

The Management Board of

IMPEL S.A.

releases the Consolidated Quarterly Report
for the fourth quarter of 2005

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31ST 2005

ASSETS	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
I. Non-current assets – items 1–11	118,569	109,462
1. Goodwill	8,280	9,122
2. Other intangible assets	6,546	4,952
3. Property, plant and equipment	71,112	64,636
4. Investment property	4,362	4,604
5. Intangible assets held as investments	13,203	13,366
6. Investments in shares	494	-
6a. Equity investments measured with the equity method	494	
7. Loans and own claims	-	-
8. Financial assets available for sale	-	-
9. Investments held to maturity	-	-
10. Non-current receivables (10a+10b+10c)	1,592	1,690
10a. Prepayments for non-current assets	-	-
10b. Financed lease receivables	1,536	1,113
10c. Other non-current receivables	56	577
11. Deferred tax asset	12,980	11,092
II. Current assets – items 1–8	232,434	226,818
1. Inventories	10,087	7,544
2. Receivables (2a+2b+2c+2d)	148,928	134,040
2a. Trade receivables	129,861	117,184
2b. Receivables from state and local budgets, including:	11,358	12,705
2b.1. Current tax receivables	1,322	143
2c. Financed lease receivables	1,274	641
2d. Other receivables	6,435	3,510
3. Loans and own claims	-	5,970
4. Financial assets available for sale	-	5,010
5. Investments held to maturity	-	-
6. Financial assets held for trading	-	-
7. Cash and cash equivalents	71,884	72,750
8. Prepayments and accrued income	1,535	1,504
III. Non-current assets classified as held for sale	264	491
Total assets – I+II+III	351,267	336,771

EQUITY AND LIABILITIES	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
1. Equity – items 1a–1j	222,596	201,194
1a. Share capital	75,192	75,192
1b. Treasury shares	-	-
1c. Reserve funds, including share premium account	105,556	107,784
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	(85)	(67)
1g. Other capital	786	-
1h. Retained profit/(deficit)	(19,925)	(20,686)
- Retained profit/(deficit)	(15,111)	(10,872)
- Retained profit/(deficit) after restatement in line with IFRS	(4,814)	(9,814)
1i. Current year net profit/(loss)	20,615	(1,486)
1j. Distributions from net profit during the year	-	-
2. Minority interests, including:	400	925
- Profit/(loss) attributable to minority interests for the year	667	991
- Distribution from net profit attributable to minority interests during the year	(466)	(278)
I. Total equity – 1+2	222,996	202,119
II. Non-current liabilities – items 1–6	4,991	7,097
1 Deferred tax liability	425	300
2 Employee benefits	571	530
3 Non-current provisions	2,265	3,481
4 Non-current bank loans and borrowings	227	617
5 Non-current financed lease liabilities	1,453	2,063
6 Other non-current liabilities	50	106
III. Current liabilities – items 1–7	111,281	113,043
1 Current bank loans and borrowings	2,230	6,168
2 Trade payables	29,272	28,732
3 Public charges, including:	38,000	35,371
3a Current tax liabilities	15	990
4 Employee benefits	31,125	28,587
5 Current financed lease liabilities	1,141	1,849
6 Other liabilities	7,609	6,718
7 Current provisions	1,904	5,618
IV. Deferred income	11,999	14,512
V. Liabilities directly related to non-current assets classified as held for sale	-	-
Total equity and liabilities – I+II+III+IV+V	351,267	336,771

	Dec 31 2005 PLN '000	Dec 31 2004 PLN '000
Book value	222,596	201,194
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	14.80	13.38

OFF-BALANCE-SHEET ITEMS	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
1. Contingent liabilities, including:	30,339	23,163
1.1. To related undertakings, including:	-	-
- guarantees and sureties issued	-	-
1.2. To other undertakings, including:	30,339	23,163
- guarantees and sureties issued	30,339	23,163
2. Other, including:	3,670	3,154
- land usufruct right	43	43
- assignment of receivables with the re-assignment option	3,627	3,111
Total off-balance-sheet items	34,009	26,317

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD JANUARY 1ST – DECEMBER 31ST 2005**

	Oct 1 – Dec 31 2005 PLN'000	Jan 1 – Dec 31 2005 PLN'000	Oct 1 – Dec 31 2004 PLN'000	Jan 1 – Dec 31 2004 PLN'000
Continued and discontinued operations				
I. Revenue – items 1–2	183,190	680,840	180,279	635,431
1. Sales revenue, including:	169,858	626,768	152,564	568,470
a) revenue on sales of products	167,800	621,790	151,681	566,158
b) revenue on sales of materials and goods for resale	2,058	4,978	883	2,312
2. Subsidies	13,332	54,072	27,715	66,961
II. Operating expenses – items 1–8	(180,394)	(656,353)	(157,486)	(616,761)
1. depreciation and amortisation	(4,059)	(16,228)	(3,210)	(15,668)
2. raw materials and energy used	(24,298)	(81,567)	(22,870)	(78,797)
3. contracted services	(23,149)	(87,387)	(21,351)	(82,477)
4. salaries and wages, social security and other employee benefits	(120,767)	(452,654)	(107,151)	(426,321)
5. other cost by type	(4,382)	(15,392)	(3,866)	(15,573)
6. selling costs – materials and goods for resale	(2,552)	(4,177)	(666)	(1,723)
7. change in products	(1,489)	307	1,566	3,041
8. cost of products for own needs	303	746	62	757
A. Profit/(loss) on sales – I-II	2,796	24,487	22,793	18,670
I. Other operating income, including:	6,034	14,003	3,264	10,653
1. Gain on disposal of non-current non-financial assets	188	561	157	822
2. Revaluation of non-financial assets	2,363	5,866	1,559	4,460
II. Other operating expenses, including:	(5,672)	(16,783)	(7,142)	(26,593)
1. Loss on disposal of non-current non-financial assets	-	(234)	(30)	(348)
2. Revaluation of non-financial assets	(2,047)	(7,924)	(3,587)	(9,611)
3. Consolidation goodwill write-off (negative value)	-	(863)	(1,353)	(5,441)
B. Operating profit/(loss) – A+I-II	3,158	21,707	18,915	2,730
I. Financial income, including:	517	4,949	1,776	7,026
1. Dividends and other profit distributions	-	-	-	-
2. Interest	462	4,408	1,740	6,653
II. Financial expenses, including:	(102)	(2,884)	(701)	(4,363)
1. Interest	(38)	(1,393)	(540)	(2,673)
2. Revaluation of investments	-	(349)	-	-
C. Pre-tax profit/(loss) – B+I-II	3,573	23,772	19,990	5,393
I. Corporate income tax	846	(2,484)	(5,102)	(5,888)
D. Share in (profit)/loss of an undertaking valued with the equity method	(6)	(6)	-	-
E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D) attributable to shareholders of Parent Undertaking	4,413	21,282	14,888	(495)
- attributable to shareholders of Parent Undertaking	4,350	20,615	14,326	(1,486)
- attributable to minority interests	63	667	562	991
Profit (loss) of the Parent Undertaking	4,350	20,615	14,326	(1,486)
Net profit/(loss) on discontinued operations	-	(342)	-	(233)
Net profit/(loss) on continued operations	4,350	20,957	14,326	(1,253)
Earnings/(loss) per ordinary share*	0.32	1.37	0.95	(0.10)
Discontinued operations	-	(0.02)	-	(0.02)
Continued operations	0.32	1.39	0.95	(0.08)

* 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 – DECEMBER 31ST 2005**

	Jan 1 – Dec 31 2005 (PLN '000)	Jan 1 – Dec 31 2004 (PLN '000)
I. Equity at beginning of period	201,194	255,684
- changes in adopted accounting policies	-	(9,814)
I.a. Equity at beginning of period, after adjustments	201,194	245,870
1. Share capital at beginning of period	75,192	81,500
1.1. Changes in share capital	-	(6,308)
a) increase, including:	-	1,000
- shares issued	-	1,000
b) decrease, including:	-	(7,308)
- shares retired	-	(7,308)
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		(38,000)
b) decrease		38,000
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	107,784	138,396
4.1. Changes in reserve funds	(2,228)	(30,612)
a) increase, including:	3,385	87
- distribution of profit (above statutory minimum)	3,385	87
b) decrease, including:	(5,613)	(30,699)
- retirement of treasury shares	(5,613)	(30,692)
- other		(7)
4.2. Reserve funds at end of period	105,556	107,784
5. Revaluation capital reserve at beginning of period	-	4
b) decrease, including:		(4)
5.1. Revaluation capital reserve at end of period	-	-
6. Other capital reserves at beginning of period	40,457	24,127
6.1. Change in other capital reserves		16,330
a) increase		17,330
- distribution of retained earnings		17,330
b) decrease, including:		(1,000)
- registration of the issue of Series E Shares in the National Court Register		(1,000)
6.2. Other capital reserves at end of period	40,457	40,457
7. Other capital at beginning of period	-	
7.1. Change in other capital	786	
7.2. Other capital at end of period	786	
8. Currency-translation differences on subordinated undertakings	(67)	(1)
a) increase	(38)	(66)
b) decrease	20	
8.1. Currency-translation differences on subordinated undertakings at end of period	(85)	(67)
9. Retained profit/(loss) brought forward at beginning of period	(22,172)	11,658
9.1. Retained profit at beginning of period		22,017
- changes in adopted accounting policies		(9,814)
9.2. Retained profit at beginning of period after reconciliation with comparable data		12,203
a) increase		513
b) decrease, including:		(22,530)
- transfer to other capital reserves		(17,330)
- transfer to reserve funds		(87)
- dividend paid		(5,113)
9.3. Retained profit at end of period		(9,814)
9.4. Retained loss at beginning of period	(22,172)	(10,359)

- changes in adopted accounting policies		
9.5. Retained loss at beginning of period after reconciliation with comparable data		(10,359)
a) increase		(513)
b) decrease	2,247	
9.6. Retained loss at end of period	(19,925)	(10,872)
9.7. Retained profit/(loss) at end of period	(19,925)	(20,686)
10. Net profit/(loss)	20,615	(1,486)
a) net profit	20,615	
b) net loss		(6,486)
d) change of adopted accounting principles		5,000
II. Equity at end of period	222,596	201,194
III. Equity after proposed distribution of profit (coverage of loss)	222,596	201,194

