

The Management Board of

IMPEL SA

releases the Consolidated Quarterly Report

for the first quarter of 2006

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I. CONDENSED QUARTERLY FINANCIAL STATEMENTS OF THE IMPEL GROUP AND IMPEL SA

CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST 2006

ASSETS	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
I. Non-current assets – items 1–11	124,497	118,336
1. Goodwill	12,291	8,280
2. Other intangible assets	9,112	6,546
3. Property, plant and equipment	71,300	71,112
4. Investment property	4,351	4,362
5. Intangible assets held as investments	10,686	13,203
6. Investments in shares	515	494
6a. Equity investments measured with the equity method	473	494
7. Loans and own claims	-	-
8. Financial assets available for sale	-	-
9. Investments held to maturity	-	-
10. Non-current receivables (10a+10b+10c)	1,545	1,592
10 a. Prepayments for non-current assets	-	-
10 b. Financed lease receivables	1,489	1,536
10 c. Other non-current receivables	56	56
11. Deferred tax asset	14,697	12,747
II. Current assets – items 1–8	234,524	232,396
1. Inventories	11,812	10,087
2. Receivables (2a+2b+2c+2d)	149,378	148,890
2a. Trade receivables	134,775	129,861
2b. Receivables from state and local budgets, including:	8,739	11,320
2b.1 Current tax receivables	2,299	2,450
2c. Financed lease receivables	1,251	1,274
2d. Other receivables	4,613	6,435
3. Loans and own claims	12	-
4. Financial assets available for sale	-	-
5. Investments held to maturity	-	-
6. Financial assets held for trading	-	-
7. Cash and cash equivalents	68,243	71,884
8. Prepayments and accrued income	5,079	1,535
III. Non-current assets classified as held for sale	207	264
Total assets – I+II+III	359,228	350,996

EQUITY AND LIABILITIES	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
1. Equity – items 1a–1j	225,644	222,345
1a. Share capital	75,192	75,192
1b. Treasury shares	-	-
1c. Reserve funds, including share premium account	105,556	105,556
1d. Revaluation capital reserve	-	-
1e. Other capital reserves	40,457	40,457
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation	(77)	(85)
1g. Other capital	982	786
1h. Retained profit/(deficit)	614	(19,925)
- Retained profit/(deficit)	614	(15,111)
- Retained profit/(deficit) after restatement in line with IFRS	-	(4,814)
1i. Current year net profit/(loss)	2,920	20,364
1j. Distributions from net profit during the year	-	-
2. Minority interests, including:	508	400
- Profit/(loss) attributable to minority interests for the year	175	667
- Distribution from net profit attributable to minority interests during the year	(71)	(466)
I. Total equity – 1+2	226,152	222,745
II. Non-current liabilities – items 1–6	3,989	4,989
1. Deferred tax liability	601	423
2. Employee benefits	564	571
3. Non-current provisions	1,226	2,265
4. Non-current bank loans and borrowings	221	227
5. Non-current financed lease liabilities	1,327	1,453
6. Other non-current liabilities	50	50
III. Current liabilities – items 1–7	118,802	111,263
1. Current bank loans and borrowings	1,942	2,231
2. Trade payables	32,089	29,569
3. Public charges, including:	37,326	37,940
3a. Current tax liabilities	385	15
4. Employee benefits	35,632	31,024
5. Current financed lease liabilities	1,560	1,140
6. Other liabilities	8,480	7,643
7. Current provisions	1,773	1,716
IV. Deferred income	10,285	11,999
V. Liabilities directly related to non-current assets classified as held for sale	-	-
Total equity and liabilities – I+II+III+IV+V	359,228	350,996

	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
Book value	225,644	222,345
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	15,00	14,79

OFF-BALANCE-SHEET ITEMS	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
1. Contingent receivables	-	-
2. Contingent liabilities, including:	31,179	30,339
1.1. To related undertakings, including:	-	-
- guarantees and sureties issued	-	-
1.2. To other undertakings, including:	31,179	30,339
- guarantees and sureties issued	31,179	30,339
3. Other, including:	5,035	3,670
- land usufruct right	43	43
- assignment of receivables with the re-assignment option	4,992	3,627
Total off-balance-sheet items	36,214	34,009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD JANUARY 1ST – MARCH 31 2006

	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
Continued and discontinued operations		
I. Revenue – items 1–2	182,349	162,130
1. Sales revenue, including:	169,426	148,647
a) revenue on sales of products	166,672	147,921
b) revenue on sales of materials and goods for resale	2,754	726
2. Subsidies	12,923	13,483
II. Operating expenses – items 1–8	(178,851)	(156,050)
1. depreciation and amortisation	(4,293)	(4,595)
2. raw materials and energy used	(20,436)	(18,784)
3. contracted services	(26,796)	(21,237)
4. salaries and wages, social security and other employee benefits	(124,483)	(110,151)
5. other cost by type	(5,024)	(4,647)
6. selling costs – materials and goods for resale	(1,849)	(725)
7. change in products	3,476	3,805
8. cost of products for own needs	554	284
A. Profit/(loss) on sales – I-II	3,498	6,080
I. Other operating income, including:	4,119	1,513
1. Gain on disposal of non-current non-financial assets	79	145
2. Revaluation of non-financial assets	2,016	1,022
II. Other operating expenses, including:	(3,784)	(2,513)
1. Loss on disposal of non-current non-financial assets	(26)	(165)
2. Revaluation of non-financial assets	(1,328)	(1,702)
3. Consolidation goodwill write-off (negative value)	(174)	-
4. Loss on disposal of intangible assets held as investments	(1,009)	-
B. Operating profit/(loss) – A+I-II	3,833	5,080
I. Financial income, including:	882	1,098
1. Dividends and other profit distributions	-	-
2. Interest	870	1,025
II. Financial expenses, including:	(580)	(766)
1. Interest	(193)	(619)
2. Revaluation of investments	-	-
C. Pre-tax profit/(loss) – B+I-II	4,135	5,412
I. Corporate income tax	(1,019)	(801)
D. Share in (profit)/loss of an undertaking valued with the equity method	(21)	-
E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D)	3,095	4,611
- attributable to shareholders of Parent Undertaking	2,920	4,384
- attributable to minority interests	175	227
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Profit (loss) of the Parent Undertaking	2,920	4,384
Net profit/(loss) on discontinued operations	-	-
Net profit/(loss) on continued operations	2,920	4,384
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Earnings/(loss) per ordinary share*	0,19	0,29
Discontinued operations	-	-
Continued operations	0,19	0,29

* The number of shares used to calculate “earnings per ordinary share” in the presented consolidated and non-consolidated financial statements was calculated without taking into account the shares acquired by the Company with a view to retiring them.

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD JANUARY 1ST – MARCH 31
2006**

	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
I. Equity at beginning of period	201,981	210,691
- changes in adopted accounting policies	-	(4,714)
I.a. Equity at beginning of period, after adjustments	201,981	205,977
1. Share capital at beginning of period	75,192	75,192
1.1. Changes in share capital	-	-
a) increase	-	-
a) decrease	-	-
1.2. Share capital at end of period	75,192	75,192
2. Balance of called-up share capital not paid at beginning of period	-	-
2.1. Balance of called-up share capital not paid at end of period	-	-
3. Treasury shares at beginning of period	-	-
a) increase	-	-
b) decrease	-	-
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	105,556	107,784
4.1. Changes in reserve funds	-	-
a) increase	-	-
a) decrease	-	-
4.2. Reserve funds at end of period	105,556	107,784
5. Revaluation capital reserve at beginning of period	-	-
a) increase	-	-
a) decrease	-	-
5.1. Revaluation capital reserve at end of period	-	-
6. Other capital reserves at beginning of period	40,457	40,457
6.1. Change in other capital reserves	-	-
a) increase	-	-
b) decrease	-	-
6.2. Other capital reserves at end of period	40,457	40,457
7. Other capital at beginning of period	786	-
7.1. Change in other capital	196	342
a) increase, including:	196	342
- valuation of bonds convertible to shares	196	342
b) decrease	-	-
7.2. Other capital at end of period	982	342
8. Currency-translation differences on subordinated undertakings	(85)	(67)
a) increase	-	-
b) decrease	8	20
8.1. Currency-translation differences on subordinated undertakings at end of period	(77)	(47)
9. Retained profit/(loss) brought forward at beginning of period	(19,925)	(17,389)
9.1. Retained profit at beginning of period	-	-
- changes in adopted accounting policies	-	-
Retained profit at beginning of period after reconciliation with comparable data	-	-
a) increase, including	614	-
- transfer	614	-
b) decrease	-	-
9.3. Retained profit at end of period	614	-
9.4. Retained loss at beginning of period	(19,925)	(17,389)
- changes in adopted accounting policies	-	(4,714)
9.5. Retained loss at beginning of period after reconciliation with comparable data	(19,925)	(22,103)
a) increase	-	-
b) decrease, including	19,925	-
- distribution of retained profit brought forward	20,364	-
- other	175	-
- transfer to retained profit	(614)	-
9.6. Retained loss at end of period	-	(22,103)
9.7. Retained profit/(loss) at end of period	614	(22,103)
10. Net profit/(loss)	2,920	4,384
a) net profit	2,920	4,384
b) net loss	-	-
d) change of adopted accounting principles	-	-
II. Equity at end of period	225,644	206,009
III. Equity after proposed distribution of profit (coverage of loss)	215,418	206,009

