	56 340	22 383
Income tax	21 547	12 654	8 872	1 231
Profit (loss) from continued activity	96 995	44 772	47 468	21 152
Abandoned activity				
Gross (loss) profit from abandoned activity	-8 348	-829	-10 199	-708
Income tax	-246	-449	675	526
Net profit/loss from abandoned activity	-8 102	-380	-10 874	-1 234
Net profit (loss)	88 893	44 392	36 594	19 918
Net profit(loss), including:	88 893	44 392	36 594	19 918
belonging to: dominant entity	61 019	31 550	31 799	10 785
minority shareholders	27 874	12 842	4 795	9 133
Other income in capitals				
Rates differences from abroad activity	1 039	-2 644	1 324	-4 769
Financial assets available to sell	138	210	404	341
Hedging accounting	-3 133	2 663	13 528	1 386
Income tax from elements of remaining income, total (+/-)	569	-546	-2 647	-328
Remaining income after taxation	-1 387	-317	12 609	-3 370
Total income, including	87 506	44 075	49 203	16 548
<i>owners of dominant entity</i>	60 445	31 528	39 184	8 168
<i>minority shareholders</i>	27 061	12 547	10 019	8 380

Way of fixing profit for share

Net profit/loss for dominant shareholders	61 019	31 550	31 799	10 785
Total income for dominant shareholders	60 445	31 528	39 184	8 168
Number of shares	376 119 282	376 119 282	62 686 547	62 686 547
Diluted profit/loss for 1 share for dominant shareholders	0.16	0.08	0.51	0.17
Total income for 1 share	0.16	0.08	0.51	0.17

1.01-30.09. 2010	1.07-30.09. 2010	1.01-30.09. 2009	1.07-30.09. 2009
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Abandoned activity

Sales of products	7 235	1 285	59 369	28 587
Sales of goods and materials	903	143	1 951	-1 474

Total sales	8 138	1 428	61 320	27 113
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Cost of manufacturing of product sold	6 395	1 173	47 631	22 165
Value of goods and materials sold	755	111	1 899	-1 096

Cost of products, goods and materials sold	7 150	1 284	49 530	21 069
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Gross profit (loss) on sales	988	144	11 790	6 044
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Selling and distribution costs	492	0	3 984	1 700
General and administration costs	913	0	4 394	1 315
Other operating income	14 522	5 666	4 509	722
Other operating costs	17 119	4 937	13 117	4 169

Operating profit (loss)	-3 014	873	-5 196	-418
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Financial income	566	396	3 976	3 168
Financial costs	5 900	2 098	8 979	3 458

Result on financial activity	-5 334	-1 702	-5 003	-290
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Pre-taxed profit/loss	-8 348	-829	-10 199	-708
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Income tax	56	14	56	56
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Profit (loss) from abandoned activity, including Matizol S.A.	-246	-449	675	526
	-8 102	-380	-10 874	-1 234

<i>HMN Szopienice</i>	-3 251	58	-2 367	773
<i>ZTiF Złoty Stok</i>	-4 851	-438	-8 507	-1 971

Consolidated balance sheet

39.09.2010 31.12.2009

ASSETS

Fixed assets

Tangible fixed assets	841 421	815 409
Investment real properties	110 439	112 827
Goodwill	23 464	23 464
Intangibles assets	47 273	56 704
Stakes and shares in affiliates and subsidiaries	16 791	24 034
Financial assets available to sale	128	529
Financial assets maintained to due date	0	10 600
Deferred tax assets	19 882	46 191
Commercial receivables and other	370	810
Other assets	0	21

Total fixed assets

1 059 768 1 090 589

Current assets

Inventories	347 136	341 127
Receivables	621 426	441 462
Short-term financial assets available to sale	500	362
Financial assets maintained to due date	0	5 946
Other financial instruments	8 916	10 711
Current tax assets	427	1 710
Other assets	8 505	2 891
Cash and cash equivalents	54 218	51 476