**CONSOLIDATED CASH-FLOW STATEMENT FOR THE PERIOD
JANUARY 1ST – DECEMBER 31ST 2005**

CONSOLIDATED CASH-FLOW STATEMENT	Jan 1 – Dec 31 2005 (PLN '000)	Jan 1 – Dec 31 2004 (PLN '000)
A. Cash flows from operating activities		
I. Net profit/(loss)	20,615	(1,486)
II. Total adjustments	(1,657)	9,934
1. (Profit)/loss attributable to minority interests	667	991
2. Depreciation and amortisation	16,228	15,668
3. Foreign exchange (gains)/losses	(19)	(26)
4. Interest and distributions from profit (dividends)	152	405
5. (Profit)/loss on investing activities	61	(288)
6. Change in provisions	(4,740)	4,184
7. Change in inventories	(3,443)	(1,674)
8. Change in receivables	(12,605)	(20,254)
9. Change in liabilities (net of loans and borrowings), including:	4,283	258
9a. Change in current tax liabilities	(975)	939
10. Change in accruals and deferrals	(4,129)	1,823
11. Other adjustments	1,888	8,847
III. Net cash provided by/(used in) operating activities – I+II	18,958	8,448
B. Cash flows from investing activities		
I. Cash provided by investing activities	13,972	6,744
1. Sale of intangible assets and property, plant and equipment	1,494	2,249
2. Sale of investment property and intangible assets	131	
3. Cash provided by financial assets, including:	12,347	4,495
a) in related undertakings	917	3,244
b) in other undertakings	11,430	1,251
- repayment of non-current loans advanced	9,109	846
- interest received	2,321	405
II. Cash used in investing activities	(31,749)	(45,279)
1. Acquisition of intangible assets and property, plant and equipment	(26,271)	(20,695)
2. Investment property and intangible assets	-	-
3. Cash used on financial assets, including:	(500)	(9,199)
a) in related undertakings	(500)	(4,199)
b) in other undertakings	-	(5,000)
4. Dividends and other distributions from profit to minority interests	(1,112)	(1,024)
5. Other cash used in investing activities	(3,866)	(14,361)
III. Net cash provided by/(used in) investing activities – I-II	(17,777)	(38,535)
C. Cash flows from financing activities		
I. Cash provided by financing activities	5,388	11,302
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	50
2. Increase in loans and borrowings	1,062	6,357
3. Issue of debt securities	-	-
4. Other cash provided by financing activities	4,326	4,895
II. Cash used in financing activities	(7,424)	(65,032)
1. Acquisition of treasury shares	-	(38,000)
2. Dividends and other distributions to shareholders	-	(5,113)
3. Distributions from profit other than to shareholders	-	-
4. Repayment of loans and borrowings	(5,123)	(18,200)
5. Redemption of debt securities	-	-
6. Other financial liabilities	-	-
7. Decrease in financed lease liabilities	(1,786)	(2,550)
8. Interest paid	(515)	(1,166)
9. Other cash used in financing activities	-	(3)
III. Net cash provided by/(used in) financing activities – I-II	(2,036)	(53,730)
D. Total net cash flow – A.III+/-B.III+/-C.III	(855)	(83,817)
E. Balance-sheet change in cash, including:	(855)	(83,916)

- change in cash resulting from foreign exchange gains/(losses)	-	(99)
F. Cash at beginning of period	72,717	156,633
G. Cash at end of period (F+/-D), including:	71,862	72,717
- restricted cash*	125	1,135

BALANCE SHEET OF IMPEL S.A. AS AT DECEMBER 31ST 2005

ASSETS	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
I. Non-current assets – items 1–11	91,904	101,684
1. Goodwill	-	-
2. Other intangible assets	2,551	2,313
3. Property, plant and equipment	3,901	13,064
4. Investment property	2,571	2,638
5. Intangible assets held as investments	10,164	10,296
6. Investments in shares	48,715	37,465
7. Loans and own claims	21,104	31,731
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	2,898	4,177
II. Current assets – items 1–8	142,800	138,208
1. Inventories	52	451
2. Receivables (2a+2b+2c+2d)	73,391	65,104
2a. Trade receivables	64,359	57,448
2b. Receivables from state and local budgets, including:	6,658	4,888
2b.1. Current tax receivables	-1,158	-
2c. Financed lease receivables	-	-
2d. Other receivables	2,374	2,768
3. Loans and own claims	35,386	14,059
4. Financial assets available for sale	-	5,010
5. Investments held to maturity	-	-
6. Financial assets held for trading	-	-
7. Cash and cash equivalents	33,663	53,219
8. Prepayments and accrued income	308	364
III. Non-current assets classified as held for sale	20,178	491
Total assets – I+II+III	254,882	240,382

BALANCE SHEET OF IMPEL S.A. AS AT DECEMBER 31ST 2005

EQUITY AND LIABILITIES	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
I. Equity – items 1a–1j	208,399	194,580
1a. Share capital	75,192	75,192
1b. Treasury shares	-	-
1c. Reserve funds, including share premium account	98,666	95,688
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	786	
1h. Retained profit/(deficit)	(4,733)	(9,458)
- Retained profit/(deficit)	497	497
- Retained profit/(deficit) after restatement in line with IFRS	(5,230)	(9,955)
1i. Current year net profit/(loss)	13,034	7,704
1j. Distributions from net profit during the year	-	-
II. Non-current liabilities – items 1–6	2,367	3,776
1 Deferred tax liability	-	-
2 Employee benefits	52	286
3 Non-current provisions	2,265	3,440
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	40,029	38,513
1 Current bank loans and borrowings	-	625
2 Trade payables	16,624	13,709
3 Public charges, including:	9,066	10,685
3a Current tax liabilities	-	980
4 Employee benefits	8,230	10,439
5 Current financed lease liabilities	-	-
6 Other liabilities	4,897	2,055
7 Current provisions	1,212	1,000
IV. Deferred income	2,362	3,513
V. Liabilities directly related to non-current assets classified as held for sale	1,725	-
Total equity and liabilities – I+II+III+IV+V	254,882	240,382

	Dec 31 2005 PLN '000	Dec 31 2004 PLN '000
Book value	208,399	194,580
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	13.86	12.94

OFF-BALANCE-SHEET ITEMS	Dec 31 2005 (PLN '000)	Dec 31 2004 (PLN '000)
1. Contingent receivables		
2. Contingent liabilities, including:	45,594	35,538
2.1. To related undertakings	30,793	24,416
guarantees and sureties issued	30,793	24,416
2.2. To other undertakings, including:	14,801	11,122
guarantees and sureties issued	14,801	11,122
3. Other, including:	3,622	2,851
assignment of receivables with the re-assignment option	3,622	2,851
Total off-balance-sheet items	49,216	38,389

**PROFIT AND LOSS ACCOUNT OF IMPEL S.A. FOR THE PERIOD JANUARY 1ST 2005 –
DECEMBER 31ST 2005**

	Oct 1 – Dec 31 2005 PLN'000	Jan 1 – Dec 31 2005 PLN'000	Oct 1 – Dec 31 2004 PLN'000	Jan 1 – Dec 31 2004 PLN'000
Continued and discontinued operations				
I. Revenue – items 1–2	74,409	281,841	77,616	277,189
1. Sales revenue, including:	67,527	253,565	62,568	242,094
a) revenue on sales of products	67,440	253,367	62,527	241,814
b) revenue on sales of materials and goods for resale	87	198	41	280
2. Subsidies	6,882	28,276	15,048	35,095
II. Operating expenses – items 1–8	(73,609)	(270,437)	(63,423)	(258,430)
1. depreciation and amortisation	(1,030)	(4,286)	(1,116)	(5,301)
2. raw materials and energy used	(8,608)	(31,292)	(7,459)	(29,845)
3. contracted services	(17,967)	(62,019)	(14,628)	(54,057)
4. salaries and wages, social security and other employee benefits	(43,243)	(166,063)	(38,400)	(162,673)
5. other cost by type	(2,262)	(6,480)	(1,206)	(6,208)
6. selling costs – materials and goods for resale	(99)	(229)	(52)	(251)
7. change in products	(400)	(68)	(562)	(95)
8. cost of products for own needs		-	-	-
A. Profit/(loss) on sales – I-II	800	11,404	14,193	18,759
I. Other operating income, including:	3,880	7,348	1,446	4,972
1. Gain on disposal of non-current non-financial assets	2	46	71	379
2. Revaluation of non-financial assets	1,146	2,784	707	2,083
II. Other operating expenses, including:	(3,201)	(7,966)	(3,669)	(9,516)
1. Loss on disposal of non-current non-financial assets	-	-	-	(95)
2. Revaluation of non-financial assets	(698)	(2,911)	(2,239)	(4,450)
B. Operating profit/(loss) – A+I-II	1,479	10,786	11,970	14,215
I. Financial income, including:	2,142	10,330	4,360	12,493
1. Dividends and other profit distributions	-	1,643	-	1,346
2. Interest	1,340	6,181	2,266	7,945
II. Financial expenses, including:	(204)	(4,555)	(6,895)	(15,514)
1. Interest	(90)	(537)	(49)	(1,133)
2. Revaluation of investments	-	(3,616)	(6,688)	(13,448)
C. Pre-tax profit/(loss) – B+I-II	3,417	16,561	9,435	11,194
I. Corporate income tax	(1,343)	(3,527)	(3,153)	(3,490)
D. Net profit/(loss) on continued and discontinued operations (C+/-I)	2,074	13,034	6,282	7,704
Net profit/(loss) on discontinued operations	5,017	20,550	-	-
Net profit/(loss) on continued operations	(2,943)	(7,516)	6,282	7,704
Earnings (loss) per ordinary share*				
Continued operations	0.33	1.37	-	-
Discontinued operations*	(0.19)	(0.50)	0.42	0.51

* 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 S.A. FOR THE PERIOD JANUARY 1ST –
DECEMBER 31ST 2005**

STATEMENT OF CHANGES IN EQUITY	Jan 1 – Dec 31 2005 (PLN '000)	Jan 1 – Dec 31 2004 (PLN '000)
I. Equity at beginning of period	194,580	239,954
- changes in adopted accounting policies	-	(9,955)
I.a. Equity at beginning of period, after adjustments	194,580	229,999
1. Share capital at beginning of period	75,192	81,500
1.1. Changes in share capital	-	(6,308)
a) increase – shares issued		1,000
b) decrease – retired shares		(7,308)
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		(38,000)
b) decrease – retirement		38,000
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	95,688	126,385
4.1. Changes in reserve funds	2,978	(30,697)
a) increase, including:	2,978	4
- distribution of profit	2,978	
- revaluation of reserve funds		4
b) decrease, including:	-	(30,701)
- cost of share issue		(9)
- retired shares		(30,692)
4.2. Reserve funds at end of period	98,666	95,688
5. Revaluation capital reserve at beginning of period	-	4
5.1. Revaluation capital reserve at end of period	-	4
6. Other capital reserves at beginning of period	25,454	24,127
6.1. Change in other capital reserves	-	1,327
a) increase		2,327
- distribution of retained profit brought forward		2,327
b) decrease, including:		(1,000)
- transfer to share capital (registration of share issue)		(1,000)
6.2. Other capital reserves at end of period	25,454	25,454
7. Other capital at beginning of period	-	-
7.1. Change in other capital	786	-
a) increase, including:	786	-
- valuation of share options	786	-
b) decrease, including:		-
7.2. Other capital at end of period	786	-
8. Currency-translation differences on subordinated undertakings	-	-
9. Retained profit/(loss) brought forward at beginning of period	3,475	7,938
9.1. Retained profit at beginning of period	3,475	7,938
- changes in adopted accounting policies	(5,230)	(9,955)
9.2. Retained profit at beginning of period after adjustments	(1,755)	(2,017)
a) increase, including:	-	
b) decrease, including:	(2,978)	(7,441)
- transfer of profit to reserve funds	(2,978)	
- allocation of profit to reserve funds		(2,328)
- allocation of profit to dividend payment		(5,113)
9.3. Retained profit at end of period	(4,733)	(9,458)
9.4. Retained loss at beginning of period	-	-
- changes in adopted accounting policies		
9.5. Retained loss at beginning of period after adjustments	-	-
9.6. Retained loss at end of period	-	-
9.7. Retained profit/(loss) at end of period	(4,733)	(9,458)
10. Net profit/(loss)	13,034	7,704
a) net profit	13,034	2,979
b) net loss	-	
c) change of adopted accounting principles		4,725
II. Equity at end of period	208,399	194,580
III. Equity after proposed distribution of profit (coverage of loss)	208,399	194,580