CONSOLIDATED CASH-FLOW STATEMENT FOR THE PERIOD JANUARY 1ST – MARCH 31 2006

CONSOLIDATED CASH-FLOW STATEMENT	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
A. Cash flows from operating activities		
I. Net profit/(loss)	2,920	4,384
II. Total adjustments	3,396	(2,483)
1. (Profit)/loss attributable to minority interests	175	227
2. Depreciation and amortisation	4,293	4,595
3. Foreign exchange (gains)/losses	12	(69)
4. Interest and distributions from profit (dividends)	(392)	(419)
5. (Profit)/loss on investing activities	(53)	23
6. Change in provisions	(804)	334
7. Change in inventories	(1,582)	(1,739)
8. Change in receivables	3,993	(1,375)
9. Change in liabilities (net of loans and borrowings), including:	3,256	(1,151)
9a. Change in current tax liabilities	370	759
10. Change in accruals and deferrals	(6,832)	(3,269)
11. Other adjustments	1,330	360
III. Net cash provided by/(used in) operating activities – I+/-II	6,316	1,901
B. Cash flows from investing activities		
I. Cash provided by investing activities	1,335	5,437
1. Sale of intangible assets and property, plant and equipment	895	291
2. Sale of investment property and intangible assets	-	-
3. Cash provided by financial assets, including:	428	5,146
a) in related undertakings	-	-
b) in other undertakings	428	5,146
- repayment of non-current loans advanced	-	5,015
- interest received	428	131
4. Other cash provided by investing activities	12	-
II. Cash used in investing activities	(9,657)	(2,867)
1. Acquisition of intangible assets and property, plant and equipment	(3,370)	(2,867)
2. Investment property and intangible assets	(12)	-
3. Cash used on financial assets, including:	(42)	-
a) in related undertakings	-	-
b) in other undertakings	(42)	-
4. Dividends and other distributions from profit to minority interests	(71)	-
5. Other cash used in investing activities	(6,162)	-
III. Net cash provided by/(used in) investing activities – I-II	(8,322)	2,570
C. Cash flows from financing activities		
I. Cash provided by financing activities	1,118	340
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
2. Increase in loans and borrowings	798	340
3. Issue of debt securities	-	-
4. Other cash provided by financing activities	320	-
II. Cash used in financing activities	(2,741)	(2,780)
1. Acquisition of treasury shares	-	-
2. Dividends and other distributions to shareholders, including outstanding amounts	(400)	(609)
3. Distributions from profit other than to shareholders	-	-
4. Repayment of loans and borrowings	(1,889)	(1,493)
5. Redemption of debt securities	-	-
6. Other financial liabilities	-	(474)
7. Decrease in financed lease liabilities	(303)	-
8. Interest paid	(149)	(204)
9. Other cash used in financing activities	-	-
III. Net cash provided by/(used in) financing activities – I-II	(1,623)	(2,440)
D. Total net cash flow – A.III+/-B.III+/-C.III	(3,629)	2,031
E. Balance-sheet change in cash, including:	(3,629)	2,031
- change in cash resulting from foreign exchange gains/(losses)	-	-
F. Cash at beginning of period	71,862	72,717
G. Cash at end of period (F+/-D), including:	68,233	74,748
- restricted cash	9	1,132

BALANCE SHEET OF IMPEL SA AS AT MARCH 31ST 2006

ASSETS	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
I. Non-current assets – items 1–11	117,111	91,961
1. Goodwill	-	-
2. Other intangible assets	2,488	2,551
3. Property, plant and equipment	4,274	3,901
4. Investment property	2,555	2,571
5. Intangible assets held as investments	8,195	10,164
6. Investments in shares	68,404	48,715
7. Loans and own claims	29,991	21,104
8. Financial assets available for sale	-	-
9. Investments held to maturity	-	-
10. Non-current receivables (10a+10b+10c)	-	-
10a. Prepayments for non-current assets	-	-
10b. Financed lease receivables	-	-
10c. Other non-current receivables	-	-
11. Deferred tax asset	1,204	2,955
II. Current assets – items 1–8	109,698	153,341
1. Inventories	132	372
2. Receivables (2a+2b+2c+2d)	38,779	74,612
2a. Trade receivables	35,241	64,359
2b. Receivables from state and local budgets, including:	2,333	6,680
2b1. Current tax receivables	2,286	2,286
2c. Financed lease receivables	-	-
2d. Other receivables	1,205	3,573
3. Loans and own claims	28,774	35,386
4. Financial assets available for sale	-	-
5. Investments held to maturity	-	-
6. Financial assets held for trading	-	-
7. Cash and cash equivalents	41,458	42,663
8. Prepayments and accrued income	555	308
III. Non-current assets classified as held for sale	207	9,659
Total assets – I+II+III	227,016	254,961

EQUITY AND LIABILITIES	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
I. Equity – items 1a–1j	208,445	208,335
1a. Share capital	75,192	75,192
1b. Treasury shares	-	-
1c. Reserve funds, including share premium account	98,666	98,666
1d. Revaluation capital reserve	-	-
1e. Other capital reserves	25,454	25,454
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation	-	-
1g. Other capital	982	786
1h. Retained profit/(deficit)	8,237	(4,733)
- Retained profit/(deficit)	8,237	497
- Retained profit/(deficit) after restatement in line with IFRS	-	(5,230)
1i. Current year net profit/(loss)	(86)	12,970
1j. Distributions from net profit during the year	-	-
II. Non-current liabilities – items 1–6	1,288	2,367
1. Deferred tax liability	-	-
2. Employee benefits	52	52
3. Non-current provisions	1,186	2,265
4. Non-current bank loans and borrowings	-	-
5. Non-current financed lease liabilities	-	-
6. Other non-current liabilities	50	50
III. Current liabilities – items 1–7	16,259	40,172
1. Current bank loans and borrowings	-	-
2. Trade payables	8,993	16,730
3. Public charges, including:	1,371	9,066
3a. Current tax liabilities	-	-
4. Employee benefits	3,653	8,230
5. Current financed lease liabilities	-	-
6. Other liabilities	1,089	4,934
7. Current provisions	1,153	1,212
IV. Deferred income	1,024	2,362
V. Liabilities directly related to non-current assets classified as held for sale	-	1,725
Total equity and liabilities – I+II+III+IV+V	227,016	254,961

	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
Book value	208,445	208,335
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	13,86	13,85

OFF-BALANCE-SHEET ITEMS	Mar 31 2006 PLN'000	Dec 31 2005 PLN'000
1. Contingent receivables	-	-
2. Contingent liabilities, including:	48,961	45,594
2.1. To related undertakings	36,261	30,793
guarantees and sureties issued	36,261	30,793
2.2. To other undertakings, including:	12,700	14,801
guarantees and sureties issued	12,700	14,801
3. Other, including:	4,987	3,622
assignment of receivables with the re-assignment option	4,987	3,622
Total off-balance-sheet items	53,948	49,216

PROFIT AND LOSS ACCOUNT OF IMPEL SA FOR THE PERIOD JANUARY 1ST – MARCH 31 2006

	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
Continued and discontinued operations		
I. Revenue – items 1–2	21,782	68,098
1. Sales revenue, including:	21,314	61,103
a) revenue on sales of products	21,293	61,083
b) revenue on sales of materials and goods for resale	21	20
2. Subsidies	468	6,995
II. Operating expenses – items 1–8	(22,451)	(65,499)
1. depreciation and amortisation	(270)	(1,121)
2. raw materials and energy used	(265)	(7,478)
3. contracted services	(15,089)	(14,659)
4. salaries and wages, social security and other employee benefits	(5,167)	(41,500)
5. other cost by type	(1,875)	(1,903)
6. selling costs – materials and goods for resale	(22)	(81)
7. change in products	237	1,243
8. cost of products for own needs	-	-
A. Profit/(loss) on sales – I-II	(669)	2,599
I. Other operating income, including:	2,528	609
1. Gain on disposal of non-current non-financial assets	25	19
2. Revaluation of non-financial assets	1,163	490
II. Other operating expenses, including:	(1,527)	(1,054)
1. Loss on disposal of non-current non-financial assets	-	-
2. Revaluation of non-financial assets	(348)	(595)
B. Operating profit/(loss) – A+I-II	332	2,154
I. Financial income, including:	1,558	2,084
1. Dividends and other profit distributions	-	-
2. Interest	1,362	1,712
II. Financial expenses, including:	(225)	(765)
1. Interest	(60)	(385)
2. Revaluation of investments	-	(349)
C. Pre-tax profit/(loss) – B+I-II	1,665	3,473
I. Corporate income tax	(1,751)	303
D. Net profit/(loss) on continued and discontinued operations (C+/-I)	(86)	3,776
Net profit/(loss) on discontinued operations	-	-
Net profit/(loss) on continued operations	(86)	3,776
Earnings (loss) per ordinary share*	(0,01)	0,25
Continued operations	-	-
Discontinued operations	(0,01)	0,25

* The number of shares used to calculate “earnings per ordinary share” in the presented consolidated and non-consolidated financial data of the Company was calculated without taking into account the shares acquired by the Company with a view to retiring them.

