

The Executive Board of

***IMPEL SA***

releases the Consolidated Quarterly Report  
for the third quarter of 2005

## CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30TH 2005

| ASSETS   | Sep 30 2005<br>(PLN '000) | Dec 31 2004<br>(PLN '000) |
|--|---------------------------|---------------------------|
| <b>I. Non-current assets – items 1–11</b>                  | <b>110,738</b>            | <b>109,462</b>            |
| 1. Goodwill  | 8,280                     | 9,122                     |
| 2. Other intangible assets                                 | 6,057                     | 4,952                     |
| 3. Property, plant and equipment                           | 65,639                    | 64,636                    |
| 4. Investment property                                     | 4,386                     | 4,604                     |
| 5. Intangible assets held as investments                   | 13,244                    | 13,366                    |
| 6. Investments in shares                                   | -                         | -                         |
| 7. Loans and own claims                                    | -                         | -                         |
| 8. Financial assets available for sale                     | -                         | -                         |
| 9. Investments held to maturity                            | -                         | -                         |
| 10. Non-current receivables (10a+10b+10c)                  | 1,422                     | 1,690                     |
| 10a. Prepayments for non-current assets                    | -                         | -                         |
| 10b. Financed lease receivables                            | 1,286                     | 1,113                     |
| 10c. Other non-current receivables                         | 136                       | 577                       |
| 11. Deferred tax asset                                     | 11,710                    | 11,092                    |
| <b>II. Current assets – items 1–8</b>                      | <b>234,765</b>            | <b>226,818</b>            |
| 1. Inventories   | 8,817                     | 7,544                     |
| 2. Receivables (2a+2b+2c+2d)                               | 146,504                   | 134,040                   |
| 2a. Trade receivables                                      | 132,452                   | 117,184                   |
| 2b. Receivables from state and local budgets, including:   | 8,308                     | 12,705                    |
| 2b.1 Current tax receivables                               | 27                        | 143                       |
| 2c. Financed lease receivables                             | 1,105                     | 641                       |
| 2d. Other receivables                                      | 4,639                     | 3,510                     |
| 3. Loans and own claims                                    | 6,196                     | 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                               | 70,889                    | 72,750                    |
| 8. Prepayments and accrued income                          | 2,359                     | 1,504                     |
| <b>III. Non-current assets classified as held for sale</b> | <b>377</b>                | <b>491</b>                |
| <b>Total assets – I+II+III</b>                             | <b>345,880</b>            | <b>336,771</b>            |

| EQUITY AND LIABILITIES  | Sep 30 2005<br>(PLN '000) | Dec 31 2004<br>(PLN '000) |
|---|---------------------------|---------------------------|
| <b>1. Equity – items 1a–1j</b>  | <b>217,855</b>            | <b>201,194</b>            |
| 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 | (80)                      | (67)                      |
| 1g. Other capital   | 390                       | -                         |
| 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)  | 16,265                    | (1,486)                   |
| 1j. Distributions from net profit during the year   | -                         | -                         |
| <b>2. Minority interests, including:</b>  | <b>460</b>                | <b>925</b>                |
| - Profit/(loss) attributable to minority interests for the year   | 604                       | 991                       |
| - Distribution from net profit attributable to minority interests during the                              | (346)                     | (278)                     |

| year   |                |                |
|--|----------------|----------------|
| <b>I. Total equity – 1+2</b>   | <b>218,315</b> | <b>202,119</b> |
| <b>II. Non-current liabilities – items 1–6</b>   | <b>5,134</b>   | <b>7,097</b>   |
| 1 Deferred tax liability   | 398            | 300            |
| 2 Employee benefits  | 769            | 530            |
| 3 Non-current provisions   | 2,743          | 3,481          |
| 4 Non-current bank loans and borrowings  | 241            | 617            |
| 5 Non-current financed lease liabilities   | 884            | 2,063          |
| 6 Other non-current liabilities  | 99             | 106            |
| <b>III. Current liabilities – items 1–7</b>  | <b>109,766</b> | <b>113,043</b> |
| 1 Current bank loans and borrowings  | 2,476          | 6,168          |
| 2 Trade payables   | 23,448         | 28,732         |
| 3 Public charges, including:   | 37,403         | 35,371         |
| 3a Current tax liabilities   | 502            | 990            |
| 4 Employee benefits  | 33,474         | 28,587         |
| 5 Current financed lease liabilities   | 1,844          | 1,849          |
| 6 Other liabilities  | 5,116          | 6,718          |
| 7 Current provisions   | 6,005          | 5,618          |
| <b>IV. Deferred income</b>   | <b>12,665</b>  | <b>14,512</b>  |
| <b>V. Liabilities directly related to non-current assets classified as held for sale</b> | <b>-</b>       | <b>-</b>       |
| <b>Total equity and liabilities – I+II+III+IV+V</b>                                      | <b>345,880</b> | <b>336,771</b> |

|                            | Sep 30 2005<br>PLN '000 | Dec 31 2004<br>PLN '000 |
|----------------------------|-------------------------|-------------------------|
| Book value                 | 217,855                 | 201,194                 |
| Number of shares           | 15,038,462              | 15,038,462              |
| Book value per share (PLN) | 14.49                   | 13.38                   |