**CASH-FLOW STATEMENT OF IMPEL S.A. FOR THE PERIOD
JANUARY 1ST – DECEMBER 31ST 2005**

CASH-FLOW STATEMENT	Jan 1 – Dec 31 2005 (PLN '000)	Jan 1 – Dec 31 2004 (PLN '000)
A. Cash flows from operating activities		
I. Net profit/(loss)	13,034	7,704
II. Total adjustments	(5,030)	19,354
1. Depreciation and amortisation	4,286	5,301
2. Foreign exchange (gains)/losses	-	
3. Interest and distributions from profit (dividends)	(5,317)	(3,700)
4. (Profit)/loss on investing activities	(346)	(408)
5. Change in provisions	(963)	2,405
6. Change in inventories	79	98
7. Change in receivables	(9,895)	3,235
8. Change in liabilities (net of loans and borrowings), including	4,121	(3,361)
8a. Change in current tax liabilities	(980)	(980)
9. Change in accruals and deferrals	(145)	1,075
10. Other adjustments	3,150	14,709
III. Net cash provided by/(used in) operating activities – I+/-II	8,004	27,058
B. Cash flows from investing activities		
I. Cash provided by investing activities	14,088	15,478
1. Sale of intangible assets and property, plant and equipment	328	2,884
2. Sale of investment property and intangible assets	-	
3. Cash provided by financial assets, including:	13,760	12,594
a) in related undertakings	8,660	11,746
b) in other undertakings	5,100	848
- repayment of non-current loans advanced	5,040	800
- interest	60	48
4. Other cash provided by investing activities	-	
II. Cash used in investing activities	(32,012)	(74,351)
1. Acquisition of intangible assets and property, plant and equipment	(3,691)	(4,872)
2. Investment property and intangible assets	-	
3. Cash used on financial assets, including:	(27,821)	(69,479)
a) in related undertakings	(27,821)	(64,479)
b) in other undertakings	-	(5,000)
- acquisition of financial assets	-	(5,000)
- non-current loans advanced		
4. Other cash used in investing activities	(500)	
III. Net cash provided by/(used in) investing activities – I-II	(17,924)	(58,873)
C. Cash flows from financing activities		
I. Cash provided by financing activities	-	50
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity		50
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)	(49,106)
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		
5. Redemption of debt securities		
6. Other financial liabilities		
7. Decrease in financed lease liabilities		
8. Interest paid		(202)
9. Other cash used in financing activities		(3)
III. Net cash provided by/(used in) financing activities – I-II	(625)	(49,056)
D. Total net cash flow – A.III+/-B.III+/-C.III	(10,545)	(80,871)
E. Balance-sheet change in cash, including:	(10,545)	(80,871)

- change in cash resulting from foreign exchange gains/(losses)		
F. Cash at beginning of period	53,186	134,057
G. Cash at end of period (F+/-D), including:	42,641	53,186
- restricted cash*		1,008

*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 Q4 2005

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 December 31st 2005.

Format of the financial statements

The report for Q4 2005 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 (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 H1 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 twelve months, i.e. from January 1st to December 31st 2005.

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 2004.

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 December 31st 2004. Additionally, the data disclosed in the consolidated and non-consolidated profit and loss accounts is accompanied by comparable financial data for Q4 2004

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. The comparable data was restated in accordance with IAS 1; the differences in value disclosures and description of the adopted accounting policies are presented in Section 1.5 herein.

1.4 General information on the Company and its Group

As at December 31st 2005, the Impel Group (the "Impel Group" or the "Group") consisted of the Parent Undertaking and 18 subsidiary undertakings consolidated with the full method, and one co-subsiary undertaking consolidated with the equity method. The Group's Parent Undertaking is Impel S.A. (the "Company" or the "Parent Undertaking").

1.5 Adopted accounting policies and computing methods

The accounting policies applied by Impel S.A. 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. A consolidated description of the accounting policies is contained in H1 2005 financial statements. Section 1.5.1 presents the effect of the change of accounting policies on comparable data in terms of value disclosures and description.

In Q4 2005, 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.

1.5.1. Change of accounting policies in terms of value disclosure and description:

1.5.1.a. Presentation of changes in terms of value and their effect on the Group's financial statements for 2004

Consolidated balance sheet as at Dec 31 2004		Adjustments										Consolidated comparable data as at Dec 31 2004	
		1	2	3	4	5	6	7	8	9	10		
I. Non-current assets	117,468	-	(1,717)	(4,875)	(754)	(491)	(43)	(3)	-	618	(741)	109,462	I. Non-current assets
1. Intangible assets, including:	6,676	1,828								618		9,122	1. Goodwill
-goodwill	4,875												
2. Goodwill of subordinated undertakings	8,504	(1,828)	158	(4,875)			2,993					4,952	2. Other intangible assets
3. Property, plant and equipment	72,265		665			(491)	(5,946)	(3)			(1,854)	64,636	3. Property, plant and equipment
4. Non-current receivables	1,331	(1,331)											
5. Non-current investments	15,060	-	-	-	-	-	2,910	-	-	-	-		
5.1 Real estate	15,060						(10,456)					4,604	4. Investment property
5.2 Intangible assets							13,366					13,366	5. Intangible assets held as investments
Non-current financial assets												-	6. Investments in shares
Other non-current investments												-	7. Investments in associated undertakings consolidated with equity method
												-	8. Loans and own claims
												-	9. Financial assets available for sale
6. Non-current prepayments and accrued income	13,632	-	(2,540)	-	-	-	-	-	-	-	-	-	
												-	10. Investments held to maturity
		1,331			(754)						1,113	1,690	11. Non-current receivables
6.1 Deferred tax asset	11,092	(11,092)											
6.2 Other prepayments and accrued income	2,540	11,092	(2,540)									11,092	12. Deferred tax asset
II. Current assets	233,898	-	1,260	-	(8,984)	-	-	3	-	-	641	226,818	II. Current assets
1. Inventories	3,967		3,581					(4)				7,544	1. Inventories
2. Current receivables	133,486				(94)			7			641	134,040	2. Current receivables
		5,970										5,970	3. Loans and own claims
		5,010										5,010	4. Financial assets available for sale
													5. Investments held to maturity
3. Current financial assets	92,620	(10,980)	-	-	(8,890)	-	-	-	-	-	-		
a) in other undertakings	10,980	(10,980)											6. Financial assets held for trading
b) cash and cash equivalents	81,640				(8,890)							72,750	7. Cash and cash equivalents
4. Prepayments and accrued income	3,825		(2,321)									1,504	8. Prepayments and accrued income
						491						491	III. Non-current assets classified as held for sale
Total assets	351,366	-	(457)	(4,875)	(9,738)	-	(43)	-	-	618	(100)	336,771	Total assets

Consolidated balance sheet as at Dec 31 2004		Adjustments										Consolidated comparable data as at Dec 31 2004	
		1	2	3	4	5	6	7	8	9	10		
1. Equity	206,008	-	(457)	(4,875)	-	-	-	-	-	618	(100)	201,194	1. Equity
1a. Share capital	75,192											75,192	1a. Share capital
1c. Reserve funds, including share premium account	107,784											107,784	1c. Reserve funds, including share premium account
1e. Other capital reserves	40,457											40,457	1e. Other capital reserves
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation	(67)											(67)	1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation
1g. Other capital												-	1g. Other capital
1h. Retained profit/(deficit)	(10 872)	(288)	(9,667)							155	(14)	(20,686)	1h. Retained profit/(deficit)
1i. Current year net profit/(loss)	(6 486)	(169)	4,792							463	(86)	(1,486)	1i. Current year net profit/(loss)
1j. Distributions from net profit during the year												-	1j. Distributions from net profit during the year
2. Minority interests	925											925	2. Minority interests
I. Total equity	206,933	-	(457)	(4,875)	-	-	-	-	-	618	(100)	202,119	I. Total equity

II. Liabilities and provisions for liabilities	144,433	(6,613)	-	-	-	-	-	-	-	-	-	-	-	7,097	II. Non-current liabilities
1. Provisions for liabilities	10,924														
1.1 Deferred tax liability	300													300	1. Deferred tax liability
1.2 Provision for retirement and related employee benefits	620	(90)	-	-	-	-	-	-	-	-	-	-	-		
a) non-current	530													530	2. Employee benefits
b) current	90	(90)													
1.3 Other provisions	10,004	(6,523)	-	-	-	-	-	-	-	-	-	-	-		
a) non-current	3,481													3,481	3. Non-current provisions
b) current	6,523	(6,523)													
III. Non-current liabilities	2,815	(85)	-	-	-	-	-	-	-	-	-	-	56		
1. Loans and borrowings	617													617	4. Non-current bank loans and borrowings
2. Debt securities in issue	50	(50)													
		2,063												2,063	5. Non-current financed lease liabilities
3. Other non-current liabilities	2,148	(2,098)											56	106	6. Other non-current liabilities
IV. Current liabilities	104,792	6,698	-	(9,738)	-	-	-	-	11,291	-	-	-	-	113,043	III. Current liabilities
1. Loans and borrowings	6,168													6,168	1. Current bank loans and borrowings
2. Trade payables	27,533	258							941					28,732	2. Trade payables
3. Public charges	34,665	647							59					35,371	3. Public charges
4. Employee benefits	18,203	90		3					10,291					28,587	4. Employee benefits
		1,849												1,849	5. Current financed lease liabilities
5. Other liabilities	4,894	11,565		(9,741)										6,718	6. Other liabilities
6. Special accounts	13,329	(13,329)													
		5,618												5,618	7. Current provisions
V. Accruals and deferred income	25,902	-	-	-	-	-	(43)	-	(11,347)	-	-	-	-		
a) non-current	12,166	2,389					(43)							14,512	IV. Deferred income
b) current	13,736	(2,389)							(11,347)						
															V. Liabilities related to non-current assets classified as held for sale
Total equity and liabilities	351,366	-	(457)	(4,875)	(9,738)	-	(43)	-	-	618	(100)			336,771	Total equity and liabilities