STATEMENT OF CHANGES IN EQUITY OF IMPEL SA FOR THE PERIOD JANUARY 1ST – MARCH 31 2006

STATEMENT OF CHANGES IN EQUITY	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
I. Equity at beginning of period	208,335	199,810
- changes in adopted accounting policies	-	(5,230)
I.a. Equity at beginning of period, after adjustments	208,335	194,580
1. Share capital at beginning of period	75,192	75,192
1.1. Changes in share capital	-	-
a) increase – shares issued	-	-
b) decrease – retired shares	-	-
1.2. Share capital at end of period	75,192	75,192
2. Balance of called-up share capital not paid at beginning of period	-	-
2.1. Balance of called-up share capital not paid at end of period	-	-
3. Treasury shares at beginning of period	-	-
a) increase – acquisition of shares for retirement	-	-
b) decrease – retirement	-	-
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	98,666	95,688
4.1. Changes in reserve funds	-	-
a) increase, including:	-	-
- distribution of profit	-	-
- revaluation of reserve funds	-	-
b) decrease, including:	-	-
- cost of share issue	-	-
- retired shares	-	-
4.2. Reserve funds at end of period	98,666	95,688
5. Revaluation capital reserve at beginning of period	-	-
5.1. Revaluation capital reserve at end of period	-	-
6. Other capital reserves at beginning of period	25,454	25,454
6.1. Change in other capital reserves	-	-
a) increase	-	-
- distribution of retained profit brought forward	-	-
b) decrease, including:	-	-
- transfer to share capital (registration of share issue)	-	-
6.2. Other capital reserves at end of period	25,454	25,454
7. Other capital at beginning of period	786	-
7.1. Change in other capital	196	342
a) increase, including:	196	342
- valuation of share options	196	342
b) decrease	-	-
7.2. Other capital at end of period	982	342
8. Currency-translation differences on subordinated undertakings	-	-
9. Retained profit/(loss) brought forward at beginning of period	8,237	3,476
9.1. Retained profit at beginning of period	12,970	3,476
- changes in adopted accounting policies	-	(5,230)
9.2. Retained profit at beginning of period after adjustments	12,970	(1,754)
a) increase, including:	-	1,754
- other	-	1,754
b) decrease	-	-
9.3. Retained profit at end of period	12,970	-
9.4. Retained loss at beginning of period	(4,733)	-
- changes in adopted accounting policies	-	(1,754)
9.5. Retained loss at beginning of period after adjustments	(4,733)	(1,754)
a) increase	-	-
b) decrease	-	-
9.6. Retained loss at end of period	(4,733)	(1,754)
9.7. Retained profit/(loss) at end of period	8,237	(1,754)
10. Net profit/(loss)	(86)	3,776
a) net profit	-	3,776
b) net loss	(86)	-
c) change of adopted accounting principles	-	-
II. Equity at end of period	208,445	198,698
III. Equity after proposed distribution of profit (coverage of loss)	198,219	198,698

CASH-FLOW STATEMENT OF IMPEL SA FOR THE PERIOD JANUARY 1ST – MARCH 31 2006

CASH-FLOW STATEMENT	Jan 1 2006 – Mar 31 2006 PLN'000	Jan 1 2005 – Mar 31 2005 PLN'000
A. Cash flows from operating activities		
I. Net profit/(loss)	(86)	3,776
II. Total adjustments	10,971	346
1. Depreciation and amortisation	270	1,121
2. Foreign exchange (gains)/losses	-	-
3. Interest and distributions from profit (dividends)	(1,246)	(979)
4. (Profit)/loss on investing activities	(25)	(19)
5. Change in provisions	(1,138)	340
6. Change in inventories	(81)	113
7. Change in receivables	36,118	(67)
8. Change in liabilities (net of loans and borrowings), including	(24,167)	1,419
8a. Change in current tax liabilities	-	-
9. Change in accruals and deferrals	166	(2,987)
10. Other adjustments	1,074	1,405
III. Net cash provided by/(used in) operating activities – I+/-II	10,885	4,122
B. Cash flows from investing activities		
I. Cash provided by investing activities	8,568	8,147
1. Sale of intangible assets and property, plant and equipment	63	219
2. Sale of investment property and intangible assets	-	-
3. Cash provided by financial assets, including:	8,483	7,928
a) in related undertakings	8,119	2,903
b) in other undertakings	364	5,025
- repayment of non-current loans advanced	-	5,015
- interest	364	10
4. Other cash provided by investing activities	22	-
II. Cash used in investing activities	(20,636)	(13,201)
1. Acquisition of intangible assets and property, plant and equipment	(306)	(451)
2. Investment property and intangible assets	-	-
3. Cash used on financial assets, including:	(19,830)	(12,750)
a) in related undertakings	(19,830)	(12,750)
b) in other undertakings	-	-
- acquisition of financial assets	-	-
- non-current loans advanced	-	-
4. Other cash used in investing activities	(500)	-
III. Net cash provided by/(used in) investing activities – I-II	(12,068)	(5,054)
C. Cash flows from financing activities		
I. Cash provided by financing activities	-	-
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
2. Increase in loans and borrowings	-	-
3. Issue of debt securities	-	-
4. Other cash provided by financing activities	-	-
II. Cash used in financing activities	-	(625)
1. Acquisition of treasury shares	-	-
2. Dividends and other distributions to shareholders	-	-
3. Distributions from profit other than to shareholders	-	-
4. Repayment of loans and borrowings	-	(625)
5. Redemption of debt securities	-	-
6. Other financial liabilities	-	-
7. Decrease in financed lease liabilities	-	-
8. Interest paid	-	-
9. Other cash used in financing activities	-	-
III. Net cash provided by/(used in) financing activities – I-II	-	(625)
D. Total net cash flow – A.III+/-B.III+/-C.III	(1,183)	(1,557)
E. Balance-sheet change in cash, including:	(1,183)	(1,557)
- change in cash resulting from foreign exchange gains/(losses)	-	-
F. Cash at beginning of period	42,641	53,186
G. Cash at end of period (F+/-D), including:	41,458	51,629
- restricted cash*	-	1,007

* Cash blocked on bank accounts in connection with a security deposit guarantee.

SELECTED EXPLANATORY INFORMATION

1. RULES GOVERNING THE PREPARATION OF THE CONSOLIDATED QUARTERLY REPORT FOR Q1 2006

1.1 Basis for the preparation, and format of the financial statements presented in the report

Basis for the preparation of the financial statements

The consolidated and non-consolidated condensed quarterly financial statements presented herein were prepared in accordance with:

- Polish Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694, as amended);
- International Financial Reporting Standards (“IFRS”), and relevant IFRS adopted by the EU. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”);
- Regulation of the Minister of Finance on current and periodic reports to be disclosed by issuers of securities, dated October 19th 2005 (Dz.U. No. 209, item 1744)

and cover the period from January 1st to March 31st 2006.

Format of the financial statements

The report for Q1 2006 was prepared in a condensed form, and includes:

- Selected explanatory information,
- Consolidated financial statements (balance sheet, profit and loss account, statement of changes in consolidated equity, consolidated cash flow statement),
- Non-consolidated financial statements of the Issuer (balance sheet, profit and loss account, statement of changes in non-consolidated equity, non-consolidated cash flow statement),
- Other supplementary information.

Figures in the financial statements are denominated in PLN ‘000. The comparable data was reviewed by a chartered auditor as part of the review of the financial statements for 2005.

1.2 Period covered by the financial statements and the comparable data

The consolidated financial statements and the non-consolidated financial statements cover the period of 3 months, i.e. from January 1st to March 31st 2006.

The data disclosed in the consolidated and non-consolidated balance sheet, and consolidated and non-consolidated off-balance-sheet items is accompanied by comparable consolidated financial data as at December 31st 2005.

The data disclosed in the consolidated and non-consolidated profit and loss accounts, the statements of changes in consolidated and non-consolidated equity and the consolidated and non-consolidated cash-flow statements is accompanied by comparable financial data for the period from January 1st to March 31st 2005.

1.3 General rules governing the preparation of the financial statements presented in the report

General rules arising under IAS 34 and other IFRS were adopted when preparing the consolidated and non-consolidated balance sheet, consolidated and non-consolidated profit and loss account, the statement of changes in consolidated and non-consolidated equity, and in the consolidated and non-consolidated cash flow statement.

1.4 General information on the Company and its Group

As at March 31st 2006, the Impel Group (the “Impel Group” or the “Group”) consisted of the Parent Undertaking and 23 subsidiary undertakings consolidated with the full method, and one co-subsidiary undertaking consolidated with the equity method. The Group’s Parent Undertaking is Impel SA (the “Company” or the “Parent Undertaking”).

1.5 Adopted accounting policies and computing methods

The accounting policies applied by Impel SA and its Group at the beginning of 2005 were changed relative to the policies applied in the preparation of the financial statements and the consolidated financial statements for the year ended December 31st 2004. The change comprised adoption of the International Accounting Standards and International Financial Reporting Standards as accounting policies applied by the Group.