| OFF-BALANCE-SHEET ITEMS                                   | Sep 30 2005<br>(PLN '000) | Dec 31 2004<br>(PLN '000) |
|---|---------------------------|---------------------------|
| <b>1. Contingent liabilities, including:</b>              | <b>28,815</b>             | <b>23,163</b>             |
| 1.1. To related undertakings, including:                  |                           |                           |
| - guarantees and sureties granted                         |                           |                           |
| 1.2. To other undertakings, including:                    | 28,815                    | 23,163                    |
| - guarantees and sureties granted                         | 28,815                    | 23,163                    |
| <b>2. Other, including:</b>                               | <b>3,992</b>              | <b>3,154</b>              |
| - land usufruct right                                     | 43                        | 43                        |
| - assignment of receivables with the re-assignment option | 3,949                     | 3,111                     |
| <b>Total off-balance-sheet items</b>                      | <b>32,807</b>             | <b>26,317</b>             |

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD JANUARY 1ST – SEPTEMBER 30TH 2005**

|   | Jul 1 – Sep<br>30 2005<br>PLN'000 | Jan 1 –<br>Sep 30<br>2005<br>PLN'000 | Jul 1 – Sep<br>30 2004<br>PLN'000 | Jan 1 –<br>Sep 30<br>2004<br>PLN'000 |
|---|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| <b>Continued and discontinued operations</b>  |                                   |                                      |                                   |                                      |
| <b>I. Revenue – items 1–2</b>   | <b>171,069</b>                    | <b>497,650</b>                       | <b>164,513</b>                    | <b>455,152</b>                       |
| 1. Sales revenue, including:  | 157,807                           | 456,910                              | 147,228                           | 415,906                              |
| a) revenue on sales of products   | 156,444                           | 453,990                              | 146,412                           | 414,477                              |
| b) revenue on sales of materials and goods for resale   | 1,363                             | 2,920                                | 816                               | 1,429                                |
| 2. Subsidies  | 13,262                            | 40,740                               | 17,285                            | 39,246                               |
| <b>II. Operating expenses – items 1–8</b>   | <b>(162,354)</b>                  | <b>(476,168)</b>                     | <b>(156,964)</b>                  | <b>(459,275)</b>                     |
| 1. depreciation and amortisation  | (4,112)                           | (12,169)                             | (4,000)                           | (12,458)                             |
| 2. raw materials and energy used  | (19,294)                          | (57,269)                             | (18,089)                          | (55,927)                             |
| 3. contracted services  | (22,361)                          | (64,238)                             | (22,699)                          | (61,126)                             |
| 4. salaries and wages, social security and other employee benefits  | (111,516)                         | (331,887)                            | (107,607)                         | (319,170)                            |
| 5. other cost by type   | (3,348)                           | (11,010)                             | (3,237)                           | (11,707)                             |
| 6. selling cost of materials and goods for resale   | (684)                             | (1,625)                              | (617)                             | (1,057)                              |
| 7. change in products   | (1,242)                           | 1,796                                | (866)                             | 1,457                                |
| 8. cost of products for own needs   | 203                               | 443                                  | 151                               | 695                                  |
| <b>A. Profit/(loss) on sales – I-II</b>   | <b>8,715</b>                      | <b>21,691</b>                        | <b>7,549</b>                      | <b>(4,123)</b>                       |
| I. Other operating income, including:   | 3,984                             | 7,969                                | 2,860                             | 7,389                                |
| 1. Gain on disposal of non-current non-financial assets   | 325                               | 561                                  | 23                                | 665                                  |
| 2. Revaluation of non-financial assets  | 1,220                             | 3,503                                | 1,230                             | 2,901                                |
| II. Other operating expenses, including:  | (4,227)                           | (11,111)                             | (10,251)                          | (19,451)                             |
| 1. Loss on disposal of non-current non-financial assets   | (213)                             | (422)                                | (28)                              | (318)                                |
| 2. Revaluation of non-financial assets  | (2,759)                           | (5,877)                              | (2,380)                           | (6,024)                              |
| 3. Consolidation goodwill write-off (negative value)  | (21)                              | (863)                                | (3,128)                           | (4,088)                              |
| <b>B. Operating profit/(loss) – A+I-II</b>  | <b>8,472</b>                      | <b>18,549</b>                        | <b>(158)</b>                      | <b>(16,185)</b>                      |
| I. Financial income, including:   | 1,174                             | 4,432                                | 1,324                             | 5,250                                |
| 1. Dividends and other profit distributions   | -                                 | -                                    | -                                 | -                                    |
| 2. Interest   | 1,124                             | 3,946                                | 1,149                             | 4,913                                |
| II. Financial expenses, including:  | (592)                             | (2,782)                              | (1,498)                           | (3,662)                              |
| 1. Interest   | (227)                             | (1,355)                              | (1,189)                           | (2,133)                              |
| 2. Revaluation of investments   | -                                 | (349)                                | -                                 | -                                    |
| <b>C. Pre-tax profit/(loss) – B+I-II</b>  | <b>9,054</b>                      | <b>20,199</b>                        | <b>(16)</b>                       | <b>(14,597)</b>                      |
| I. Corporate income tax   | (1,520)                           | (3,330)                              | 1,166                             | (786)                                |
| <b>D. (Profit)/loss attributable to minority interests</b>  | <b>(137)</b>                      | <b>(604)</b>                         | <b>(115)</b>                      | <b>(429)</b>                         |
| <b>E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D) attributable to shareholders of Parent Undertaking</b> | <b>7,397</b>                      | <b>16,265</b>                        | <b>(1,067)</b>                    | <b>(15,812)</b>                      |
| <b>Discontinued operations</b>  |                                   |                                      |                                   |                                      |
| Net profit/(loss) on discontinued operations  |                                   | (342)                                |                                   | (233)                                |
| <b>Net profit/(loss)</b>  | <b>7,397</b>                      | <b>16,607</b>                        | <b>(1,067)</b>                    | <b>(15,579)</b>                      |
| <b>Earnings/(loss) per ordinary share*</b>  |                                   |                                      |                                   |                                      |
| Continued operations  | 0.49                              | 1.08                                 | (0.07)                            | (1.05)                               |
| Discontinued operations   | -                                 | 1.10                                 | -                                 | (1.04)                               |
| Discontinued operations   | -                                 | (0.02)                               | -                                 | (0.01)                               |