Consolidated profit and loss account for the period Jan 1 – Dec 31 2004 prepared in accordance with the Polish Accountancy Act		Adjustments										Profit and loss account for the period Jan 1 – Dec 31 2004 prepared in accordance with IFRS		
		1	2	3	4	5	6	7	8	9	10			
A Revenue:	572,289	63,622	-	-	-	-	-	-	-	-	-	(480)	635,431	I. Revenue
													568,470	1. Sales revenue, including:
a) revenue on sales of products	566,638											(480)	566,158	a) revenue on sales of products
b) revenue on sales of materials and goods for resale	2,312												2,312	b) revenue on sales of materials and goods for resale
c) cost of products for own needs	757	(757)											-	
d) change in products	2,582	(2,582)											-	
		66,961											66,961	2. Subsidies
B Operating expenses	(624,980)	3,339	(157)	4,792	-	-	-	-	-	-	-	245	(616,761)	II. Operating expenses
1 depreciation and amortisation	(19,270)		(1,435)	4,792								245	(15,668)	1. depreciation and amortisation
2. raw materials and energy used	(79,613)		816										(78,797)	2. raw materials and energy used
3. contracted services	(82,477)												(82,477)	3. contracted services
4. taxes and charges	(4,669)	4,669											-	
5. salaries and wages	(351,521)	(74,800)											(426,321)	4. salaries and wages, social security and other employee benefits
6. social security and other employee benefits	(74,800)	74,800											-	
7. other cost by type	(10,907)	(4,669)	3										(15,573)	5. other cost by type
8. Selling costs - materials and goods for resale	(1,723)												(1,723)	6. selling costs – materials and goods for resale
		2,582	459										3,041	7. change in products
		757											757	8. cost of products for own needs
C Profit/(loss) on sales – A-B	(52,691)	66,961	(157)	4,792	-	-	-	-	-	-	-	(235)	18,670	A. Profit/(loss) on sales – I-II
D Other operating income	77,498	(66,845)	-	-	-	-	-	-	-	-	-	-	10,653	I. Other operating income, including:
1. Gain on disposal of non-current non-financial assets	706	116											822	1. Gain on disposal of non-current non-financial assets
2. Subsidies	66,961	(62,501)											4,460	2. Revaluation of non-financial assets
3. Other operating income	9,831	(4,460)											5,371	3. Other operating income
E Other operating expenses	(21,135)	(5,909)	(12)	-	-	-	-	-	-	-	463	-	(26,593)	II. Other operating expenses, including:
1. Loss on disposal of non-current non-financial assets	(348)												(348)	1. Loss on disposal of non-current non-financial assets
2. Revaluation of non-financial assets	(9,611)												(9,611)	2. Revaluation of non-financial assets

3. Other operating expenses	(11,176)	(5)	(12)									(11,193)	3. Other operating expenses	
		(5,904)								463		(5,441)	4. Consolidation goodwill write-off (negative value)	
F. Operating profit/(loss) – C+D-E	3,672	(5,793)	(169)	4,792	-	-	-	-	-	463	(235)	2,730	B. Operating profit/(loss) – A+I-II	
G. Financial income, including:	6,877	-	-	-	-	-	-	-	-	-	-	149	7,026	I. Financial income, including:
1. Interest	6,504											149	6,653	1. Interest
2. Gain on disposal of investments	8												8	2. Gain on disposal of investments
3. Other	365												365	3. Other
H. Financial expenses, including:	(4,363)	-	-	-	-	-	-	-	-	-	-	-	(4,363)	II. Financial expenses, including:
1. Interest	(2,673)												(2,673)	1. Interest
2. Other	(1,690)												(1,690)	2. Other
I. Gain/(loss) on disposal of all or part of shares	116	(116)											-	
J. Consolidation goodwill write-off	(5,904)	5,904											-	
K. Profit/(loss) on extraordinary items	(5)	5											-	
L. Pre-tax profit/(loss) – F+G-H+/-I-J+/-K	393	-	(169)	4,792	-	-	-	-	-	463	(86)	5,393	C. Pre-tax profit/(loss) – B+I-II	
M. Corporate income tax	(5,888)											(5,888)	D. Corporate income tax	
N. (Profit)/loss attributable to minority interests	(991)											(991)	E. (Profit)/loss attributable to minority interests	
O. Net profit/(loss) on continued and discontinued operations – L+/-M+/-N	(6,486)	-	(169)	4,792	-	-	-	-	-	463	(86)	(1,486)	F. Net profit/(loss) on continued and discontinued operations – C+/-D+/-E	

Consolidated cash-flow statement for the period Jan 1 – Dec 31 2004	Adjustments										Consolidated comparable data for the period Jan 1 – Dec 31 2004		
	1	2	3	4	5	6	7	8	9	10			
I. Net profit/(loss)	(6,486)		(169)	4,792						463	(86)	(1,486)	I. Net profit/(loss)
II. Total adjustments	20,729		189	(4,792)	(5,485)			96		(463)	(340)	9,934	II. Total adjustments
A.III. Net cash provided by/(used in) operating activities – I+/-II	14,243		20		(5,485)			96			(426)	8,448	A.III. Net cash provided by/(used in) operating activities – I+/-II
B.III. Net cash provided by/(used in) investing activities	(38,845)		(20)					(96)				(38,535)	B.III. Net cash provided by/(used in) investing activities
C.III. Net cash provided by/(used in) financing activities	(53,730)											(53,730)	C.III. Net cash provided by/(used in) financing activities
D. Total net cash flow – A.III+/-B.III+/-C.III	(78,332)				(5,485)							(83,817)	D. Total net cash flow – A.III+/-B.III+/-C.III
E. Balance-sheet change in cash, including:	(78,431)											(83,916)	E. Balance-sheet change in cash, including:
- change in cash resulting from foreign exchange differences	(99)											(99)	- change in cash resulting from foreign exchange differences
F. Cash at beginning of period	160,038				(3,405)							156,633	F. Cash at beginning of period
G. Cash at end of period (F+/-D)	81,607				(8,890)							72,717	G. Cash at end of period (F+/-D), including:

Consolidated equity as at Jan 1 2004		Adjustments										Consolidated comparable data as at Jan 1 2004	
		1	2	3	4	5	6	7	8	9	10		
1. Equity	255,684	-	(288)	(9,667)	-	-	-	-	-	155	(14)	245,870	1. Equity
1a. Share capital	81,500											81,500	1a. Share capital
1b. Treasury shares													1b. Treasury shares
1c. Reserve funds, including share premium account	138,396											138,396	1c. Reserve funds, including share premium account
1d. Revaluation capital reserve	4											4	1d. Revaluation capital reserve
1e. Other capital reserves	24,127											24,127	1e. Other capital reserves
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation	(1)											(1)	1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation
1h. Retained profit/(deficit)	11,658		(288)	(9,667)						155	(14)	1,844	1h. Retained profit/(deficit)
1i. Current year net profit/(loss)	-		-	-						-	-	-	1i. Current year net profit/(loss)
2. Minority interests	995											995	2. Minority interests
Total equity	256,679											246,865	Total equity

Balance sheet of Impel S.A. as at Dec 31 2004		Adjustments										Comparable balance sheet of Impel S.A. as at Dec 31 2004		
		1	2	3	4	5	6	7	8	9	10			
I. Non-current assets	107,488	-	71	(4,875)	(509)	(491)	-	-	-	-	-	-	101,684	I. Non-current assets
1. Intangible assets, including:	5,419	(2,313)		(4,875)			1,769						-	1. Goodwill
-goodwill	4,875													
2. Goodwill of subordinated undertakings		2,313											2,313	2. Other intangible assets
3. Property, plant and equipment	18,206		71			(491)	(4,722)						13,064	3. Property, plant and equipment
4. Non-current receivables	509				(509)									
5. Non-current investments	79,177	-	-	-	-	-	2,953	-	-	-	-	-	-	
5.1 Real estate	9,981						(7,343)						2,638	4. Investment property
5.2 Intangible assets							10,296						10,296	5. Intangible assets held as investments
Non-current financial assets	69,196	(31,731)											37,465	6. Investments in shares
Other non-current investments													-	7. Investments in associated undertakings consolidated with equity method
		31,731											31,731	8. Loans and own claims
													-	9. Financial assets available for sale
6. Non-current prepayments and accrued income	4,177													
														10. Investments held to maturity
														11. Non-current receivables
6.1 Deferred tax asset	4,177	(4,177)												
6.2 Other prepayments and accrued income		4,177											4,177	12. Deferred tax asset
II. Current assets	142,719	(1)	(425)	-	(4,086)	491	-	-	-	-	-	-	138,207	II. Current assets
1. Inventories	451												451	1. Inventories
2. Current receivables	64,573				531								65,104	2. Current receivables
		14,059											14,059	3. Loans and own claims
													-	4. Financial assets available for sale
													-	5. Investments held to maturity
3. Current financial assets	76,906	(14,060)	-	-	(4,617)	-	-	-	-	-	-	-	-	
a) in related undertakings	14,019	(9,009)											5,010	6. Financial assets held for trading
b) in other undertakings	5,050	(5,050)												
c) cash and cash equivalents	57,837	(1)			(4,617)								53,219	7. Cash and cash equivalents
4. Prepayments and accrued income	789		(425)										364	8. Prepayments and accrued income
						491							491	III. Non-current assets classified as held for sale
Total assets	250,207	(1)	(354)	(4,875)	(4,595)	-	-	-	-	-	-	-	240,382	Total assets

Equity of Impel S.A. as at Dec 31 2004		Adjustments										Comparable data of Impel S.A. as at Dec 31 2004	
		1	2	3	4	5	6	7	8	9	10		
1. Equity	199,810		(355)	(4 875)	-	-	-	-	-	-	-	194,580	1. Equity
1a. Share capital	75,192											75,192	1a. Share capital
1b. Treasury shares													1b. Treasury shares
1c. Reserve funds, including share premium account	95,688											95,688	1c. Reserve funds, including share premium account
1d. Revaluation capital reserve													1d. Revaluation capital reserve
1e. Other capital reserves	25,454											25,454	1e. Other capital reserves
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation												-	1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation
1g. Other capital												-	1g. Other capital
1h. Retained profit/(deficit)	497		(288)	(9,666)								(9,458)	1h. Retained profit/(deficit)
1i. Current year net profit/(loss)	2,979		(66)	4,791								7,704	1i. Current year net profit/(loss)
1j. Distributions from net profit during the year												-	1j. Distributions from net profit during the year
2. Minority interests												-	2. Minority interests
Total equity	199,810											194,580	1. Total equity