In Q1 2006, neither the Company nor the companies of its Group made significant changes in their accounting policies relative to the policies introduced at the beginning of 2005, except for the implementation, in 2006, of the following binding accounting standards incorporating new interpretations:

- a. Changes in IAS "Financial Instruments: Recognition and Measurement. Fair value option"
- b. Changes in IAS "Financial Instruments: Recognition and Measurement. Cash Flow Hedge Accounting of Forecast Intragroup Transactions".
- c. Changes in IAS "Financial Instruments: Recognition and Measurement. Financial Guarantee contracts"
- d. IFRIC 4 "Determination whether an arrangement contains a lease"
- e. IFRIC 6 "Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment"

Adoption of the above-mentioned amendments to accounting standards, and new interpretations would have little bearing on the financial statements and equity of the Impel Group.

2. SEASONAL, CYCLICAL AND OCCASIONAL REVENUE

In the period under review, the Group's operations were not subject to seasonal or cyclical fluctuations.

3. TYPE AND AMOUNTS OF ITEMS WHICH AFFECT THE ASSETS, EQUITY AND LIABILITIES, SHARE CAPITAL, NET PROFIT/(LOSS), OR CASH-FLOW, AND WHICH ARE UNUSUAL DUE TO THEIR TYPE, SIZE, OR EFFECT.

As at the end of Q1 2006, the balance-sheet total of the Impel Group, relative to the year ended December 31st 2005, rose by PLN 8,232 thousand (i.e. by 2.3%) to PLN 359,228 thousand. The Group does not report any significant differences in the structure of assets and their sources of financing, compared with the previous year.

Significant events influencing the Group's assets and cash flows include acquisition of shares in DC System sp. z o.o. (including its subsidiary companies - Inter Serwis sp. z o.o., Sanpro - PTS sp. z o.o., and DC System Polska sp. z o.o.) and in North Ochrona sp. z o.o. As a result of the transaction, the Impel Group:

- Recognized goodwill of PLN 4,011 thousand,
- Recognized the value of contracts taken over of PLN 2,839 thousand,
- Incurred the cost of acquisition of companies totalling PLN 6,150 thousand.

In the first quarter of 2006, the Impel Group posted revenue of PLN 169,426 thousand. Compared with the analogous period of the previous year, sales were up by PLN 20,779 thousand (i.e. by 14%). Approx. PLN 8 million of that sales increase is attributable to acquisitions, whereas the remaining PLN 12.8 million results from the organic growth of the Group, and its introduction of new products (temporary employment services).

Relative to the previous quarter, revenue rose by PLN 1,342 thousand (i.e. by approx. 1%). It has to be stressed that as a result of a one-off transaction, the Group reported approx. PLN 5 million of additional sales in the fourth quarter of 2005.

In Q1 2006, the Impel Group posted an EBIT net of subsidies in the amount of PLN 9,090 thousand, i.e. less by PLN 687 thousand compared with the figure reported in the analogous period of the previous year, and up by PLN 1,024 thousand compared with the previous quarter. Material factors influencing the Q1 2006 result from operating activities (net of subsidies) include:

- Adjustment of deducted VAT tax on purchased non-current assets of PLN 770 thousand – related to the contribution of these assets from Impel SA to Impel Cleaning sp. z o.o. as part of the transfer of cleaning services,
- Transfer of land to the District of Wrocław in return for a compensation which was lower than the fair value (this value is disclosed in the 2005 report) – negative impact on the result, totalling –1,010 thousand.

The Group continues to implement its policy aimed at making its financial performance independent of government subsidies for employers of the disabled. In Q1 2006, the Impel Group received state subsidies in the amount of PLN 12,923 thousand, i.e. approx. PLN 560 thousand or 4.2% less than a year earlier. Subsidies shrunk to 7.6% of the total sales revenue in Q1 2006. The figure stood at 7.9% in the previous quarter, and at 9.1% in Q1 2005. The sustained trend reflects the Group's consistent enforcement of its policy.

4. TYPE AND AMOUNTS OF CHANGES IN ESTIMATES DISCLOSED IN PREVIOUS PERIODS OF THE CURRENT FINANCIAL YEAR OR IN PREVIOUS FINANCIAL YEARS, WITH A MATERIAL BEARING ON THE CURRENT QUARTER.

4.1 Impel Group

Adjustments for provisions and valuation allowances for assets:

	As at Dec 31 2005	Increase	Use	Reversal	As at Mar 31 2006
Valuation allowances for assets (4.1.1)	34,821	1,991	(748)	(2,027)	34,037
Deferred tax asset (4.1.2)	12,747	9,231	-	(7,281)	14,697
Deferred tax liability (4.1.2)	423	1,732	-	(1,554)	601
Provisions for liabilities (4.1.3)	3,981	500	(199)	(1,283)	2,999
Provisions for employee benefits (4.1.4)	12,377	22,704	(12,828)	(7,720)	14,533
Employee benefits in the form of shares (4.1.5)	786	196	-	-	982

4.1.1 Valuation allowances for assets

Valuation allowances:	As at Dec 31 2005	Increase	Use	Reversal	As at Mar 31 2006
valuation allowances for intangible assets, including goodwill	6,435	174	-	-	6,609
valuation allowances for non-current assets	2,102	46	(20)	-	2,128
valuation allowances for non-current investments	1,704	-	-	-	1,704
valuation allowances for current investments	113	-	-	-	113
valuation allowances for inventories	234	63	-	(52)	245
valuation allowances for current receivables	24,007	1,651	(728)	(1,975)	22,955
valuation allowances for non-current assets classified as held for sale	226	57	-	-	283
Total:	34,821	1,991	(748)	(2,027)	34,037

4.1.2 Deferred tax asset and liability

The deferred tax asset cannot be offset against the deferred tax liability at the consolidated level, as each company of the Impel Group settles its income tax on business activities separately. As at March 31st 2006, and before they were offset at the consolidated level, these items amounted to PLN 17,461 thousand and PLN 3,365 thousand respectively, whereas after the items were offset the respective figures were PLN 13,917 thousand and PLN 601 thousand.

Compared with the balance as at December 31st 2005, the deferred tax asset changed in particular due to:

Change in deferred tax asset:	As at Dec 31 2005	Increase	Reversal	As at Mar 31 2006
Provisions for salaries and wages (including bonuses, jubilee bonus, and non-payroll remuneration)	7,471	4,532	(4,680)	7,323
Provisions for retirement severance pays	93	53	(32)	114
Provisions for unused holidays	668	986	(549)	1 105
provisions for disputed claims	688	12	(250)	450
Provisions for contracted services	316	1,022	(11)	1,327
Valuation allowances for receivables	198	47	(13)	232
Interest on loans	773	157	(143)	787
Return of subsidies	496	186	(464)	218
Difference between tax and balance-sheet value of non-current assets and intangible assets	1,048	14	(453)	609
Tax losses	3,624	1,618	(986)	4,256
Other	446	604	(10)	1,040
Total:	15,821	9,231	(7,591)	17,461

In turn, the deferred tax liability changed in particular due to the following items:

Change in deferred tax liability:	As at Dec 31 2005	Increase	Reversal	As at Mar 31 2006
Interest on loans	988	206	(134)	1,060
Provisions for subsidies from the State Fund for the Disabled	1,076	932	(1,492)	516
Contract charges	29	-	(2)	27
Difference between tax and balance-sheet value of non-current assets and intangible assets	521	159	(3)	677
Other	883	435	(233)	1,085
Total:	3,497	1,732	(1,864)	3,365

Changes of the deferred tax asset and liability increased the Group's result for Q1 2006 by PLN 1,447 thousand. The amount of PLN 325 thousand, which has negligible impact on the financial result, refers to the Group's newly acquired companies.

4.1.3 Provisions for future liabilities

Provisions for future liabilities comprise mainly provisions for disputed claims raised by employees or business partners against the Group member undertakings. Compared to the balance as at December 31st 2005, the provisions for disputed claims shrank by PLN 1,322 thousand.

Provisions for the liabilities towards the State Fund for the Disabled, arising in connection with the expected necessity to return the subsidies to salaries and wages of the disabled employed by the Group, amounted to PLN 1,224 thousand. The provisions created in connection with the expected necessity to return the subsidies, disclosed in the profit and loss account, are charged against the value of revenue under "Subsidies".