\* 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 – SEPTEMBER 30TH 2005**

|  | Jan 1 – Sep 30<br>2005<br>(PLN '000) | Jan 1 – Sep 30<br>2004<br>(PLN '000) |
|--|--------------------------------------|--------------------------------------|
| <b>I. Equity at beginning of period</b>  | <b>201,194</b>                       | <b>255,684</b>                       |
| - changes in adopted accounting policies   |                                      | (9,814)                              |
| <b>I.a. Equity at beginning of period, after adjustments</b>                                 | <b>201,194</b>                       | <b>245,870</b>                       |
| <b>1. Share capital at beginning of period</b>   | <b>75,192</b>                        | <b>81,500</b>                        |
| 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)                              |
| <b>1.2. Share capital at end of period</b>   | <b>75,192</b>                        | <b>75,192</b>                        |
| <b>2. Balance of called-up share capital not paid at beginning of period</b>                 |                                      |                                      |
| <b>2.1. Balance of called-up share capital not paid at end of period</b>                     |                                      |                                      |
| <b>3. Treasury shares at beginning of period</b>   |                                      |                                      |
| a) increase  |                                      | (38,000)                             |
| b) decrease  |                                      | 38,000                               |
| <b>3.1. Treasury shares at end of period</b>   |                                      |                                      |
| <b>4. Reserve funds at beginning of period</b>   | <b>107,784</b>                       | <b>138,396</b>                       |
| 4.1. Changes in reserve funds  | (2,228)                              | (30,606)                             |
| a) increase, including:  | 3,385                                | 87                                   |
| - distribution of profit (above statutory minimum)   | 3,385                                | 87                                   |
| b) decrease, including:  | (5,613)                              | (30,693)                             |
| - retirement of treasury shares  |                                      | (30,692)                             |
| - coverage of loss   | (5,613)                              |                                      |
| - other  |                                      | (1)                                  |
| <b>4.2. Reserve funds at end of period</b>   | <b>105,556</b>                       | <b>107,790</b>                       |
| <b>5. Revaluation capital reserve at beginning of period</b>                                 |                                      | <b>4</b>                             |
| b) decrease, including:  |                                      | (4)                                  |
| <b>5.1. Revaluation capital reserve at end of period</b>                                     | <b>-</b>                             | <b>-</b>                             |
| <b>6. Other capital reserves at beginning of period</b>                                      | <b>40,457</b>                        | <b>24,127</b>                        |
| 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)                              |
| <b>6.2. Other capital reserves at end of period</b>  | <b>40,457</b>                        | <b>40,457</b>                        |
| <b>7. Other capital at beginning of period</b>   |                                      |                                      |
| <b>7.1. Change in other capital</b>  | <b>390</b>                           |                                      |
| <b>7.2. Other capital at end of period</b>   | <b>390</b>                           |                                      |
| <b>8. Currency-translation differences on subordinated undertakings</b>                      | <b>(67)</b>                          | <b>(1)</b>                           |
| a) increase  | (33)                                 | (23)                                 |
| b) decrease  | 20                                   |                                      |
| <b>8.1. Currency-translation differences on subordinated undertakings at end of period</b>   | <b>(80)</b>                          | <b>(24)</b>                          |
| <b>9. Retained profit/(loss) brought forward at beginning of period</b>                      | <b>(22,172)</b>                      | <b>11,658</b>                        |
| <b>9.1. Retained profit at beginning of period</b>   |                                      | <b>22,017</b>                        |
| - changes in adopted accounting policies   |                                      | (9,814)                              |
| <b>9.2. Retained profit at beginning of period after reconciliation with comparable data</b> |                                      | <b>12,203</b>                        |
| a) increase  |                                      | 513                                  |
| b) decrease, including:  |                                      | (22,530)                             |
| - transfer to other capital reserves   |                                      | (17,330)                             |
| - transfer to reserve funds  |                                      | (87)                                 |
| - dividend paid  |                                      | (5,113)                              |
| <b>9.3. Retained profit at end of period</b>   |                                      | <b>(9,814)</b>                       |
| <b>9.4. Retained loss at beginning of period</b>   | <b>(22,172)</b>                      | <b>(10,359)</b>                      |