II. Liabilities and provisions for liabilities	50,397	(1,384)	-	-	-	-	-	-	-	-	-	3,776	II. Non-current liabilities
1. Provisions for liabilities	5,110												
1.1 Deferred tax liability													1. Deferred tax liability
1.2 Provision for retirement and related employee benefits	286	-	-	-	-	-	-	-	-	-	-		
a) non-current	286											286	2. Employee benefits
b) current													
1.3 Other provisions	4,824	(1,384)	-	-	-	-	-	-	-	-	-		
a) non-current	3,440											3,440	3. Non-current provisions
b) current	1,384	(1,384)											
Non-current liabilities	50	-	-	-	-	-	-	-	-	-	-		
1. Loans and borrowings													4. Non-current bank loans and borrowings
2. Debt securities in issue	50	(50)											
													5. Non-current financed lease liabilities
3. Other non-current liabilities		50										50	6. Other non-current liabilities
III. Current liabilities	37,130	1,384	-	-	(4,595)	-	-	-	4,594	-	-	38,513	III. Current liabilities
1. Loans and borrowings	625											625	1. Current bank loans and borrowings
2. Trade payables	13,529								180			13,709	2. Trade payables
3. Public charges	10,300	384							1			10,685	3. Public charges
4. Employee benefits	6,026								4,413			10,439	4. Employee benefits
													5. Current financed lease liabilities
5. Other liabilities	681				1,374							2,055	6. Other liabilities
6. Special accounts	5,969				(5,969)								
		1,000										1,000	7. Current provisions
IV. Accruals and deferred income	8,107	-	-	-	-	-	-	-	(4,594)	-	-		
a) non-current	2,397	1,116										3,513	IV. Deferred income
b) current	5,710	(1,116)							(4,594)			-	
													v. Liabilities related to non-current assets classified as held for sale
Total equity and liabilities	250,207	(1)	(354)	(4,875)	(4,595)	-	-	-	-	-	-	240,382	Total equity and liabilities

Profit and loss account of Impel S.A. for the period Jan 1 – Dec 31 2004		Adjustments										Comparable profit and loss account of Impel S.A. for the period Jan 1 – Dec 31 2004	
		1	2	3	4	5	6	7	8	9	10		
A. Revenue:	242,137											277,189	I. Revenue
												242,094	1. Sales revenue, including:
a) revenue on sales of products	241,814											241,814	a) revenue on sales of products
b) revenue on sales of materials and goods for resale	280											280	b) revenue on sales of materials and goods for resale
c) cost of products for own needs			-									-	
d) change in products	43	(43)										-	
		35,095										35,095	2. Subsidies
B. Operating expenses	(263,005)											(258,430)	II. Operating expenses
1 depreciation and amortisation	(9,810)		(282)	4,791								(5,301)	1. depreciation and amortisation
2. raw materials and energy used	(30,006)		161									(29,845)	2. raw materials and energy used
3. contracted services	(54,057)											(54,057)	3. contracted services
7 4. taxes and charges	(2,066)	2,066										-	
5. salaries and wages	(132,036)	(30,637)										(162,673)	4. salaries and wages, social security and other employee benefits
6. social security and other employee benefits	(30,637)	30,637										-	
7. other cost by type	(4,142)	(1,606)										(6,208)	5. other cost by type
8. Selling costs – materials and goods for resale	(251)											(251)	6. selling costs – materials and goods for resale
		43	(138)									(95)	7. change in products
		-										-	8. cost of products for own needs
C. Profit/(loss) on sales – A-B	(20,868)											18,759	Profit/(loss) on sales – I-II
D. Other operating income	40,067											4,972	A. Other operating income, including:
1. Gain on disposal of non-current non-financial assets	379	-										379	I. 1. Gain on disposal of non-current non-financial assets
2. Subsidies	35,095	(33,012)										2,083	2. Revaluation of non-financial assets
3. Other operating income	4,593	(2,083)										2,510	3. Other operating income
E. Other operating expenses	(9,704)											(9,516)	II. Other operating expenses, including:
1. Loss on disposal of non-current non-financial assets	(95)											(95)	1. Loss on disposal of non-current non-financial assets
2. Revaluation of non-financial assets	(4,450)											(4,450)	2. Revaluation of non-financial assets
3. Other operating expenses	(5,159)	(5)	193									(4,971)	3. Other operating expenses

Balance sheet of Impel S.A. as at Jan 1 2004		Adjustments										Comparable balance sheet of Impel S.A. as at Jan 1 2004	
		1	2	3	4	5	6	7	8	9	10		
1. Equity	239,954		(288)	(9,667)	-	-	-	-	-	-	-	229,999	1. Equity
1a. Share capital	81,500											81,500	1a. Share capital
1b. Treasury shares													1b. Treasury shares
1c. Reserve funds, including share premium account	126,385											126,385	1c. Reserve funds, including share premium account
1d. Revaluation capital reserve													1d. Revaluation capital reserve
1e. Other capital reserves	24,127											24,127	1e. Other capital reserves
1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation												-	1f. Revaluation capital on hedging transactions and currency translation differences due to consolidation
1g. Other capital												-	1g. Other capital
1h. Retained profit/(deficit)	7,938		(288)	(9,667)								(2,017)	1h. Retained profit/(deficit)
1i. Current year net profit/(loss)													1i. Current year net profit/(loss)
1j. Distributions from net profit during the year												-	1j. Distributions from net profit during the year

Adjustments to current comparable data in the 2004 financial statements. Adjustments concerning the same items of the consolidated and non-consolidated financial have been assigned identical numbers:

Adjustment No. 1 – *Reclassifications related to changes in the formats of the balance sheet and the profit and loss account*

Adjustment No. 2 – *Costs of equipment which meets the definition of tangible assets and is used for the performance of services* – equipment that is used for the provision of services and whose value does not exceed PLN 3,500 is accounted for over time under “prepayments and accrued income”. According to IAS 16, such equipment meets the definition of tangible assets and should, therefore, be disclosed under tangible assets.

Adjustment No. 3 – *Goodwill* – goodwill that arose as a result of the 1999 share capital increase at Impel S.A. covered with a contribution in kind in the form of the business of the general partnership Impel Spółka Jawna (“Impel SJ”). As the same persons who as a result of this transaction acquired shares of Impel S.A. were shareholders in Impel SJ, the transaction did not result in any ownership changes and in accordance with the practice followed in the preparation of the financial statements based on the IFRS, no goodwill should be recognised. Consequently, goodwill is not disclosed in financial statements prepared in accordance with the IFRS.

Trademark – the trademark was created as a result of the 1999 increase of the share capital of Impel S.A., covered with a contribution in kind in the form of the general partnership Impel Spółka Jawna (“Impel SJ”). The same persons that as a result of this transaction acquired shares of Impel S.A. were shareholders in Impel SJ. This transaction did not result in any ownership changes, therefore no additional intangible assets should be recognised. The trademark is not disclosed in financial statements prepared in accordance with the IFRS.

Adjustment No. 4 – *Social Benefits Fund and Company Fund for the Disabled* – the balances of the Social Benefits Fund and the Company Fund for the Disabled are disclosed under liabilities while cash and receivables attributable to these funds are disclosed under the Company’s assets. Under the IFRS, the Social Benefits Fund and the Company Fund for the Disabled are disclosed in the financial statements in their respective net amounts (in each case the liability less the fund’s assets).

Adjustment No. 5 – *Non-current assets classified as assets held for sale* – in accordance with IFRS 5, non-current assets were transferred to assets classified as held for sale.

Adjustment No. 6 – *Land usufruct rights* – in accordance with the IAS, land usufruct rights are classified as follows: rights acquired or received in exchange for shares – as intangible assets pursuant to IAS 38, and rights which arose as a result of recognition as at January 1st 2002, i.e. restatement date of 2002 financial statements in connection with the amended Polish Accountancy Act – are disclosed off-balance-sheet.

Adjustment No. 7 – *Prepayments for inventories and tangible assets* – in accordance with IAS 16 and IAS 2, prepayments for inventories and tangible assets have been transferred to other receivables.

Adjustment No. 8 – *Accrued expenses* – in accordance with IAS 19 and IAS 1, accrued expenses have been transferred to employee benefits and trade payables.

Adjustment No. 9 – *goodwill of subordinated undertakings* – under the Polish Accountancy Act, goodwill should be amortised over a period of no more than 20 years. Under IFRS 3, goodwill of subordinated undertakings is not subject to amortisation but should be tested annually for impairment of value.

Adjustment No. 10 – *financed leasing* – Since IAS 17 recommends an alternative accounting treatment for financed leasing, in H1 2005, the Company once again reviewed the agreements concerning the provision of property and personal protection and reclassified the value of tangible assets to non-current receivables.

Differences other than those presented above which did not lead to any value differences as at December 31st 2004, but which are attributable to the differences between the accounting standards used by the Impel Group, the International Accounting Standards and the International Financial Reporting Standards

Cost of external financing – in accordance with the provisions of the Polish Accountancy Act, the Group capitalised the cost of external financing of tangible assets incurred during the construction of that asset, as well as foreign exchange gains/(losses).

Pursuant an alternative approach allowed under IAS 23, the cost of external financing of adaptation of an asset may be capitalised up to the asset’s initial value; however, foreign exchange gains/(losses) are recognised in the cost of external financing only to the extent to which they represent an adjustment to the interest expense.

Impairment of value of assets – under the provisions of the Polish Accountancy Act, upon the identification of an impairment of value of an asset, its value should be reduced to the asset's net selling price or fair value as determined otherwise.

Under IAS 36, the values of assets other than inventories, financial instruments, investment property, deferred tax assets and biological assets should be adjusted to the higher of the net selling price and the useful value.

Discounting of receivables – under the provisions of the Polish Accountancy Act, no receivables other than originated through the delivery of funds to a future debtor may be discounted, irrespective of the crediting term. Such receivables are disclosed at their respective face values.

Under IAS 39, such receivables are disclosed at the adjusted acquisition cost.

Cost of disassembly of tangible assets – according to IAS 16, the cost of disassembly of tangible assets which must be incurred after the end of the asset's economic useful life should be estimated and capitalised in the asset's value in matching with the relevant items in the equity and liabilities. The Group reported no events which would give rise to material disassembly costs.

Discontinued operations – in accordance with IFRS 5, an asset of a business which was sold or classified as held for sale should be disclosed taking into account the exclusions specified in the standard.