4.1.4 Provisions for employee benefits

Change in provisions for:	As at Dec 31 2005	Increase	Use	Reversal	As at Mar 31 2006
Unused holidays	4,431	12,501	(5,214)	(5,690)	6,028
Awards	4,341	3,767	(2,730)	(513)	4,865
Non-payroll remuneration	1,780	5,979	(4,842)	(134)	2,783
Retirement severance pays	564	271	(6)	(172)	657
Other	1,261	186	(36)	(1,211)	200
Total:	12,377	22,704	(12,828)	(7,720)	14,533

4.1.5 Employee benefits in the form of shares

In Q1 2006, the Company recognized costs of share-based payments to employees at PLN 982 thousand and they related to rights granted to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe and acquire Series F ordinary bearer shares of Impel SA

4.2 Impel SA

Adjustments for provisions and valuation allowances for assets:

	As at Dec 31 2005	Increase	Use	Reversal	As at Mar 31 2006
Valuation allowances for assets (4.2.1)	44,149	52,759	(383)	(1,223)	95,302
Deferred tax asset (4.2.2)	4,996	776	-	(4,568)	1,204
Deferred tax liability (4.2.2)	1,713	148	-	(1,861)	-
Provisions for future liabilities (4.2.3)	3,477	308	(198)	(1,248)	2,339
Provisions for employee benefits (4.2.4)	4,047	4,561	-	(5,687)	2,921
Employee benefits in the form of shares (4.2.5)	786	196	-	-	982

4.2.1 Valuation allowances for assets

	As at Dec 31 2005	Increase	Use	Reversal	As at Mar 31 2006
valuation allowances for non-current assets	203	-	-	-	203
valuation allowances for non-current investments	33,829	52,411	-	-	86,240
valuation allowances for inventories	64	-	-	(51)	13
valuation allowances for receivables	9,827	291	(383)	(1,172)	8,563
valuation allowances for non-current assets classified as held for sale	226	57	-	-	283
Total:	44,149	52,759	(383)	(1,223)	95,302

4.2.2 Deferred tax asset and liability

For the purposes of balance-sheet presentation, Impel SA offsets the deferred tax asset against the deferred tax liability. As at March 31st 2006, these two items, before they were offset, stood at PLN 2,296 thousand and PLN 1,092 thousand, respectively. Compared with the balance as at December 31st 2005, the deferred tax asset changed in particular due to the following reasons:

Change in deferred tax assets:	As at Dec 31 2005	Increase	Reversal	As at Mar 31 2006
Provisions for salaries and wages (including bonuses, jubilee bonus, and non-payroll remuneration)	2,940	103	(2,183)	860
Provisions for retirement severance pays	42	-	(32)	10
Provisions for unused holidays	354	13	(297)	70
Provisions for disputed claims	590	-	(248)	342
Provisions for contracted services	198	105	-	303
Difference between tax and balance-sheet value of non-current assets and intangible assets	375	-	(248)	127
Return of subsidies	466	-	(458)	8
Tax losses	0	330	-	330
Other	31	225	(10)	246
Total:	4,996	776	(3,476)	2,296

In turn, the deferred tax liability changed in particular due to changes in the following items:

Change in deferred tax liability:	As at Dec 31 2005	Increase	Reversal	As at Mar 31 2006
Interest on loans	1,078	139	(134)	1,083
Provisions for subsidies from the State Fund for the Disabled	635	9	(635)	9
Total:	1,713	148	(769)	1,092

Changes of the deferred tax asset and liability decreased the Group's net result by PLN 1,751 thousand. The amount of PLN 328 thousand, which has negligible impact on the financial result, refers to the Group's contribution to Impel Cleaning sp. z o.o.

4.2.3 Provisions for future liabilities

Provisions for future liabilities comprise mainly provisions for disputed claims raised against the Company (by employees and business partners) and a provision for liabilities under assigned receivables with a return option. As at March 31st 2006 these provisions amounted to PLN 1,807 thousand and PLN 532 thousand, respectively. In the current reporting period, total provisions for disputed claims changed by PLN (1,301) thousand, whereas provisions for liabilities under assigned receivables with a return option increased by PLN 163 thousand.

4.2.4 Provisions for employee benefits

Change in provisions:	As at Dec 31 2005	Increase	Reversal	As at Mar 31 2006
Unused holidays	1,862	3,621	(5,113)	370
Awards	1,916	674	(270)	2,320
Non-payroll remuneration	45	266	(132)	179
Retirement severance pays	224	-	(172)	52
Total:	4,047	4,561	(5,687)	2,921

4.2.5 Employee benefits in the form of shares

Q1 2006 saw an increase of PLN 196 thousand in employee benefits related to the granted rights to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe for and acquire Series F ordinary bearer shares of Impel SA. As at March 31st 2006 the balance of these benefits stood at PLN 982 thousand.

5. SHARE ISSUES, REDEMPTIONS AND REPAYMENTS OF DEBT AND EQUITY SECURITIES.

In Q1 2006 Impel SA did not issue any shares nor did it redeem or repay any debt or equity securities.

6. DIVIDEND PAID (IN TOTAL OR PER SHARE), BROKEN INTO ORDINARY SHARES AND OTHER SHARES.

In Q1 2006 Impel SA did not pay any dividend.

Following its assessment of the 2005 results, the Management Board of Impel SA recommended the Supervisory Board and the Annual General Shareholders Meeting (current report No 17/2006 of March 22nd 2006) that 50% of the 2005 consolidated net profit of the Impel Group be allocated for dividend payment. According to the reported net result for 2005, this amount is PLN 10,226,154.16., i.e. PLN 0.68 per share.

The proposed dividend amount is twice as high as that declared previously by the Issuer's Management Board, as presented in the Issue Prospectus. The Issuer decided to increase the dividend amount taking into account the following factors:

- 1 - the balance-sheet value of cash;
- 2 - the rate of expenditure on the implementation of the issue objectives while generating positive operating cash flow;
- 3 - no dividend payment for 2004.

On April 19th 2006 the Supervisory Board of Impel SA issued its positive recommendation for the allocation of part of the Company's net profit amounting to PLN 10,226,154.16 for dividend payment to its shareholders (current report No 21/2006 of April 20th 2006).

The final amount of the dividend to be paid is contingent on the decision of the Annual General Shareholders Meeting planned for May 29th 2006.

7. SEGMENT REVENUE AND RESULTS.

Business segments

The Group's operating activity is divided into three main business segments: security services, cleaning services and catering.

- a. Cleaning services segment comprises building interior and exterior cleaning services and specialist cleaning services for the institutional customers.
- b. Security services segment comprises services related to manned and electronic security services, alarm systems, CCTV, fire protection and CIT (cash transport and handling) services.
- c. Catering segment comprises services related to the preparation and delivery of food.

"Other" is a segment which comprises facility management, medical services, clothes making, clothes rental, laundry services, personnel and payroll services, and temporary employment services provided by the particular Group member undertakings.

The revenues and expenses as well as the assets, equity and liabilities of the particular business segments were computed and disclosed before the eliminations due to inter-segmental transactions.

The prices used in the inter-segmental transactions are similar to the market prices.

Geographical segments

The Group operates mainly in Poland. Following the acquisition of shares in Serviks Riga SIA in 2003, the Group is also present in Latvia. In the period January 1st 2006 – March 31st 2006 the revenue generated from the Latvian operations accounted for approximately 1.77% of the total net revenue on the sales of products generated by the Group.

The operations of the Group member undertakings in Poland do not display any significant regional differences in terms of the risk and returns.

Changes in the measurement of profit/(loss) of particular segments

To provide for a more accurate assessment by the Impel SA Management Board of particular business segments' financial performance and facilitate the decision-making process regarding future allocation of funds, on January 1st 2005 changes were made in the presentation of results of the particular segments. The changes consist in the fact that all costs which are directly attributable to a given business segment will be attributed to that segment.

The result of the cleaning segment, posted in the consolidated profit and loss account (by segments) for the financial period ended March 31st 2006, includes the value of Impel SA contribution to Impel Cleaning sp. z o.o., transferred from the eliminations on the segment's result, while the result of the security segment includes financed lease of Impel Security Polska sp. z o.o., transferred from the eliminations on the segment's result.

Consolidated profit and loss account for the financial period ended March 31st 2006, by business segments

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	68,647	60,564	11,850	28,365	169,426		169,426
Inter-segmental sales	1,304	1,180	19	6,236	8,739	(8,739)	-
Total sales revenue	69,951	61,744	11,869	34,601	178,165	(8,739)	169,426
RESULT							
Segment results including all charges to the corporation	3,947	1,209	(219)	976	5,913	4 028	9 941
Segment results net of all charges to the corporation	6,002	2,635	145	1,903	10,685	(744)	9 941
<i>Result on discontinued operations</i>	-	-	-	-	-	-	-
<i>Result on continued operations</i>	3,947	1,209	(219)	976	5,913	4,028	9,941
Unallocated Group costs					(1,336)	(4,772)	(6,108)
Operating profit/(loss)					4,577	(744)	3,833
<i>Profit (loss) from discontinued operations</i>					-	-	-
<i>Profit (loss) from continued operations</i>					4,577	(744)	3,833
Financial income					2,098	(1,216)	882
Financial expenses					(1,814)	1,234	(580)
Gain (loss) on sale of all or part of shares in subordinated undertakings					-	-	-
Pre-tax profit/(loss)					4,861	(726)	4,135
<i>Pre-tax profit (loss) from discontinued operations</i>					-	-	-
<i>Pre-tax profit (loss) from continued operations</i>					4,861	(726)	4,135
Corporate income tax					(976)	(43)	(1,019)
Profit/(loss) attributable to minority interests					-	(175)	(175)
Share in profit (loss) of undertaking consolidated with equity method				(21)	(21)	-	(21)
Net profit (loss)					3,864	(944)	2,920
<i>Net profit (loss) from discontinued operations</i>					-	-	-
<i>Net profit (loss) from continued operations</i>					3,864	(944)	2,920

Consolidated profit and loss account for the financial period ended March 31st 2005, by business segments