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|  |                 |                 |
|--|-----------------|-----------------|
| - changes in adopted accounting policies   |                 |                 |
| <b>9.5. Retained loss at beginning of period after reconciliation with comparable data</b> | <b>(22,172)</b> | <b>(10,359)</b> |
| a) increase  |                 | (513)           |
| b) decrease  | 2,247           |                 |
| <b>9.6. Retained loss at end of period</b>   | <b>(19,925)</b> | <b>(10,872)</b> |
| <b>9.7. Retained profit/( loss) at end of period</b>                                       | <b>(19,925)</b> | <b>(20,686)</b> |
| <b>10. Net profit/(loss)</b>   | <b>16,265</b>   | <b>(15,812)</b> |
| a) net profit  | 16,265          |                 |
| b) net loss  |                 | (19,628)        |
| d) change of adopted accounting principles   |                 | 3,816           |
| <b>II. Equity at end of period</b>   | <b>217,855</b>  | <b>186,917</b>  |
| <b>III. Equity after proposed distribution of profit (coverage of loss)</b>                | <b>217,855</b>  | <b>186,917</b>  |

**CONSOLIDATED CASH-FLOW STATEMENT FOR THE PERIOD  
JANUARY 1ST – SEPTEMBER 30TH 2005**

| CONSOLIDATED CASH-FLOW STATEMENT  | Jan 1 – Jun 30<br>2005<br>(PLN '000) | Jan 1 – Jun 30<br>2004<br>(PLN '000) |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flows from operating activities</b>  |                                      |                                      |
| <b>I. Net profit/(loss)</b>   | <b>16,265</b>                        | <b>(15,812)</b>                      |
| <b>II. Total adjustments</b>  | <b>(4,178)</b>                       | <b>17,021</b>                        |
| 1. (Profit)/loss attributable to minority interests   | 604                                  | 429                                  |
| 2. Depreciation and amortisation  | 12,169                               | 12,458                               |
| 3. Foreign exchange (gains)/losses  | 32                                   | (40)                                 |
| 4. Interest and distributions from profit (dividends)   | (281)                                | 620                                  |
| 5. (Profit)/loss on investing activities  | 351                                  | (347)                                |
| 6. Change in provisions   | (189)                                | 10,292                               |
| 7. Change in inventories  | (2,173)                              | (520)                                |
| 8. Change in receivables  | (10,866)                             | (18,061)                             |
| 9. Change in liabilities (net of loans and borrowings), including:                                    | (1,410)                              | 7,271                                |
| 9a. Change in current tax liabilities   | (510)                                | (51)                                 |
| 10. Change in accruals and deferrals  | (3,017)                              | (1,997)                              |
| 11. Other adjustments   | 602                                  | 6,916                                |
| <b>III. Net cash provided by/(used in) operating activities – I+/-II</b>                              | <b>12,087</b>                        | <b>1,209</b>                         |
| <b>B. Cash flows from investing activities</b>  |                                      |                                      |
| <b>I. Cash provided by investing activities</b>   | <b>7,539</b>                         | <b>5,461</b>                         |
| 1. Sale of intangible assets and property, plant and equipment  | 840                                  | 2,165                                |
| 2. Sale of investment property and intangible assets  | 131                                  |                                      |
| 3. Cash provided by financial assets, including:  | 6,568                                | 3,296                                |
| a) in related undertakings  | 1,227                                | 3,235                                |
| b) in other undertakings  | 5,341                                | 61                                   |
| - repayment of non-current loans advanced   | 5,040                                | 52                                   |
| - interest received   | 301                                  | 9                                    |
| <b>II. Cash used in investing activities</b>  | <b>(20,912)</b>                      | <b>(34,645)</b>                      |
| 1. Acquisition of intangible assets and property, plant and equipment                                 | (16,054)                             | (15,281)                             |
| 2. Investment property and intangible assets  |                                      |                                      |
| 3. Cash used on financial assets, including:  | -                                    | (4,199)                              |
| a) in related undertakings  | -                                    | (4,199)                              |
| b) in other undertakings  |                                      |                                      |
| 4. Dividends and other distributions from profit to minority interests                                | (992)                                | (907)                                |
| 5. Other cash used in investing activities  | (3,866)                              | (14,258)                             |
| <b>III. Net cash provided by/(used in) investing activities – I-II</b>                                | <b>(13,373)</b>                      | <b>(29,184)</b>                      |
| <b>C. Cash flows from financing activities</b>  |                                      |                                      |
| <b>I. Cash provided by financing activities</b>   | <b>5,148</b>                         | <b>10,831</b>                        |
| 1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity |                                      |                                      |
| 2. Increase in loans and borrowings   | 822                                  | 5,936                                |
| 3. Issue of debt securities   |                                      |                                      |
| 4. Other cash provided by financing activities  | 4,326                                | 4,895                                |
| <b>II. Cash used in financing activities</b>  | <b>(5,710)</b>                       | <b>(60,268)</b>                      |
| 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  | (3,912)                              | (15,050)                             |
| 5. Redemption of debt securities  |                                      |                                      |
| 6. Other financial liabilities  |                                      |                                      |
| 7. Decrease in financed lease liabilities   | (1,355)                              | (1,302)                              |
| 8. Interest paid  | (443)                                | (800)                                |
| 9. Other cash used in financing activities  |                                      | (3)                                  |
| <b>III. Net cash provided by/(used in) financing activities – I-II</b>                                | <b>(562)</b>                         | <b>(49,437)</b>                      |
| <b>D. Total net cash flow – A.III+/-B.III+/-C.III</b>   | <b>(1,848)</b>                       | <b>(77,412)</b>                      |
| <b>E. Balance-sheet change in cash, including:</b>  | <b>(1,848)</b>                       | <b>(77,412)</b>                      |
| - change in cash resulting from foreign exchange gains/(losses)                                       |                                      |                                      |
| <b>F. Cash at beginning of period</b>   | <b>72,717</b>                        | <b>156,633</b>                       |
| <b>G. Cash at end of period (F+/-D), including:</b>   | <b>70,869</b>                        | <b>79,221</b>                        |
| - restricted cash*  | 125                                  | 1,123                                |