To note, some IAS and IFRS require a different scope and presentation of financial data than the scope of data disclosed under the Polish standards. Therefore, the tables above contain relevant transformations to obtain the balance-sheet form adopted by 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

In 2005, the Impel Group recorded sales revenue of PLN 626.8m – more by PLN 58.3m (ca. 10.3%) than in the comparable period of the previous year. In the fourth quarter, revenues continued to grow, and totalled PLN 169.9m; thus, the Group's quarterly revenue rose quarter-on-quarter by PLN 12.1m (ca. 7.6%) and year-on-year by PLN 17.3m (ca. 11.3%). The increase in sales revenue is attributable to the organic growth of the Group (primary in the area of temporary employment services) and the acquisition of new undertakings (Bankowy Dom Faktor Sp. z o.o.) The Group's 2005 sales revenue attributable to acquisitions amounted to approximately PLN 8.0m.

In 2005, the Impel Group posted an EBIT net of subsidies in the amount of PLN -32.4m, which is a PLN 31.9m improvement on 2004. The improvement results from better operating efficiency and the Group's on-going efforts to reduce the impact of state aid on its performance. The spin off of cleaning services from Impel S.A. to a subsidiary contributed materially to the above loss, since as a result the Group incurred approx. PLN 1.1m in costs (mainly in Q4 2005), primarily, on consultancy services and on duty on actions under civil law (Polish transfer tax).

Excluding the costs of the spin-off, the Group's 2005 EBIT net of subsidies is close to the EBIT posted in the analogous period of the previous year.

In 2005, the Impel Group received state subsidies in the amount of PLN 54.1m, i.e. approx. 19.2% less than a year earlier. Subsidies represented 8.6% of the total sales revenue in 2005, thus, 3.2 percentage points less than in 2004. In Q4 2005, the subsidies' percentage share stood at ca. 7.8%, the lowest value in the year. The sustained trend of a shrinking share of subsidies in the Group's total sales revenue reflects the Group's policy aimed at making its financial performance independent of government subsidies for employers of the disabled.

In 2005, despite the lower subsidies relative to the previous year, the Impel Group recorded EBIT of PLN 21.7m, up by PLN 19.0m on the 2004 figure. The quarterly results for 2005 cannot be compared directly with the data for the analogous periods of 2004 due to the numerous legislative changes introduced in respect of state support for employers of the disabled and their impact on the Group's financial performance in the quarters of 2004.

The Group's net profit for 2005 totalled PLN 20.6m, an improvement of PLN 22.1m on the 2004 figure.

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:

	Valuation allowances for assets (4.1.1)	Deferred tax asset (4.1.2)	Deferred tax liability (4.1.2)	Provisions for liabilities (4.1.3)	Provisions for employee benefits (4.1.4)	Employee benefits in the form of shares (4.1.5)
As at Dec 31 2004	31,882	11,092	300	9,099	10,927	-
Increase	11,113	26,986	5,586	3,890	37,451	786
Use	(1,517)			(5,308)	(32,144)	-
Reversal	(6,657)	(25,098)	(5,461)	(3,512)	(3,756)	-
As at Dec 31 2005	34,821	12,980	425	4,169	12,478	786

Due to changes in the applied accounting policies, retiree's and sick pensioner's severance pays have been transferred from provisions for liabilities to provisions for employee benefits. The comparable data has been transformed accordingly.

4.1.1 *Valuation allowances for assets*

As at December 31st 2005, the total value of valuation allowances for assets was PLN 34,821 thousand and included:

- valuation allowances for intangible assets, including goodwill PLN 6,435 thousand
- valuation allowances for non-current assets PLN 2,102 thousand
- valuation allowances for non-current investments PLN 1,704 thousand
- valuation allowances for current investments PLN 113 thousand
- valuation allowances for inventories PLN 234 thousand
- valuation allowances for current receivables PLN 24,007 thousand
- valuation allowances for non-current assets classified as held for sale PLN 226 thousand

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 December 31st 2005, the deferred tax asset and liability amounted to PLN 12,980 thousand and PLN 425 thousand, respectively.

Compared with the balance as at December 31st 2004, the deferred tax asset changed in particular due to:

- PLN 6,503 thousand increase in connection with costs of salaries and wages and social security contributions which are non-tax deductible until actually paid,
- PLN 51 thousand increase in the asset related to provisions for unused holidays,
- PLN 329 thousand increase in the asset related to provisions for contracted services,
- PLN 167 thousand increase in the asset related to valuation allowances for receivables,
- PLN 592 thousand increase in the asset related to interest on loans,
- PLN 701 thousand increase in the asset related to return of subsidies,
- PLN 748 thousand increase in the asset related to the difference between tax amortisation/depreciation and balance-sheet amortisation/depreciation,
- PLN 6,182 thousand increase in the asset related to the use of the tax losses,
- PLN 137 thousand increase in the asset related to provisions for disputed claims,
- PLN 427 thousand increase in other items making up the deferred tax asset.

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

- PLN 284 thousand increase in positive timing differences on provisions for interest on loans,
- PLN 660 thousand increase in positive timing differences on provisions for liabilities towards the State Fund for the Disabled anticipated in connection with an expected return of subsidies for salaries and wages of employees with disabilities,
- PLN 25 thousand decrease in positive timing differences on provisions for subsidies from the State Fund for the Disabled,
- PLN 90 thousand decrease in positive timing differences on contract charges,
- PLN 338 thousand decrease in positive timing differences on the difference between tax amortisation/depreciation and balance-sheet amortisation/depreciation,
- PLN 92 thousand increase in other items making up the deferred tax liability.

Changes of the deferred tax asset and liability increased the Group's result for 2005 by PLN 1,764 thousand.

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 2004, the provisions for disputed claims shrank by PLN 4,783 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 4,004 thousand. These provisions, disclosed previously under provisions for future liabilities, are currently classified as public charges. 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".

Additionally, the Impel Group companies created a PLN 204 thousand provision for balance-sheet audit and the Parent Undertaking created a provision for consultancy services in the amount of PLN 596 thousand. The above provisions are disclosed in the balance sheet as trade payables.

4.1.4 Provisions for employee benefits

Due to changes in the applied accounting policies, retiree's and sick pensioner's severance pays have been transferred from provisions for liabilities to provisions for employee benefits. The comparable data has been transformed accordingly.

As at December 31st 2005, provisions for employee benefits amounted to PLN 12,478 thousand and comprised the following items:

- provision for unused holidays	PLN 4,431 thousand
- provision for awards	PLN 4,439 thousand
- provision for non-payroll remuneration	PLN 1,780 thousand
- provision for retirement severance pays	PLN 564 thousand
- other provisions	PLN 1,264 thousand

Compared with their balance at the beginning of the year, the provisions changed as follows:

- provision for unused holidays	decrease by PLN 150 thousand
- provision for awards	increase by PLN 1,839 thousand
- provision for non-payroll remuneration	decrease by PLN 716 thousand
- provision for retirement severance pays	decrease by PLN 51 thousand
- other provisions	increase by PLN 629 thousand

4.1.5 Employee benefits in the form of shares

In 2005, the Company recognised costs of share-based payments to employees at PLN 786 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 S.A..

4.2 Impel S.A.

Adjustments for provisions and valuation allowances for assets:

	Valuation allowances for assets (4.2.1)	Deferred tax asset (4.2.2)	Deferred tax liability (4.2.2)	Provisions for liabilities (4.2.3)	Provisions for employee benefits (4.2.4)	Employee benefits in the form of shares (4.2.5)
As at Dec 31 2004	47,768	5,525	1,348	4,440	4,699	0
Increase	8,779	4,325	1,523	2,803	4,028	786
Use	(5,735)	(328)		(862)	(6,116)	
Reversal	(6,663)	(4,911)	(1,158)	(2,904)	(289)	
As at Dec 31 2005	44,149	4,611	1,713	3,477	2,322	786

4.2.1 Valuation allowances for assets

As at December 31st 2005, the total value of valuation allowances for assets amounted to PLN 44,149 thousand and included:

- valuation allowances for non-current assets	PLN 203 thousand
- valuation allowances for non-current investments	PLN 33,829 thousand
- valuation allowances for inventories	PLN 64 thousand
- valuation allowances for receivables	PLN 9,827 thousand
- valuation allowances for non-current assets classified as held for sale	PLN 226 thousand

4.2.2 Deferred tax asset and liability

For the purposes of balance-sheet presentation, Impel S.A. offsets the deferred tax asset against the deferred tax liability. As at December 31st 2005, these two items stood at PLN 4,611 thousand and PLN 1,713 thousand, respectively. Compared with the balance as at December 31st 2004, the deferred tax asset changed in particular due to the following reasons:

- increase by PLN 2,465 thousand – creation of deferred tax asset in connection with costs of salaries and wages and social security contributions which are non-tax deductible until actually settled,
- increase of the asset by PLN 466 thousand in connection with the increase of provisions for return of subsidies to salaries and wages,
- increase of the asset by PLN 227 thousand in connection with the increase of provisions for costs of contracted services,
- decrease of the asset by PLN 2,032 thousand in connection with the use of the tax losses,
- decrease of the asset by PLN 1,390 thousand in connection with the reversal of valuation allowances for shares.

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

- increase of the liability by PLN 453 thousand in connection with provisions for interest on loans,
- decrease of the liability by PLN 88 thousand in connection with provisions for subsidies from the State Fund for the Disabled.

Changes of the deferred tax asset and liability decreased the Group's net result by PLN 951 thousand.

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 December 31st 2005 these provisions amounted to PLN 3,108 thousand and PLN 369 thousand, respectively. In the current reporting period, provisions for disputed claims increased by PLN 810 thousand, whereas provisions for liabilities under assigned receivables with a return option increased by PLN 153 thousand.

4.2.4 Provisions for employee benefits

Due to changes in the applied accounting policies, retiree's and sick pensioner's severance pays have been transferred from provisions for liabilities to provisions for employee benefits. The comparable data has been transformed accordingly.

As at December 31st 2005 provisions for employee benefits amounted to PLN 2,322 thousand and comprised the following items:

- provision for unused holidays	PLN 309 thousand
- provision for awards	PLN 1,916 thousand
- provision for retirement severance pays	PLN 52 thousand
- provision for non-payroll remuneration	PLN 45 thousand

Compared with the balance at the beginning of the year, the provisions changed as follows:

- provision for unused holidays	decrease by PLN 1,856 thousand
- provision for awards	increase by PLN 973 thousand
- provision for retirement severance pays	decrease by PLN 234 thousand
- provision for non-payroll remuneration	decrease by PLN 1,560 thousand

4.2.5 Employee benefits in the form of shares

Q4 2005 saw an increase of PLN 396 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 S.A. As at December 31st 2005 the balance of these benefits stood at PLN 786 thousand.

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

In Q4 2005 Impel S.A. 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 Q4 2005 Impel S.A. did not pay or declare any dividend.

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 2005 – December 31st 2005 the revenue generated from the Latvian operations accounted for approximately 1.5% 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 S.A. 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 as of January 1st 2005 all costs which are directly attributable to a given business segment will be attributed to that segment. Therefore a number of organisational changes and changes in the manner of data aggregation were introduced at the Group, in order to facilitate direct identification of costs and their allocation to an appropriate business segment.