Total current assets

1 041 128 855 685

Fixed assets for sale

88 394 97 472

Total assets

2 189 290 2 043 746

LIABILITIES

Equity

Share capital	46 748	15 404
Capital from share issue above its nominal value	24 435	24 435
Reserve capital- accounting of security	1 298	2 811
Revaluation reserve capital	672	560
F/X gains/losses from the valuation of subordinated entities	5 167	5 293
Retained profits, including	411 013	369 425
<i>Current profit</i>	<i>61 019</i>	<i>39 745</i>
Total	489 333	417 928

Equity belonging to the minority shareholders

540 700 **477 746**

Total equity

1 030 033 **895 674**

Long-term liabilities

Long-term bank loans and credits	139 857	113 701
Provision for deferred tax	44 675	61 864
Provision for fringe benefits	6 034	5 934
Other long-term provisions	6 620	7 578
Commercial liabilities and other liabilities	37 077	36 040

Total long-term liabilities

234 263 **225 117**

Short-term liabilities

Short-term bank loans and credits	488 784	534 152
Commercial liabilities and other	343 312	280 577
Other financial instruments	4 528	8 607
Current tax liabilities	1 005	0
Provisions for fringe benefits	4 281	5 043
Other short-term provisions	6 730	10 381
Deferred income	32 133	37 693

Total short-term liabilities

880 773 **876 453**

Liabilities connected directly with assets for sale

44 221 46 502

Short-term and long-term liabilities

1 159 257 **1 148 072**

Total liabilities

2 189 290 **2 043 746**

Consolidated cash flow statement

	01.01-30.09. 2010	01.01-30.09. 2009
Cash flow from operating activity		
Profit (loss) before tax	110 194	46 141
Adjustments:		
Depreciation	57 634	58 844
F/X gains/losses	-1 413	-92
Interests costs from financial liabilities accounted and paid	28 430	35 886
Interests and dividends connected with investing activity	-1 034	-600
Profit (loss) from investing activities	-18 606	-21 222
Profit (loss) before change of acting capital	175 205	118 957
Change in working capital:		
Movements in receivables	-179 524	63 062
Movements in inventories	-6 009	35 430
Movements in liabilities	70 536	23 403
Movements in provisions and between-periods settlements	-17 308	-65 062
Abandoned activity	0	350
Other items	-21 914	504
Cash flow from operating activity	20 986	176 644
Paid income tax	-7 360	4 785
Net cash flow from operating activity	13 626	181 429
Cash flow from investing activity		
Inflow from disposal of tangible fixed and intangible assets	31 852	43 470
Inflow from disposal of financial assets	83 305	16 454
Granted dividends and share in profits	1 034	612
Inflow on paid loans	0	1 440
Other investment inflows	497	15 694
Inflow from investing activities	116 688	77 670
Purchase of tangible fixed assets	70 361	32 862
Purchase of financial assets	0	4 153
Other investment expenses	3 997	184
Investment activity expenses	74 358	37 199
Net cash from investment activity	42 330	40 471
Cash flow from financial activity		
Inflows from credits and loans	31 344	0
Issue of debts securities	191 762	38 922
Other financial inflows	0	66 071
Cash inflow from financial activity	223 106	104 993

Own shares purchase	33 053	0
Paid dividends		
Repayment of loans and credits	95	200
Buy-back of debt securities	210 974	256 890
Paid interests from credits, loans, bonds	0	35 886
Payment on financial leasing	26 942	12 455
Other financial expenses	775	28 188
Expenses on financial activity	275 424	336 686
Net cash from financial activity	-52 318	-231 693
Total net cash flow	3 638	-9 793
Cash and cash equivalents at the beginning of the period	51 401	69 407
Change of F/X gains/losses to cash and cash equivalents	-213	779
Cash and cash equivalents at the end of the period	54 826	60 393
Cash from abandoned activity	-608	-2 268
Cash and cash equivalents at the end of the period	54 218	58 125