**BALANCE SHEET OF IMPEL SA AS AT SEPTEMBER 30TH 2005**

| <b>ASSETS</b>  | <b>Sep 30 2005<br/>(PLN '000)</b> | <b>Dec 31 2004<br/>(PLN '000)</b> |
|--|-----------------------------------|-----------------------------------|
| <b>I. Non-current assets – items 1–11</b>                  | <b>121,433</b>                    | <b>101,684</b>                    |
| 1. Goodwill  |                                   | -                                 |
| 2. Other intangible assets                                 | 2,622                             | 2,313                             |
| 3. Property, plant and equipment                           | 12,082                            | 13,064                            |
| 4. Investment property                                     | 2,588                             | 2,638                             |
| 5. Intangible assets held as investments                   | 10,197                            | 10,296                            |
| 6. Investments in shares                                   | 48,102                            | 37,465                            |
| 7. Loans and own claims                                    | 40,811                            | 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                                     | 5,031                             | 4,177                             |
| <b>II. Current assets – items 1–8</b>                      | <b>129,995</b>                    | <b>138,208</b>                    |
| 1. Inventories   | 402                               | 451                               |
| 2. Receivables (2a+2b+2c+2d)                               | 72,345                            | 65,104                            |
| 2a. Trade receivables                                      | 67,133                            | 57,448                            |
| 2b. Receivables from state and local budgets, including:   | 2,492                             | 4,888                             |
| 2b.1. Current tax receivables                              | -                                 | -                                 |
| 2c. Financed lease receivables                             | -                                 | -                                 |
| 2d. Other receivables                                      | 2,720                             | 2,768                             |
| 3. Loans and own claims                                    | 9,349                             | 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                               | 47,203                            | 53,219                            |
| 8. Prepayments and accrued income                          | 696                               | 364                               |
| <b>III. Non-current assets classified as held for sale</b> | <b>377</b>                        | <b>491</b>                        |
| <b>Total assets – I+II+III</b>                             | <b>251,805</b>                    | <b>240,382</b>                    |

## BALANCE SHEET OF IMPEL SA AS AT SEPTEMBER 30TH 2005

| <b>EQUITY AND LIABILITIES</b>   | <b>Sep 30 2005<br/>(PLN '000)</b> | <b>Dec 31 2004<br/>(PLN '000)</b> |
|---|-----------------------------------|-----------------------------------|
| <b>I. Equity – items 1a–1j</b>  | <b>205,929</b>                    | <b>194,580</b>                    |
| 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   | 390                               |                                   |
| 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)  | 10,960                            | 7,704                             |
| 1j. Distributions from net profit during the year   | -                                 | -                                 |
| <b>II. Non-current liabilities – items 1–6</b>  | <b>3,079</b>                      | <b>3,776</b>                      |
| 1 Deferred tax liability  | -                                 | -                                 |
| 2 Employee benefits   | 286                               | 286                               |
| 3 Non-current provisions  | 2,743                             | 3,440                             |
| 4 Non-current bank loans and borrowings   | -                                 | -                                 |
| 5 Non-current financed lease liabilities  | -                                 | -                                 |
| 6 Other non-current liabilities   | 50                                | 50                                |
| <b>III. Current liabilities – items 1–7</b>   | <b>40,032</b>                     | <b>38,513</b>                     |
| 1 Current bank loans and borrowings   |                                   | 625                               |
| 2 Trade payables  | 13,518                            | 13,709                            |
| 3 Public charges, including:  | 11,727                            | 10,685                            |
| 3a Current tax liabilities  | 480                               | 980                               |
| 4 Employee benefits   | 11,855                            | 10,439                            |
| 5 Current financed lease liabilities  | -                                 | -                                 |
| 6 Other liabilities   | 1,885                             | 2,055                             |
| 7 Current provisions  | 1,047                             | 1,000                             |
| <b>IV. Deferred income</b>  | <b>2,765</b>                      | <b>3,513</b>                      |
| <b>V. Liabilities directly related to non-current assets classified as held for sale</b>                  | <b>-</b>                          | <b>-</b>                          |
| <b>Total equity and liabilities – I+II+III+IV+V</b>   | <b>251,805</b>                    | <b>240,382</b>                    |
|   | <b>Sep 30 2005<br/>PLN '000</b>   | <b>Dec 31 2004<br/>PLN '000</b>   |
| Book value  | <b>205,929</b>                    | <b>194,580</b>                    |
| Number of shares  | 15,038,462                        | 15,038,462                        |
| Book value per share (PLN)  | 13.69                             | 12.94                             |