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

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	238,548	248,365	48,513	91,342	626,768	-	626,768
Inter-segmental sales	5,527	4,501	1,529	23,556	35,113	-	-
Total sales revenue	244,075	252,866	50,042	114,898	661,881	(35,113)	626,768
RESULT							
Segment results	26,925	8,615	1,090	594	37,224	(1,592)	35,632
Unallocated Group costs					(13,925)	-	(13,925)
Operating profit/(loss)					23,299	(1,592)	21,707
Financial income					13,543	(8,844)	4,699
Financial expenses					(13,403)	10,519	(2,884)
Gain/(loss) on sale of all or part of shares in subordinated undertakings					250	-	250
Pre-tax profit/(loss)					23,689	83	23,772
Corporate income tax					(3,834)	1,350	(2,484)
Profit/(loss) attributable to minority interest					-	(667)	(667)
Share in profit(loss) of an undertaking valued with the equity method				(6)	(6)	-	(6)
Net profit/(loss)					19,849	766	20,615

Consolidated profit and loss account for the period October 1st – December 31st 2005, by business segments

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	63,257	65,411	11,981	29,209	169,858	-	169,858
Inter-segmental sales	1,488	296	1,334	7,420	10,538	-	-
Total sales revenue	64,745	65,707	13,315	36,629	180,396	(10,538)	169,858
RESULT							
Segment results	7,189	1,564	(57)	375	9,071	(867)	8,204
Unallocated Group costs					(5,046)	-	(5,046)
Operating profit/(loss)					4,025	(867)	3,158
Financial income					2,624	(2,107)	517
Financial expenses					(1,644)	1,542	(102)
Pre-tax profit/(loss)					5,005	(1,432)	3,573
Corporate income tax					(608)	1,454	846
Profit/(loss) attributable to minority interest					-	(63)	(63)
Share in profit(loss) of an undertaking valued with the equity method				(6)	(6)	-	(6)
Net profit/(loss)					4,391	(41)	4,350

Consolidated profit and loss account for the financial period ended December 31st 2004, by business segments

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	226,633	220,752	51,195	70,370	568,950	-	568,950
Inter-segmental sales	5,386	3,692	216	24,189	33,483	-	-
Total sales revenue	232,019	224,444	51,411	94,559	602,433	(33,483)	568,950
RESULT							
Segment results*	27,659	(528)	(4,782)	(4,917)	17,432	(3,026)	14,406
Unallocated Group costs					(11,614)	-	(11,614)
Operating profit/(loss)					5,818	(3,026)	2,792
Financial income					15,973	(9,009)	6,964
Financial expenses					(33,780)	29,417	(4,363)
Gain (loss) on sale of all or part of shares in subordinated undertakings					-	-	-
Pre-tax profit/(loss)					(11,989)	17,382	5,393
Corporate income tax					(5,788)	(100)	(5,888)
Profit/(loss) attributable to minority interests					-	(991)	(991)
Net profit/(loss)					(17,777)	16,291	(1,486)

* The segment result includes provisions for subsidies, whose amount fluctuated considerably in the course of 2004 as regulations concerning the rehabilitation of the disabled were changed. The 2004 annual report provides a description of all the introduced regulatory changes. The provisions expensed against the segment result for the financial period ended September 30th 2004 totalled PLN 13,769 thousand.

Consolidated profit and loss account for the period October 1st – December 31st 2004, by business segments

BUSINESS SEGMENT	CLEANING SERVICES	SECURITY SERVICES	CATERING	OTHER	TOTAL SEGMENTS	Eliminations	After eliminations
SALES REVENUE							
Sales to external customers	57,875	63,236	12,431	19,501	153,044	-	153,044
Inter-segmental sales	1,398	1,136	157	6,048	8,739	-	-
Total sales revenue	59,273	64,372	12,588	25,549	161,783	(8,739)	153,044
RESULT							
Segment results*	13,561	8,813	(768)	(608)	20,999	16	21,015
Unallocated Group costs					(2,038)	-	(2,038)
Operating profit/(loss)					18,961	16	18,977
Financial income					5,687	(3,973)	1,714
Financial expenses					(15,242)	14,541	(701)
Gain (loss) on sale of all or part of shares in subordinated undertakings					-	-	-
Pre-tax profit/(loss)					9,406	10,584	19,990
Corporate income tax					(5,481)	379	(5,102)
Profit/(loss) attributable to minority interests					-	(562)	(562)
Net profit/(loss)					3,925	10,401	14,326

8. EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE, NOT DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q4 2005, 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

In the current quarter there were no business combinations, as defined in IFRS 3, no sales or acquisitions of subsidiary undertakings or long-term investments, and no restructurings or discontinuation of activities, in the Impel Group. Nevertheless, there occurred a number of events involving undertakings held under common control, which are described in "Other Supplementary Information", in Section 8 (Other information material for the assessment of the personnel, economic, or financial standing of Impel S.A. and the Impel Group).

All previous effects of changes in the structure of the business undertaking, including business combinations, acquisition or sale of subsidiary undertakings and long-term investments, restructuring and discontinuation of operations are presented in the H1 2005 report.

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

The Impel Group holds contingent liabilities under bank guarantees and performance bonds advanced by banks to its business partners.

The table below presents changes in the contingent liabilities which occurred after the end of 2004 and before December 31st 2005.

Object of guarantee / surety	PLN '000	
	Real value of contingent liabilities under guarantees/sureties issued for the benefit of other undertakings as at Dec 31 2004	Value of contingent liabilities under guarantees/sureties issued for the benefit of other undertakings as at Dec 31 2005
Impel S.A.		
	6,026	9,460
Participation in a tender, agreement performance bond	3,768	3,429
	-	79
Commitment under the guarantees issued for Impel Security Polska Sp. z o.o.	-	10
Commitment under the guarantees issued for GP Bis Sp. z o.o.	1,008	1,503
	300	-
Contract performance bond	10	10
	10	10
Surety issued to Mega Com Sp. z o.o.	300	300
Total	11,422	14,801
Impel Security Polska Sp. z o.o.		
	56	-
Agreement performance bond	1,120	3,650
	230	-
	736	1,226
Contract performance bond	3,000	3,000
	4,000	4,000
Total	9,142	11,876
Impel Catering Sp. z o. o.		
Tender guarantees, agreement performance bond	2,138	3,452

Agreement performance bond	394	-
Total	2,532	3,452
Impel Rental Sp. z o.o.		
Tender guarantees, agreement performance bond	67	60
Total	67	60
Impel Cleaning Sp. z o.o.		
Tender guarantees, agreement performance bonds	-	150
Total	-	150
TOTAL	23,163	30,339

OTHER SUPPLEMENTARY INFORMATION

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

Impel S.A is the Parent Undertaking of the Impel Group. It holds majority stakes in the Group subsidiaries and is responsible for the Group's comprehensive management.

Composition of the Group at the date of these financial statements, including the undertakings consolidated as at December 31st 2005:

No.	Name and form of incorporation	Registered office	Business profile	Type of relation	Shareholders	Consolidated as at Dec 31 2005
IMPEL S.A.						
1.	Impel Security Polska Sp. z o.o.	Wrocław	manned and electronic security of property	direct subsidiary undertaking	100% Impel S.A.	yes
2.	GP Bis Sp. z o.o.	Warsaw	facility management	direct subsidiary undertaking	99.18% Impel S.A. 0.82% G.Pytkowski	yes
3.	Impel Catering Sp. z o.o.	Wrocław	catering (preparation and delivery of food)	direct subsidiary undertaking	100% Impel S.A.	yes
4.	Impel Cash Handling Sp. z o.o.	Warsaw	cash handling services	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
5.	Impel Cleaning Sp. z o.o. (1)	Wrocław	personnel and payroll services	direct subsidiary undertaking	100% Impel S.A.	yes
6.	Impel Security Technologies Sp. z o.o.	Wrocław	installation of electronic security systems	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
7.	Promedis Sp. z o.o. (2)	Wrocław	healthcare services	direct subsidiary undertaking	100% Impel S.A.	yes
8.	Impel Rental Sp. z o.o.	Wrocław	laundry and rental services	direct subsidiary undertaking	100% Impel S.A.	yes
9.	Impel IT Sp. z o.o.	Wrocław	telecommunication and IT services	direct subsidiary undertaking	100% Impel S.A.	yes
10.	Impel Real Estate Sp. z o.o.	Wrocław	facility management	direct subsidiary undertaking	100% Impel S.A.	yes
11.	Impel HR Service Sp. z o.o.	Wrocław	temporary work agency	direct subsidiary undertaking	100% Impel S.A.	yes
12.	Impel Security Provider Sp. z o.o. (3)	Wrocław	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
13.	Agencja Ochrony Sekret Sp. z o.o.	Katowice	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	yes
14.	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
15.	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
16.	Impel Tom M.Kapalski Sp. k.	Zielona Góra	cleaning services, manned and electronic security of property	direct subsidiary undertaking	64,68% Impel S.A.	yes
17.	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
18.	LCC Sp. z o.o. (5)	Wrocław	temporary work agency	indirect subsidiary undertaking	99% Impel HR Service Sp. z o.o. 1% Impel S.A.	yes
19.	North Ochrona Sp. z o.o. (6)	Gdańsk	security services	indirect subsidiary undertaking	100% Impel Security Polska Sp. z o.o.	no
20.	DC System Sp. z o.o. (7)	Warsaw	cleaning services	indirect subsidiary undertaking	100% Impel Cleaning Sp. z o.o.	no
21.	Inter - Serwis Sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o.	no
22.	DC System Polska Sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o.	no

23.	Sanpro – PTS Sp. z o.o. (8)	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System Sp. z o.o	no
24.	Serviks Riga SIA	Ryga (Latvia)	cleaning services	direct subsidiary undertaking	66.99% Impel S.A. 33.01% Aivars Garancs	yes

(1) Company name changed from Impel HR Management Sp. z o.o. and registered in the National Court Register on October 4th 2005.

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

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

(4) Company registered on October 19th 2005; Articles of Association of September 23rd 2005; consolidated with the equity method.

(5) Company registered of January 17th 2006; Articles of Association of October 28th 2005.

(6) Company acquired on February 8th 2006.

(7) Company acquired on February 3rd 2006.

(8) Company of the DC System Group.

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

Based on the Impel Group's results for the four quarters of 2005, the Group was successful in meeting the financial forecast of its consolidated financial performance, published on September 28th 2005, at the level of the net profit.

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

Item	Actual four quarters of 2005 (PLNm)	Forecast (PLNm)	Performance (%)
Consolidated sales revenue	626.8	630	99.5
Consolidated net profit	20.6	19.5	105.6

The actual consolidated sales revenue for 2005 was lower by 0.5% than the forecast figure because of the restructuring of unprofitable contracts in the "Other" segment.

The final consolidated profit achieved by the Impel Group in 2005 will be published in the annual report.