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	57,346	59,801	12,135	19,365	148,647	-	148,647
Inter-segmental sales	1,153	1,224	22	6,345	8,744	(8,744)	-
Total sales revenue	58,499	61,025	12,157	25,710	157,391	(8,744)	148,647
RESULT							
Segment results including all charges to the corporation	5,940	3,224	363	(1,112)	8,415	(492)	7,923
Segment results net of all charges to the corporation	5,940	3,438	404	(1,075)	8,707	(784)	7,923
<i>Result on discontinued operations</i>	-	-	-	-	-	-	-
<i>Result on continued operations</i>	5,940	3,224	363	(1,112)	8,415	(492)	7,923
Unallocated Group costs					(2,551)	(292)	(2,843)
Operating profit/(loss)					5,864	(784)	5,080
<i>Profit (loss) from discontinued operations</i>					-	-	-
<i>Profit (loss) from continued operations</i>					5,864	(784)	5,080
Financial income					2,836	(1,738)	1,098
Financial expenses					(3,657)	2,891	(766)
Gain (loss) on sale of all or part of shares in subordinated undertakings					-	-	-
Pre-tax profit/(loss)					5,043	369	5,412
<i>Pre-tax profit (loss) from discontinued operations</i>					-	-	-
<i>Pre-tax profit (loss) from continued operations</i>					5,043	369	5,412
Corporate income tax					(787)	(14)	(801)
Profit/(loss) attributable to minority interests						(227)	(227)
Share in profit (loss) of undertaking consolidated with equity method					-	-	-
Net profit (loss)					4,256	128	4,384
<i>Net profit (loss) from discontinued operations</i>					-	-	-
<i>Net profit (loss) from continued operations</i>					4,256	128	4,384

8. EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE, NOT DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q1 2006, WHICH COULD, HOWEVER, HAVE A MATERIAL BEARING ON THESE FINANCIAL STATEMENTS

No events occurred after the date of these consolidated financial statements, which were not disclosed herein but could have a material bearing on the financial statements presented in this report.

9. EFFECTS OF CHANGES IN THE STRUCTURE OF THE BUSINESS UNDERTAKING OCCURRING IN THE CURRENT QUARTER, INCLUDING MERGERS, ACQUISITIONS OR SALE OF SUBSIDIARY UNDERTAKINGS OR LONG-TERM INVESTMENTS, RESTRUCTURINGS AND DISCONTINUED OPERATIONS

On February 10th 2006, under an agreement signed on February 3rd 2006, Impel Cleaning sp. z o.o. acquired 200 shares (100%) of Warsaw-based DC System Sp. z o.o. with par value of PLN 500 per share for the total price of PLN 5,650 thousand. The acquired company is a sole shareholder of shares in DC System Polska sp. z o.o., Inter Serwis sp. z o.o., and Sanpro - PTS sp. z o.o. As a result, they have become part of the Group in the cleaning segment.

The following assets, liabilities and contingent liabilities of DC System sp. z o.o. (including its subsidiaries) were measured at fair value as at the acquisition date:

PLN'000

ASSETS	Feb 10 2006 PLN'000	LIABILITIES	Feb 10 2006 PLN'000
I. Non-current assets:	3,059	I. Equity, including:	1,639
1. Intangible assets	2,017	1. Share capital	100
2. Property, plant and equipment	717	2. Reserve funds	944
4. Deferred tax asset	325	3. Retained profit (deficit) brought forward	(1,421)
II. Current assets:	3,708	4. Current profit (deficit)	2,016
1. Inventories	128	II. Non-current liabilities	345
2. Current receivables	3,278	III. Current liabilities	4,741
3. Current investments (cash)	260	IV. Deferred income	-
8. Prepayments and accrued income	42		
Total assets I+II	6,767	Total liabilities – I+II+III+IV	6,767

As of the takeover date and until the balance-sheet date, DC System Sp. z o.o., DC System Polska sp. z o.o., Inter-Serwis sp. z o.o. and Sanpro-PTS sp. z o.o. generated the following results included in the financial result of the Impel Group:

	DC System Sp. z o.o.	DC System Polska sp. z o.o.	Inter-Serwis sp. z o.o.	Sanpro-PTS sp. z o.o.
	For the period from (date the control was taken over) Feb 10 2006 until Mar 31 2006			
Revenue	2,805	68	591	31
Expenses	(2,642)	(67)	(824)	(28)
Deferred tax	(14)	-	9	-
Profit (loss)	149	1	(224)	3

Following the merger, the goodwill of PLN 4,011 thousand was recognized through inclusion – in the acquisition price – of increased value of non-current assets, market importance of the companies' brands, benefits drawn from consolidation of the Mazowieckie Province, and know-how in the specific market of cleaning services provided in A class office buildings. Due to the lack of external valuations of individual items, goodwill containing the above-mentioned asset value. In the future, the goodwill will be tested for impairment. The value of the company's shares was assessed using the discounted cash flows analysis.

On February 8th 2006, Impel Security Polska Sp. z o.o. acquired 1,000 shares in North Ochrona Sp. z o.o. of Gdańsk with a par value of PLN 500 per share, for a total price of PLN 500,000. As a result of the transaction, Security Polska Sp. z o.o. now holds a 100% equity interest in North Ochrona Sp. z o.o., which until then provided security and cleaning services within the premises of Stocznia Północna (North Shipyard), and provided industrial waste management.

The following assets, liabilities and contingent liabilities were measured at fair value as at the acquisition date:

<i>PLN '000</i>			
ASSETS	Feb 8 2006 PLN'000	LIABILITIES	Feb 8 2006 PLN'000
I. Non-current assets:	890	I. Equity, including:	824
1. Intangible assets	823	1. Share capital	500
2. Property, plant and equipment	67	2. Retained profit (deficit) brought forward	(499)
		3. Current profit (deficit)	823
II. Current assets:	274	II. Non-current liabilities	0
1. Inventories	15	III. Current liabilities	340
2. Current receivables	190	IV. Deferred income	0
3. Current investments (cash)	60		
4. Prepayments and accrued income	9		
Total assets – I+II	1,164	Total liabilities – I+II+III+IV	1,164

Following the merger, the company recognized a PLN 324 thousand excess of the acquiring undertaking's share in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired undertaking. The excess was disclosed in the current period profit/(loss) under "Other operating income", and accounts for assets in the form of contracts recognized as at the acquisition date.

In the period from the acquisition date to the balance-sheet date, North Ochrona sp. z o.o. generated the following results included in the financial result of the Impel Group:

	For the period from (date the control was taken over) Feb 8 2006 until Mar 31 2006
Revenue	466
Expenses	(379)
Deferred tax	(32)
Profit (loss)	55

10. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS AFTER THE END OF THE FINANCIAL YEAR

The Impel Group has contingent liabilities resulting from the bank guarantees granted to the Group's clients by banks, and agreement performance bonds.

The table below presents changes in the contingent liabilities which occurred after the end of 2005 and before March 31st 2006.

<i>PLN '000</i>		
Object of guarantee/surety	Real value of loans and borrowings covered in part or in whole with a guarantee or a surety as at Dec 31 2005	Real value of loans and borrowings covered in part or in whole with a guarantee or a surety as at Mar 31 2006
Impel SA		
	9,460	7,408
participation in a tender, agreement performance bond	3,429	3,449
	79	5
commitment under the guarantees issued for the benefit of Impel Security Polska sp. z o.o.	10	10
commitment under the guarantees issued for the benefit of GP Bis sp. z o.o.	1,503	1,528
contract performance bond	10	-
	10	-

surety issued for Mega Com	300	300
Total	14,801	12,700
Impel Security Polska sp. z o.o.		
agreement performance bond	3,650	2,960
	1,226	1,129
contract performance bond	3,000	3,000
	4,000	5,000
Total	11,876	12,089
Impel Catering sp. z o. o.		
tender guarantees, agreement performance bond	3,452	3,245
total	3,452	3,245
Impel Rental sp. z o.o.		
tender guarantees, agreement performance bond	60	16
Total	60	16
Impel Cleaning sp. z o.o.		
tender guarantees, agreement performance bond	150	2,815
Total	150	2,815
Impel HR Service sp. z o. o.		
agreement performance bond	-	300
Total	-	300
Impel Security Technologies sp. z o.o.		
tender guarantees, agreement performance bond	-	14
Total	-	14
TOTAL	30,339	31,179

III. OTHER SUPPLEMENTARY INFORMATION

1. ORGANIZATION OF THE IMPEL GROUP, INCLUDING SPECIFICATION OF CONSOLIDATED UNDERTAKINGS

The Parent Undertaking of the Impel Group is Impel SA, which has controlling interests in its subsidiary undertakings. As of January 1st 2006 (in connection with the spin-off of cleaning services to Impel Cleaning sp. z o.o.), the Company is responsible for the Group's comprehensive management.