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| <b>OFF-BALANCE-SHEET ITEMS</b>                          | <b>Sep 30 2005<br/>(PLN '000)</b> | <b>Dec 31 2004<br/>(PLN '000)</b> |
|---|-----------------------------------|-----------------------------------|
| <b>1. Contingent receivables</b>                        |                                   |                                   |
| <b>2. Contingent liabilities, including:</b>            | <b>42,255</b>                     | <b>35,538</b>                     |
| 2.1. To related undertakings                            | 28,801                            | 24,416                            |
| guarantees and sureties issued                          | 28,801                            | 24,416                            |
| 2.2. To other undertakings, including:                  | 13,454                            | 11,122                            |
| guarantees and sureties issued                          | 13,454                            | 11,122                            |
| <b>3. Other, including:</b>                             | <b>3,884</b>                      | <b>2,851</b>                      |
| assignment of receivables with the re-assignment option | 3,884                             | 2,851                             |
| <b>Total off-balance-sheet items</b>                    | <b>46,139</b>                     | <b>38,389</b>                     |

**PROFIT AND LOSS ACCOUNT OF IMPEL SA FOR THE PERIOD JANUARY 1ST 2005 –  
SEPTEMBER 30TH 2005**

|  | Jul 1 – Sep<br>30 2005<br>PLN'000 | Jan 1 –<br>Sep 30<br>2005<br>PLN'000 | Jul 1 – Sep<br>30 2004<br>PLN'000 | Jan 1 –<br>Sep 30<br>2004<br>PLN'000 |
|--|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| <b>Continued and discontinued operations</b>                                 |                                   |                                      |                                   |                                      |
| <b>I. Revenue – items 1–2</b>  | <b>70,354</b>                     | <b>207,432</b>                       | <b>70,228</b>                     | <b>199,573</b>                       |
| 1. Sales revenue, including:   | 63,317                            | 186,038                              | 60,718                            | 179,526                              |
| a) revenue on sales of products  | 63,244                            | 185,927                              | 60,637                            | 179,287                              |
| b) revenue on sales of materials and goods for resale                        | 73                                | 111                                  | 81                                | 239                                  |
| 2. Subsidies   | 7,037                             | 21,394                               | 9,510                             | 20,047                               |
| <b>II. Operating expenses – items 1–8</b>                                    | <b>(65,859)</b>                   | <b>(196,828)</b>                     | <b>(63,333)</b>                   | <b>(195,007)</b>                     |
| 1. depreciation and amortisation   | (1,038)                           | (3,256)                              | (1,152)                           | (4,185)                              |
| 2. raw materials and energy used   | (7,533)                           | (22,684)                             | (7,106)                           | (22,386)                             |
| 3. contracted services   | (15,234)                          | (44,052)                             | (14,527)                          | (39,429)                             |
| 4. salaries and wages, social security and other employee benefits           | (40,313)                          | (122,820)                            | (38,870)                          | (124,273)                            |
| 5. other cost by type  | (1,200)                           | (4,218)                              | (935)                             | (5,002)                              |
| 6. selling cost of materials and goods for resale                            | (31)                              | (130)                                | (79)                              | (199)                                |
| 7. change in products  | (510)                             | 332                                  | (664)                             | 467                                  |
| 8. cost of products for own needs  | -                                 | -                                    | -                                 | -                                    |
| <b>A. Profit/(loss) on sales – I-II</b>                                      | <b>4,495</b>                      | <b>10,604</b>                        | <b>(6,895)</b>                    | <b>(4,566)</b>                       |
| I. Other operating income, including:  | 1,145                             | 3,468                                | 1,012                             | 3,526                                |
| 1. Gain on disposal of non-current non-financial assets                      | 18                                | 44                                   | 14                                | 308                                  |
| 2. Revaluation of non-financial assets                                       | 327                               | 1,638                                | -                                 | 1,376                                |
| II. Other operating expenses, including:                                     | (1,987)                           | (4,765)                              | (2,356)                           | (5,847)                              |
| 1. Loss on disposal of non-current non-financial assets                      | -                                 | -                                    | (9)                               | (95)                                 |
| 2. Revaluation of non-financial assets                                       | (1,178)                           | (2,213)                              | (605)                             | (2,211)                              |
| <b>B. Operating profit/(loss) – A+I-II</b>                                   | <b>3,653</b>                      | <b>9,307</b>                         | <b>5,551</b>                      | <b>2,245</b>                         |
| I. Financial income, including:  | 2,261                             | 8,574                                | 2,010                             | 8,133                                |
| 1. Dividends and other profit distributions                                  | -                                 | 1,643                                | -                                 | 1,346                                |
| 2. Interest  | 1,620                             | 5,227                                | 1,790                             | 5,679                                |
| II. Financial expenses, including:   | (305)                             | (4,737)                              | (3,676)                           | (8,619)                              |
| 1. Interest  | (94)                              | (833)                                | (918)                             | (1,084)                              |
| 2. Revaluation of investments  | -                                 | (3,616)                              | (2,610)                           | (6,760)                              |
| <b>C. Pre-tax profit/(loss) – B+I-II</b>                                     | <b>5,609</b>                      | <b>13,144</b>                        | <b>3,885</b>                      | <b>1,759</b>                         |
| I. Corporate income tax  | (1,316)                           | (2,184)                              | (825)                             | (337)                                |
| <b>D. Net profit/(loss) on continued and discontinued operations (C+/-I)</b> | <b>4,293</b>                      | <b>10,960</b>                        | <b>3,060</b>                      | <b>1,422</b>                         |
| <b>Discontinued operations</b>   |                                   |                                      |                                   |                                      |
| Net profit/(loss) on discontinued operations                                 | -                                 | -                                    | -                                 | -                                    |
| <b>Net profit/(loss)</b>   | <b>4,293</b>                      | <b>10,960</b>                        | <b>3,060</b>                      | <b>1,422</b>                         |
| <b>Earnings (losses) per ordinary share*</b>                                 |                                   |                                      |                                   |                                      |
| Continued operations   | 0.29                              | 0.73                                 | 0.20                              | 0.09                                 |
| Discontinued operations*   | -                                 | -                                    | -                                 | -                                    |