CONSOLIDATED STATEMENT OF CHANGES IN OWN CAPITAL

	Share capital*	Shares surplus over their nominal value	Hedging accounting	Revaluation capital	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
Revaluation of hedging instruments			-1 179				-1 179	-1 359	-2 538
Change of fair value of assets available to sell				112			112		112
Rates differences					493		493	546	1 039
3Q2010 profit/loss						61 019	61 019	27 874	88 893
3Q2010 total incomes	0	0	-1 179	112	493	61 019	60 445	27 061	87 506
Disposal of shares in Impexmetal Group with no loss of control			-334		-619	-19 431	-20 384	35 893	15 509
Shares issue	31 344						31 344		31 344
As of 30.09 2010	46 748	24 435	1 298	672	5 167	411 013	489 333	540 700	1 030 033

	Share capital	Shares surplus over their nominal value	Hedging accounting	Revaluation capital	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	-5 252	323	-1 574	360 434	393 770	391 997	785 767
Revaluation of hedging instruments			8 063				8 063	6 273	14 336
Change of fair value of assets available to sell				237			237		237
Rates differences					6 867		6 867	-5 945	922
2009 profit/loss						39 745	39 745	11 953	51 698
2009 total incomes	0	0	8 063	237	6 867	39 745	54 912	12 281	67 193
Dividend payment							0	-199	-199
Disposal of shares in Impexmetal Group with no loss of control						-30 754	-30 754	77 245	46 491
Change of stake							0	-3 578	-3 578
As of 31.12 2009	15 404	24 435	2 811	560	5 293	369 425	417 928	477 746	895 674

	Share capital	Shares surplus over their nominal value	Hedging accounting	Revaluation capital	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
Revaluation of hedging instruments			6 239				6 239	4 719	10 958
Change of fair value of assets available to sell				327			327		327
Rates differences					819		819	505	1 324
3Q 2009 profit/loss						31 799	31 799	4 795	36 594
3Q2009 total incomes	0	0	6 239	327	819	31 799	39 184	10 019	49 203
Change of states						13 603	13 603	-5 623	7 980
As of 30.09. 2009	15 404	24 435	987	650	-755	405 836	446 557	396 393	842 950

Profit and loss account	01.01-30.09. 2010	01.07-30.09. 2009	01.01-30.09. 2009	01.07-30.09. 2009
Continued activity				
Sales of products	122 514	84 996	57 186	18 627
Income from of products, goods and materials sold	5 003	1 645	7 014	1 169
Total income from sale	127 517	86 641	64 200	19 796
Selling and distribution costs	93 656	67 196	43 277	15 004
Value of products and materials sold	4 572	1 161	6 096	1 024
Cost of products, goods and materials sold	98 228	68 357	49 373	16 028
Gross profit (loss) on sale	29 289	18 284	14 827	3 768
Costs of sale	2 813	2 062	1 134	314
General administration costs	20 795	8 143	18 524	5 188
Other operating income	73 990	46 466	40 405	8 870
Other operating costs	4 238	-2 065	22 645	8 168
Profit (loss) from operating activity	75 433	56 610	12 929	-1 032
Financial income	1 608	-7 296	2 623	578
Financial expenses	14 391	5 143	16 483	657
Financial activity result	-12 783	-12 439	-13 860	-79
Pre-taxed profit (loss)	62 650	44 171	-931	-1 111
Income tax	5 751	6 783	-5 038	-1 758
Nett profit (loss) from continued activity	56 899	37 388	4 107	647
Abandoned activity				
Gross profit (loss) from abandoned activity	0	0	-76	0
Income tax	0	0	0	0
Nett profit (loss) from abandoned activity	0	0	-76	0
Nett profit (loss)	56 899	37 388	4 031	647
Other income in capitals				
Financial assets available to sell	138	210	404	341
Income tax from elements of remaining income, total (+/-)	-26	-40	-77	-64
Remaining income after taxation	112	170	327	277
Total income	57 011	37 558	4 358	924
Net profit/loss	56 899	37 388	4 031	647
Total income	57 011	37 558	4 358	924
Number of shares	376 119 282	376 119 282	62 686 547	62 686 548
Profit/loss for 1 share	0.15	0.1	0.06	0.01
Total income for 1 share	0.15	0.1	0.06	0.01