Composition of the Group at the date of these financial statements:

No.	Name and form of incorporation	Registered office	Business profile	Type of relation	Shareholders	Consolidated as at Mar 31 2006
1.	Impel SA	Wroclaw	Supervision and management of the Impel Group			yes
2.	Impel Security Polska Sp. z o.o.	Wroclaw	manned and electronic security of property	direct subsidiary undertaking	100% Impel SA	yes
3.	GP Bis Sp. z o.o.	Warsaw	facility management	direct subsidiary undertaking	99.18% Impel SA 0.82% G.Pytkowski	yes
4.	Impel Catering Sp. z o.o.	Wroclaw	catering (preparation and delivery of food)	direct subsidiary undertaking	100% Impel SA	yes
5.	Impel Cash Handling Sp. z o.o.	Warsaw	cash handling services	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
6.	Impel Cleaning Sp. z o.o.	Wroclaw	Cleaning services	direct subsidiary undertaking	100% Impel SA	yes
7.	Impel Security Technologies Sp. z o.o.	Wroclaw	installation of electronic security systems	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
8.	Promedis Sp. z o.o. (1)	Wroclaw	healthcare services	direct subsidiary undertaking	100% Impel SA	yes
9.	Impel Rental Sp. z o.o.	Wroclaw	laundry and rental services	direct subsidiary undertaking	100% Impel SA	yes
10.	Impel IT Sp. z o.o.	Wroclaw	telecommunication and IT services	direct subsidiary undertaking	100% Impel SA	yes
11.	Impel Real Estate Sp. z o.o.	Wroclaw	facility management	direct subsidiary undertaking	100% Impel SA	yes
12.	Impel HR Service Sp. z o.o.	Wroclaw	temporary work agency	direct subsidiary undertaking	100% Impel SA	yes
13.	Impel Security Provider Sp. z o.o. (2)	Wroclaw	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
14.	Red Point Security sp. z o.o. (3)	Katowice	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
15.	Black Oak Security sp. z o.o.	Warsaw	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes

16.	BD Faktor sp. z o.o.	Warsaw	property security services, management of industrial and commercial facilities	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
17.	Impel Tom M.Kapalski sp. k.	Zielona Góra	cleaning services, manned and electronic security of property	direct subsidiary undertaking	64.68% Impel SA	yes
18.	Impel Perfekta sp. z o.o. (4)	Wrocław	laundry services	indirect subsidiary undertaking	50% Impel Rental Sp. z o.o. 50% Perfekta Beteiligungsgesellschaft mbH	yes
19.	LCC sp. z o.o. (5)	Wrocław	temporary work agency	indirect subsidiary undertaking	99% Impel HR Service Sp. z o.o. 1% Impel SA	yes
20.	North Ochrona sp. z o.o. (6)	Gdańsk	security services	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
21.	DC System sp. z o.o. (7)	Warsaw	cleaning services	indirect subsidiary undertaking	100% Impel Cleaning Sp. z o.o.	yes
22.	Inter - Serwis sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o.	yes
23.	DC System Polska sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o.	yes
24.	Sanpro - PTS sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o.	yes
25.	Serviks Riga SIA	Riga (Latvia)	cleaning services	direct subsidiary undertaking	66.99% Impel SA 33.01% Aivars Garancs	yes
26.	HSW Zakład Ciągarnia sp. z o.o. w upadłości (in bankruptcy)	Stalowa Wola	Manufacture of metallurgical products	-	0.3% Impel SA	no
27.	Hanka SA w upadłości (in bankruptcy)	Legnica	Manufacture of underwear	-	3.3% Impel SA	no

(1) Company name changed from Medar Sp. z o.o. pursuant to court decision of January 3rd 2006.,

(2) Change of the registered office and company name (from BDH Serwis Sp. z o.o.), pursuant to court decision of January 24th 2006,

(3) Company name changed from Agencja Ochrony Sekret sp. z o.o. pursuant to court decision of March 3rd 2006

(4) Company consolidated with the equity method,

(5) Company registered on January 17th 2006

(6) Company acquired on February 8th 2006,

(7) Agreement signed on February 3rd 2006 – control taken over on February 10th 2006

(8) Company of the DC System Group

2. OPINION OF THE MANAGEMENT BOARD OF IMPEL SA ON THE FEASIBILITY OF MEETING THE EARLIER PUBLISHED FINANCIAL FORECASTS FOR THE YEAR IN VIEW OF THE RESULTS PRESENTED IN THIS QUARTERLY REPORT.

On March 1st 2006, the Management Board of Impel SA published a 2006 financial forecast for the Impel Group (current report No 14/2006), which sets forth following performance targets:

- consolidated sales revenue of PLN 720 million
- consolidated net profit of PLN 20 million.

The forecast was prepared based on the following key assumptions:

- the Group's sales revenues will continue to rise dynamically,
- the regulations concerning support for employers of the disabled will not be amended in a way changing the amount of subsidies receivable in 2006,
- the Group will continue to implement its policy aimed at making its financial performance independent of government subsidies for employers of the disabled.

The table below sets forth the actual results against the forecast:

Item	Actual Q1 2006 (PLN million)	Forecast for 2006 (PLN million)	Performance (%)
Consolidated sales revenue	169,43	720	23.5 %
Consolidated net profit	2,92	20	14.6 %

As at the date of this report, the Management Board of Impel SA upholds the Group's financial forecast for 2006.

3. SHAREHOLDERS HOLDING 5% OR MORE OF THE TOTAL VOTE AT THE GENERAL SHAREHOLDERS MEETING OF IMPEL SA

As at March 31st 2006 and as at the date of these financial statements, the share capital of Impel SA amounted to 75,192,310 and was divided into 15,038,462 shares with a par value of PLN 5.00 per share.

To the best of the Company's knowledge and as presented in the table below, in the period from the publication of the previous quarterly report i.e. from March 1st 2006 to May 15th 2006, there were no changes in the ownership of significant blocks of shares in Impel SA:

Shareholder	PREVIOUS QUARTER (1)				CHANGE	Q1 2006 (2)			
	Number of shares	% of share capital	Number of votes	% of total vote		Number of shares	% of share capital	Number of votes	% of total vote
Grzegorz Dzik	5,037,907	33.50	7,887,907	39.36	no change	5,037,907	33.50	7,887,907	39.36
Józef Biegaj	3,800,555	25.27	5,950,555	29.70	no change	3,800,555	25.27	5,950,555	29.70
Merrill Lynch Investment Managers Group Limited (3)	1,171,701	7.79	1,171,701	5.85	no change	1,171,701	7.79	1,171,701	5.85
Pioneer Pekao Investment Management SA acting on behalf of Pioneer Pekao TFI SA (4)	1,074,422	7.14	1,074,422	5.36	no change	1,074,422	7.14	1,074,422	5.36

(1) Data as at March 1st 2006.

(2) Data as at May 15th 2006.

(3) According to the information received by the Company on October 11th 2005.

(4) According to the information received by the Company on September 20th 2004.

4. IMPEL SA SHARES HELD BY THE MANAGEMENT AND SUPERVISORY STAFF

To the best of the Company's knowledge and as presented in the table below, in the period from the publication of the previous quarterly report, i.e. from March 1st 2006 to May 15th 2006, no changes occurred in the number of Impel SA shares held by the management and supervisory staff of the Company.

	Number of shares as at the date of publication of previous quarterly report (1)	Acquisition	Disposal	Number of shares as at the date of publication of Q1 2006 report (2)
Management Board				
Grzegorz Dzik	5,037,907	no change	no change	5,037,907
Józef Biegaj	3,800,555	no change	no change	3,800,555
Edward Laufer	-	-	-	-
Sławomir Borkowski	-	-	-	-
Wojciech Rembikowski	1,343	no change	no change	1,343
Henryk Wojciechowski (3)	993	no change	no change	993
Supervisory Board				
Krzysztof Obłój	-	-	-	-
Piotr Pawłowski	-	-	-	-
Sylwester Cacek	-	-	-	-
Andrzej Malinowski	-	-	-	-
Mariusz Matlakiewicz	-	-	-	-

(1) Data as at March 1st 2006.

(2) Data as at May 15th 2006.

(3) Henryk Wojciechowski was appointed the proxy of Impel SA, authorised to act individually, as of January 11th 2006.

Members of the Management Board of Impel SA participate in the Management Incentive Scheme referred to in Section 8 (Other information material for the assessment of the personnel, economic, or financial standing of Impel SA and the Impel Group) of this Report.

5. INFORMATION ON MATERIAL PROCEEDINGS INVOLVING IMPEL SA OR ITS CONSOLIDATED SUBSIDIARY UNDERTAKINGS

In the period under review, no proceedings were instituted or pending before any court, arbitration authority, or public administration authority, concerning any liabilities or claims of Impel SA or its subsidiary undertakings, whose unit or aggregate value would equal or exceed 10% of Impel's equity.

6. INFORMATION ON NON-TYPICAL RELATED PARTY TRANSACTIONS OF IMPEL SA OR ITS SUBSIDIARY UNDERTAKING

In the reporting period, neither Impel SA nor any of its subsidiaries concluded any related party transactions in excess of EUR 500,000, whose terms differed from market terms or which did not result from day-to-day operations.

7. LOAN SURETIES ISSUED BY IMPEL SA OR THE IMPEL GROUP MEMBER UNDERTAKINGS; GUARANTEES ISSUED TO SUBSIDIARY UNDERTAKINGS

In the period under review, Impel SA and its subsidiary undertakings did not issue any loan sureties or guarantees jointly to any entity or its subsidiary, whose total value would be equal to or higher than the equivalent of 10% of the equity of Impel SA.

The existing loan sureties and guarantees issued to any entity or its subsidiary whose total value is equal to or higher than the equivalent of 10% of the equity of Impel SA as at March 31st 2005, are presented in the table below.