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

**STATEMENT OF CHANGES IN EQUITY OF IMPEL SA FOR THE PERIOD JANUARY 1ST –  
SEPTEMBER 30TH 2005**

| <b>STATEMENT OF CHANGES IN EQUITY</b>  | <b>Jan 1 – Sep 30<br/>2005<br/>(PLN '000)</b> | <b>Jan 1 – Sep 30<br/>2004<br/>(PLN '000)</b> |
|--|---|---|
| <b>I. Equity at beginning of period</b>                                      | <b>194,580</b>                                | <b>239,954</b>                                |
| - changes in adopted accounting policies                                     |   | (9,955)                                       |
| <b>I.a. Equity at beginning of period, after adjustments</b>                 | <b>194,580</b>                                | <b>229,999</b>                                |
| <b>1. Share capital at beginning of period</b>                               | <b>75,192</b>                                 | <b>81,500</b>                                 |
| 1.1. Changes in share capital  |   | (6,308)                                       |
| a) increase – shares issued  |   | 1,000   |
| b) decrease – retired shares   |   | (7,308)                                       |
| <b>1.2. Share capital at end of period</b>                                   | <b>75,192</b>                                 | <b>75,192</b>                                 |
| <b>2. Balance of called-up share capital not paid at beginning of period</b> |   |   |
| <b>2.1. Balance of called-up share capital not paid at end of period</b>     |   |   |
| <b>3. Treasury shares at beginning of period</b>                             |   |   |
| a) increase – acquisition of shares for retirement                           |   | (38,000)                                      |
| b) decrease – retirement   |   | 38,000  |
| <b>3.1. Treasury shares at end of period</b>                                 |   |   |
| <b>4. Reserve funds at beginning of period</b>                               | <b>95,688</b>                                 | <b>126,385</b>                                |
| 4.1. Changes in reserve funds  | 2,978   | (30,691)                                      |
| a) increase, including:  | 2,978   | 4   |
| - distribution of profit   | 2,978   |   |
| - revaluation of reserve funds   |   | 4   |
| b) decrease, including:  |   | (30,695)                                      |
| - cost of share issue  |   | (3)   |
| - retired shares   |   | (30,692)                                      |
| <b>4.2. Reserve funds at end of period</b>                                   | <b>98,666</b>                                 | <b>95,694</b>                                 |
| <b>5. Revaluation capital reserve at beginning of period</b>                 |   | <b>4</b>                                      |
| <b>5.1. Revaluation capital reserve at end of period</b>                     |   | <b>-</b>                                      |
| <b>6. Other capital reserves at beginning of period</b>                      | <b>25,454</b>                                 | <b>24,127</b>                                 |
| 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)                                       |
| <b>6.2. Other capital reserves at end of period</b>                          | <b>25,454</b>                                 | <b>25,454</b>                                 |
| <b>7. Other capital at beginning of period</b>                               |   |   |
| 7.1. Change in other capital   | 390   |   |
| a) increase, including:  | 390   |   |
| - valuation of share options   | 390   |   |
| b) decrease, including:  |   |   |
| <b>7.2. Other capital at end of period</b>                                   | <b>390</b>                                    |   |
| <b>8. Currency-translation differences on subordinated undertakings</b>      |   |   |
| <b>9. Retained profit/(loss) brought forward at beginning of period</b>      | <b>3,475</b>                                  | <b>7,938</b>                                  |
| 9.1. Retained profit at beginning of period                                  | 3,475   | 7,938   |
| - changes in adopted accounting policies                                     | (5,230)                                       | (9,955)                                       |
| <b>9.2. Retained profit at beginning of period after adjustments</b>         | <b>(1,755)</b>                                | <b>(2,017)</b>                                |
| 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)                                       |
| <b>9.3. Retained profit at end of period</b>                                 | <b>(4,733)</b>                                | <b>(9,458)</b>                                |
| <b>9.4. Retained loss at beginning of period</b>                             |   |   |
| - changes in adopted accounting policies                                     |   |   |
| <b>9.5. Retained loss at beginning of period after adjustments</b>           |   |   |
| <b>9.6. Retained loss at end of period</b>                                   |   |   |
| <b>9.7. Retained profit/( loss) at end of period</b>                         | <b>(4,733)</b>                                | <b>(9,458)</b>                                |
| <b>10. Net profit/(loss)</b>   | <b>10,960</b>                                 | <b>1,422</b>                                  |
| a) net profit  | 10,960  | (2,194)                                       |
| b) net loss  |   |   |
| c) change of adopted accounting principles                                   |   | 3,616   |
| <b>II. Equity at end of period</b>   | <b>205,929</b>                                | <b>188,304</b>                                |
| <b>III. Equity after proposed distribution of profit (coverage of loss)</b>  | <b>205,929</b>                                | <b>188,304</b>                                |