On March 1st 2006, the Management Board of Impel S.A. published a 2006 financial forecast for the Impel Group, which sets forth following performance targets:

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

The above performance targets indicate a material increase in sales revenue, confirming accelerated market growth with the net margin on par with the margin forecast for 2005 (forecast published on May 17th 2005).

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.

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

As at December 31st 2005 and as at the date of these financial statements, the share capital of Impel S.A. 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 November 14th 2005 to March 1st 2006, there were no changes in the ownership of significant blocks of shares in Impel S.A.:

Shareholder	PREVIOUS QUARTER (1)				CHANGE	Q4 2005 (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 S.A. acting on behalf of Pioneer Pekao TFI S.A. (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 November 14th 2005.

(2) Data as at March 1st 2005.

(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 S.A. 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 November 14th 2005 to March 1st 2006, the following changes occurred in the number of Impel S.A. shares or rights to these shares (options) 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 Q4 2005 report (2)
Management Board				
Grzegorz Dzik	5,037,907	no change	no change	5,037,907
Bogdan Dzik (3)	-	-	-	n/a
Józef Biegaj (4)	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 (5)	n/a	n/a	n/a	993
Supervisory Board				
Krzysztof Oblój	-	-	-	-
Piotr Pawłowski	-	-	-	-
Sylwester Cacek	-	-	-	-
Andrzej Malinowski	-	-	-	-
Mariusz Matlakiewicz	-	-	-	-

(1) Data as at November 14th 2005.

(2) Data as at March 1st 2006.

(3) Bogdan Dzik resigned from his post as member of the Management Board of Impel S.A. as of January 4th 2006.

(4) Józef Biegaj was appointed to the Management Board of Impel S.A. as of October 1st 2005.

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

Members of the Management Board of Impel S.A. 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 S.A. and the Impel Group) of this Report.

5. INFORMATION ON MATERIAL PROCEEDINGS INVOLVING IMPEL S.A. 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 S.A. 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 S.A. OR ITS SUBSIDIARY UNDERTAKING

In the reporting period, neither Impel S.A. 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.

Transactions other than standard or routine transactions, whose aggregate value in the period from the beginning of 2005 exceeded the PLN-equivalent of EUR 500,000, include:

- a. acquisition of 9,000 new shares in Impel Catering Sp. z o.o., totalling PLN 9,000 thousand,
- b. loans advanced to:
 - Impel Security Polska Sp. z o.o. – PLN 5,100 thousand,
 - Impel Real Estate Sp. z o.o. – PLN 4,500 thousand,
 - Impel Rental Sp. z o.o. – PLN 3,000 thousand.

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

In the period under review, Impel S.A. 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 S.A.

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 S.A. as at December 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 S.A.)	Amount of surety in nominal terms	Amount of surety in real terms as at Dec 31 2005	Surety/guarantee issued by
Impel Security Polska Sp. z o.o.	bank loan from Kredyt Bank S.A.	Mar 6 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	1,500	0 (current account credit line)	Impel S.A.
	bank loan from Kredyt Bank S.A.	Apr 30 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	2,000	831	
	guarantee facility from ING Bank Śląski S.A.	Jun 24 2006	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	2,000	1,225	
	guarantee facility from Kredyt Bank S.A.	Jun 30 2008	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	4,500	3,650	
	guarantee facility from Impel S.A.	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	7,000	7,000	
	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	3,002	2,810	
TOTAL				22,012	17,526	

Impel Security Sp. z o.o. is a wholly-owned subsidiary of Impel S.A. 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 S.A.'s equity.

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

In the opinion of the Management Board of the Company, material events which occurred in Q4 2005 include:

Spin-Off of Cleaning Services from Impel S.A. to Impel Cleaning Sp. z o.o. (subsidiary)

On October 17th 2005, the General Shareholders Meeting of Impel S.A. resolved to approve the spin-off of an organised part of the Company's business, comprising tangible and intangible assets related to the provision of cleaning services.

On October 4th 2005, the company name of Impel HR Management Sp. z o.o. was changed to Impel Cleaning Sp. z o.o. by way of entry in the National Court Register

On December 22nd 2005, the Management Board of Impel S.A. resolved to increase the share capital of Impel Cleaning Sp. z o.o. of Wrocław to PLN 71,700,000, i.e. by PLN 70,600,000, through the acquisition of 141,200 shares with a par value of PLN 500 per share. The acquisition of the shares in the increased share capital was covered with a non-cash contribution of an organised part of the Company's business related to the provision of cleaning services. The non-cash contribution comprised Impel S.A.'s the tangible and intangible assets used directly to provide cleaning services. As part of the contribution, the Company also transferred to Impel Cleaning Sp. z o.o. the rights to perform cleaning services. Pursuant to Art. 23' of the Polish Labour Code, all blue and white collar workers engaged in the provision of the aforementioned services were also be transferred to Impel Cleaning Sp. z o.o.

The non-cash contribution was made and the ownership title thereto was transferred to Impel Cleaning Sp. z o.o. as of January 1st 2006.

The decision to spin off the cleaning services was made in pursuance of the reorganisation programme the Impel Group initiated in 2001 (whose first phase comprised the spin-off of security services from Impel S.A. and establishment of Impel Security Polska Sp. z o.o.) and as part of the process of spinning off common services provided to all Impel Group undertakings, initiated in the first half of 2004.

The organisational changes to the Impel Group's structure aim at ensuring a clear-cut division of corporate functions and responsibilities of the Group's product companies, as well as improving the clarity and comparability of their results, simplifying the decision-making process, and accelerating the integration of the sector companies with acquired entities (if any).

The objective of the last stage of the reorganisation is to establish the following structure of the Impel Group's organisational units: the Corporate Board, business units conducting operating activities and service companies providing services to business units.

Registration of Shares in Impel Perfekta Sp. z o.o.

On October 19th 2005, Impel Rental Sp. z o.o. became a shareholder in Impel Perfekta Sp. z o.o. of Wrocław by acquiring 500 shares. The acquired shares comprised 50% of the share capital of Impel Perfekta Sp. z o.o. The other 50% of the company shares are held by its German shareholder – Perfekta Beteiligungsgesellschaft MbH.

Impel Perfekta Sp. z o.o. specialises in the laundering of linen and lab coats, gowns and similar garments. According to plans, the services will be provided to customers in Poland and in Germany. For this purpose the company will use the laundry facility, currently under construction in the Legnicka Special Economic Zone (LSSE) in Krzywa.

Adoption of Further Corporate Governance Principles by Impel S.A.

To continue the alignment of its corporate practices, the Management Board of Impel S.A. chose to adopt the following principles:

- Principle No. 18, reading as follows: "The Supervisory Board shall submit to the General Shareholders Meeting an annual concise evaluation of the company's standing. The evaluation should be made available to all shareholders early enough to allow them to become acquainted with the same before the annual General Shareholders Meeting",

- Principle No. 46, reading as follows: "The Articles of Association of the company, its basic internal regulations, information and documents related to the General Shareholders Meetings, and the financial statements, should be made available at the registered office of the company and on its website".

The relevant statement of the Management Board of Impel S.A. was published in Current Report No. 44/2005 of November 23rd 2005.

Material Events Subsequent to the Balance Sheet Date

Spin-Off of Cleaning Services from Impel S.A. to Impel Cleaning Sp. z o.o. (Subsidiary) – Further Stages of the Process

On January 3rd 2005, Mr Bogdan Dzik resigned from the post of a Member of the Management Board of Impel S.A., 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 S.A. 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 S.A.'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 are held by Impel S.A.

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

After the balance-sheet date, 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 S.A.

On February 3rd 2006, Impel Cleaning Sp. z o.o. acquired 200 shares in DC System Sp. z o.o. of Warsaw, with a par value of PLN 500 per share, for PLN 5,650,000. As a result of the transaction, Impel Cleaning Sp. z o.o. holds 100% of the share capital of DC System Sp. z o.o.

DC System Sp. z o.o. is a provider of cleaning services. It offers comprehensive cleaning services for Class A office space, retail space, warehouses, outdoor areas and other space for public use.

On February 8th 2006, Impel Security Polska Sp. z o.o. acquired 1,000 shares in North Ochrona Sp. z o.o. 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.

North Ochrona Sp. z o.o. is a provider of security services. The purpose of the acquisition was to reinforce cooperation established between Impel Security Polska Sp. z o.o., Stocznia Północna S.A., the GSR Group (Gdańska Stocznia Remontowa) and certain undertakings related through capital links. The transaction represents a step in the implementation of the Impel Group's objective to provide security services in sea port facilities in Poland.

The purchase of shares in the above companies was financed with the proceeds from the public issue of Impel S.A. 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 (50 last sessions in 2005 relative to 50 last sessions of 2004; increase by 10%), in the second year of the three-year Incentive Scheme, the Management Board of Impel S.A. 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 S.A. for the price of PLN 13 per share. Pursuant to the Impel S.A.'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 S.A.

On January 16th 2006, the Management Board of Impel S.A. appointed Henryk Wojciechowski as a proxy of Impel S.A. 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).

9. FACTORS WHICH MAY AFFECT THE PERFORMANCE OF IMPEL S.A. 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 first quarter of 2006:

- a. Legislative changes in the government's support system for employers of the disabled – the government has adopted a schedule of work on a new Act on the Occupational and Social Rehabilitation and Employment of the Disabled. On January 10th 2006, the Ministry of Labour and Social Policy launched a cycle of meetings to open a countrywide debate on the final future form of the public support system for the disabled, which is to lead to the formulation of the new Act that is to come into force at the top of 2008.

The debate is to centre around the professional activation of the disabled and their more frequent employment in the future. The changes to be implemented include an introduction of new regulations concerning so-called "group exemptions", which define the terms and conditions for providing public aid without being required to submit the notification referred to in Art. 88 of the Treaty Establishing the European Union, and simplifying the regulations defining rules for supporting employers of the disabled.

According to the Government's Proxy for the Disabled, it is possible that before the new Act comes into force some amendments will be introduced into the current Act on the Occupational and Social Rehabilitation and Employment of the Disabled. The amendments would address faulty and inconsistent provisions. Amendments are also possible in the Act's provisions concerning financing. In the opinion of the Proxy, they could come into force not sooner than at the beginning of 2007.

- b. Results of the equity investments made to expand the Group's operations – investment of proceeds from the issue of the Company shares.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Name	Position	Signature
Mar 1 2006	Grzegorz Dzik	President of the Management Board	
Mar 1 2006	Józef Biegaj	Vice-president of the Management Board	
Mar 1 2006	Sławomir Borkowski	Vice-president of the Management Board	
Mar 1 2006	Edward Laufer	Vice-president of the Management Board	
Mar 1 2006	Halina Kaźmierczak	Chief Accountant	
Mar 1 2006	Alina Rudnicka-Wałęsa	Head of the Accounting Centre of the Group	