PLN '000

Undertaking for which the surety/guarantee was issued	Object of surety	Expiry date	Financial terms (remuneration for Impel SA)	Amount of surety in nominal terms	Amount of surety in real terms as at Mar 31 2006	Surety/guarantee issued by
Impel Security Polska sp. z o.o.	bank loan from Kredyt Bank SA	Jun 30 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	1,500	0 (current account credit line)	Impel SA
	bank loan from Kredyt Bank SA	Apr 30 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	2,000	163	
	guarantee facility from ING Bank Śląski SA	Jun 24 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	2,000	1,129	
	guarantee facility from Kredyt Bank SA	Jun 30 2008	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	4,500	2,960	
	guarantee facility from Impel SA	Sep 15 2006	Quarterly fee of 0.5% of the guarantee amount	10	10	
	trade contracts	indefinite	Quarterly fee of 0.5% of the collateral amount	8,000	8,000	
	lease of vehicles	indefinite	Quarterly fee of 0.5% of the collateral amount	2,000	2,000	

	operating lease from VW Leasing	individual agreements expire on different dates, from Jun 11 2007 to Jul 11 2009	Quarterly fee of 0.5% of the secured lease amount	3,463	3,110	
	TOTAL			23,473	17,372	

Impel Security Sp. z o.o. is a wholly-owned subsidiary of Impel SA Except for the above, there were no loan sureties or guarantees advanced by any Group undertaking to any entity, whose value would equal or exceed 10% of Impel SA's equity.

8. OTHER INFORMATION MATERIAL FOR THE ASSESSMENT OF THE PERSONNEL, ECONOMIC, OR FINANCIAL STANDING OF IMPEL SA AND THE IMPEL GROUP

In the opinion of the Management Board of the Company, material events which occurred in Q1 2006 include:

Spin-Off of Cleaning Services from Impel SA to Impel Cleaning Sp. z o.o. (subsidiary) – continuation of the process initiated in 2005

On January 3rd 2006, Mr Bogdan Dzik resigned from the post of a Member of the Management Board of Impel SA, with effect as of January 4th 2006. The resignation was caused by the appointment of Mr Bogdan Dzik to the position of President of the Management Board of Impel Cleaning Sp. z o.o. as of January 3rd 2006.

On January 18th 2006 the increased share capital of Impel Cleaning Sp. z o.o. was registered in the National Court Register. The shares in the increased share capital were covered with a non-cash contribution of the cleaning services business of Impel SA The fair value of the contributed business is PLN 70,600,000, including PLN 24,497,129 in tangible assets. Their carrying value in Impel SA's books was PLN 19,914,281 (including deferred tax assets in the amount of PLN 327,753).

Registration of a New Subsidiary

On January 17th 2006, LCC Sp. z o.o. was registered in the National Court Register. Impel HR Service Sp. z o.o. is a majority shareholder in LCC Sp. z o.o. with a 99% equity interest. The remaining 1% of the company shares is held by Impel SA

LCC Sp. z o.o. was established in connection with the Group's plans to further expand its offering of temporary employment services.

Acquisition of Sector Companies

In Q1 2006, the Impel Group engaged in intense efforts to implement the market consolidation strategy adopted by the Group and described in the Issue Prospects of Impel SA

Acquisitions are reported in section 9 of the Selected Explanatory Information.

The purchase of shares in the above companies was financed with the proceeds from the public issue of Impel SA shares, a portion of which was allocated to finance acquisitions. As at the date of this Report, the Group has used PLN 123.35m of the PLN 158.6m proceeds. It still has PLN 35.25m in issue proceeds allocated to finance acquisitions.

Implementation of the Incentive Scheme

In connection with the increase in the Company's share price as at the end of 2005 relative to the end of 2004 (increase by minimum 10%), in the second year of the three-year Incentive Scheme, the Management Board of Impel SA granted rights to acquire 150,000 ordinary bearer Series A bonds with a par value of PLN 0.10 per bond, with the pre-emptive right to subscribe for and acquire Series F ordinary bearer shares of Impel SA for the price of PLN 13 per share. Pursuant to the Impel SA's Incentive Scheme Rules, the eligible persons participating in the scheme were offered acquisition of the abovementioned bonds before January 14th 2006.

Appointment of a Proxy at Impel SA

On January 16th 2006, the Management Board of Impel SA appointed Henryk Wojciechowski as a proxy of Impel SA authorised to act individually (*prokura samoistna*). The newly-appointed proxy currently holds the position of the Infrastructure Management Director. Since 2002, Mr Wojciechowski has been the President of the Management Board of Impel Real Estate Sp. z o.o. (subsidiary undertaking).

Termination of agreements in connection with tender proceedings

- Within the reported period, the Management Board of Impel SA became aware of the termination by Telekomunikacja Polska SA (TP) of agreements concluded with member companies of the Impel Group. Under the agreements, Impel provided cleaning, security, technical and maintenance services to some of TP branches. Particular agreements were terminated with the effect as of March 31st and May 31st 2006. According to the information provided by TP, the termination of the agreements is connected with the organization of a tender for countrywide provision of services for TP. Impel intends to submit to TP its proposal to continue the cooperation in the scope of the abovementioned agreements.
- On March 31st 2006, the Management Board of Impel SA became aware of the termination by BPH SA of the agreement for the provision of cleaning services (as of January 1st 2006 the services have been provided by Impel SA's subsidiary – Impel Cleaning Sp. z o.o.). The termination of the agreement will be effective as of June 30th 2006. According to the information provided by BPH SA, the termination of the agreement is connected with BPH SA's tender proceedings. Impel Cleaning is participating in the bidding proceedings and intends to continue the cooperation with BPH SA Bank in the within the scope of the above-mentioned agreement.

Appointment of Auditor

On March 17th 2006 the Supervisory Board resolved to appoint Deloitte Audyt Sp. z o.o., registered office at ul. Piękna18, Warsaw, as the Company's auditor.

Deloitte Audyt Sp. z o.o. has been mandated to audit non-consolidated and consolidated financial statements of Impel SA prepared as at December 31st 2006, December 31st 2007 and December 31st 2008, and to review the Company's financial statements prepared as at June 30th 2006, June 30th 2007, and June 30th 2008.

Completion of bankruptcy proceedings in a subsidiary undertaking

On March 28th 2006, under a decision of the District Court of Wrocław for Wrocław-Fabryczna, VIII Bankruptcy and Recovery Division, the bankruptcy proceedings of Impel SA's subsidiary – Maxim Sp. z o.o. with its registered office in Wrocław – were completed.

This ruling formally ends the bankruptcy proceedings initiated on March 4th 2002. In the course of the proceedings, assets of the estate in bankruptcy were encashed and debts collected.

In 2002, Maxim Sp. z o.o. (wholly-owned by Impel SA) ceased its operations. Since that moment, the company was not consolidated within the Impel Group, and exerted no influence on its results.

In the opinion of the Management Board Material Events Subsequent to the Balance Sheet Date Include:

Positive recommendation of the Supervisory Board concerning dividend payment for 2005, and its evaluation of the Company's operations in 2005

On April 19th, the Supervisory Board of Impel SA decided to submit to the General Shareholders Meeting a recommendation to allocate Impel SA's net profit for 2005 of PLN 12,970,251.96 to:

1. payment of dividend amounting to PLN 10,226,154.16 to the shareholders,
2. capital reserve to the amount of PLN 2,744,097.80.

The dividend amount recommended by the Management Board will result in the payment of PLN 0.68 per share.

- In addition, the Management Board put forward a motion, approved by the Supervisory Board, to establish June 9th 2006 as the dividend right date, and June 30th 2006 as the dividend payment date.

Pursuant to Principle 18 of the "Best Practices in Public Companies in 2005", on April 19th 2006, the Management Board of Impel SA passed the Supervisory Board's opinion on the operations of the Company in 2005. In the opinion of the Supervisory Board, the Company and its Group have secured a good position on the market, and have organizational as well as financial potential enabling them to fulfil the 2006 forecasts.

The Impel Group's decision to launch property development activities

At its meeting on April 24th 2006, the Management Board of Impel SA decided to initiate selection of a partner in connection with the Company's plans on going into property development business (current report No 23/2006).

The development activities will be conducted within the area of Wrocław's real estates owned by the Impel Group companies and Asset Invest SA (Impel's related undertaking). Currently, Impel SA is holding talks with potential partners knowledgeable about the property development business, and is seeking a suitable partner for the joint venture.

9. FACTORS WHICH MAY AFFECT THE PERFORMANCE OF IMPEL SA AND THE IMPEL GROUP IN THE NEXT QUARTER

In the opinion of the Company's Management Board, the following factors will have a bearing on the Group's financial performance in the second quarter of 2006:

- further equity investments made to expand the Group's operations – investment of proceeds from the issue of the Company shares,
- intended commencement of property development business activities
- possible legislative changes in the government's support system for employers of the disabled.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Name	Position	Signature
May 15 2006	Grzegorz Dzik	President of the Management Board	
May 15 2006	Józef Biegaj	Vice-president of the Management Board	
May 15 2006	Sławomir Borkowski	Vice-president of the Management Board	
May 15 2006	Edward Laufer	Vice-president of the Management Board	
May 15 2006	Alina Rudnicka-Wałęsa	Head of the Accounting Centre of the Group	