Balance sheet

	30.09.2010	31.12.2009
ASSETS		
Fixed assets		
Tangible fixed assets	81 047	15 640
Investment real properties	102 418	104 806
Intangibles	224	130
Shares and stakes in subordinated entities	321 339	362 983
Financial assets available for sale	3	3
Deferred tax assets	17 797	22 684
Commercial receivables and other receivables	80	64
	522 908	506 310
Current assets		
Inventories	37 094	8 552
Receivables	110 761	19 885
Short-term financial assets available for sale	500	362
Other assets	1 319	117
Cash and cash equivalents	8 391	1 758
	158 065	30 674
Assets for sale	495	1 544
	681 468	538 528
LIABILITIES		
Equity		
Share capital	46 748	15 404
Capital from share issue above its nominal value	22 346	22 346
Revaluation reserve capital	672	560
Retained profit (from previous years)	177 174	162 551
Profit (loss) from the current year	56 899	14 622
	303 839	215 483
Long-term liabilities		
Long-term bank loans and credits	75 647	74 698
Provision on fringe benefits	880	502
Other liabilities	29 796	27 211
	106 323	102 411
Short-term liabilities		
Short-term bank loans and credits	117 158	84 514
Liabilities from issue of debt securities	108 973	110 474
Commercial liabilities and other	44 281	23 127
Provision on fringe benefits	438	538
Other short-term provisions	0	1 981
Deffered income	456	0
	271 306	220 634
Short-term and long-term liabilities	377 629	323 045
	681 468	538 528

Cash flow statement

	Od 01.01.2010 do 30.09.2010	Od 01.01.2009 do 30.09.2009
Cash flow from operating activities		
Profit (loss) before tax	62 650	-1 007
Depreciation	2 425	2 407
Not realized F/X gains/losses connctd with investment and financial activities	6	0
Costs from interest from financial liabilities accounted and paid	14 006	15 003
Interests and dividends from investment activity	-9 440	0
Profit (loss) from investing activity	-31 568	-4 823
Profit (loss) before change of working capital	38 079	11 580
Change in working capital:		
- Movements in receivables	-90 892	25 198
- Movements in inventories	-28 542	13 563
- Movements in liabilities	23 739	-21 810
- Movements in provisions	-3 000	-1 831
- Other	-22 030	-13 698
Cash flow from operating activities	-82 646	13 002
Paid income tax	0	3 316
Net cash flow from operating activities	-82 646	16 318
Cash flow from investing activities		
Inflow from disposal of intangible and tangible fixed assets	10 036	20 937
Receipts from disposal of financial assets	66 265	15 477
Dividends and share in profits	9 426	0
Cash inflow from investing activity	85 727	36 414
Purchase of intangible and tangible fixed assets	45 617	2 193
Investment activity expenditures	45 617	2 193
Net cash from investing activity	40 110	34 221
Cash flow from financial activity		
Net inflow from shares issue and other capital instruments	31 344	0
Inflow from credits and loans	112 807	0
Inflow from financial activity	144 151	0
Repayment of credits and loans	79 469	24 551
Pay-back of debts securities	1 501	12 388
Paid interests from credits, loans, bonds	14 006	14 945
Financial lease payments	0	17
Financial activity expenditures	94 976	51 901
Net cash flow from financial activity	49 175	-51 901
Total net cash flow	6 639	-1 362
Cash and cash equivalents at the beginning of the period	1 758	4 476
Rates differences	-6	
Cash and cash equivalents at the end of the period	8 391	3 114

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	560	177 173	215 483
Change of fair value of assets available to sell			112		112
Shares issue	31 344				
3Q2010 profit/loss				56 899	56 899
Total incomes for 3Q2010	31 344	0	112	56 899	88 355
Adjustements of retained profits				1	1
As of 30.09.2010	46 748	22 346	672	234 073	303 839

	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
Change of fair value of assets available to sell			237		237
2009 profit/loss				14 622	14 622
Total incomes as of 2009	0	0	278	14 622	14 859
As of 31.12.2009	15 404	22 346	560	177 173	215 483

	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
Change of fair value of assets available to sell			327		327
3Q2009 profit/loss				4 031	4 031
Total incomes as of 3Q2009	0	0	327	4 031	4 358
As of 30.09.2009	15 404	22 346	650	166 582	204 982