**CASH-FLOW STATEMENT OF IMPEL SA FOR THE PERIOD  
JANUARY 1ST – SEPTEMBER 30TH 2005**

| CASH-FLOW STATEMENT   | Jan 1 – Sep 30<br>2005<br>(PLN '000) | Jan 1 – Sep 30<br>2004<br>(PLN '000) |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flows from operating activities</b>  |                                      |                                      |
| <b>I. Net profit/(loss)</b>   | <b>10,960</b>                        | <b>1,422</b>                         |
| <b>II. Total adjustments</b>  | <b>(4,462)</b>                       | <b>19,284</b>                        |
| 1. Depreciation and amortisation  | 3,256                                | 4,185                                |
| 2. Foreign exchange (gains)/losses  |                                      |                                      |
| 3. Interest and distributions from profit (dividends)   | (4,442)                              | (2,790)                              |
| 4. (Profit)/loss on investing activities  | (344)                                | (329)                                |
| 5. Change in provisions   | (650)                                | 841                                  |
| 6. Change in inventories  | 49                                   | 209                                  |
| 7. Change in receivables  | (6,959)                              | 4,680                                |
| 8. Change in liabilities (net of loans and borrowings), including                                     | 3,365                                | 4,000                                |
| 8a. Change in current tax liabilities   | (500)                                | -                                    |
| 9. Change in accruals and deferrals   | (1,935)                              | (1,268)                              |
| 10. Other adjustments   | 3,198                                | 9,756                                |
| <b>III. Net cash provided by/(used in) operating activities – I+/-II</b>                              | <b>6,498</b>                         | <b>20,706</b>                        |
| <b>B. Cash flows from investing activities</b>  |                                      |                                      |
| <b>I. Cash provided by investing activities</b>   | <b>12,507</b>                        | <b>13,441</b>                        |
| 1. Sale of intangible assets and property, plant and equipment  | 250                                  | 2,732                                |
| 2. Sale of investment property and intangible assets  |                                      |                                      |
| 3. Cash provided by financial assets, including:  | 12,257                               | 10,709                               |
| a) in related undertakings  | 7,157                                | 10,685                               |
| b) in other undertakings  | 5,100                                | 24                                   |
| - repayment of non-current loans advanced   | 5,040                                | 24                                   |
| - interest  | 60                                   |                                      |
| 4. Other cash provided by investing activities  |                                      |                                      |
| <b>II. Cash used in investing activities</b>  | <b>(24,383)</b>                      | <b>(52,961)</b>                      |
| 1. Acquisition of intangible assets and property, plant and equipment                                 | (2,313)                              | (3,697)                              |
| 2. Investment property and intangible assets  |                                      |                                      |
| 3. Cash used on financial assets, including:  | (22,070)                             | (49,264)                             |
| a) in related undertakings  | (22,070)                             | (49,264)                             |
| b) in other undertakings  |                                      |                                      |
| - acquisition of financial assets   |                                      |                                      |
| - non-current loans advanced  |                                      |                                      |
| 4. Other cash used in investing activities  |                                      |                                      |
| <b>III. Net cash provided by/(used in) investing activities – I-II</b>                                | <b>(11,876)</b>                      | <b>(39,520)</b>                      |
| <b>C. Cash flows from financing activities</b>  |                                      |                                      |
| <b>I. Cash provided by financing activities</b>   |                                      |                                      |
| 1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity |                                      |                                      |
| 2. Increase in loans and borrowings   |                                      |                                      |
| 3. Issue of debt securities   |                                      |                                      |
| 4. Other cash provided by financing activities  |                                      |                                      |
| <b>II. Cash used in financing activities</b>  | <b>(625)</b>                         | <b>(48,334)</b>                      |
| 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  | (625)                                | (5,121)                              |
| 5. Redemption of debt securities  |                                      |                                      |
| 6. Other financial liabilities  |                                      |                                      |
| 7. Decrease in financed lease liabilities   |                                      |                                      |
| 8. Interest paid  |                                      | (97)                                 |
| 9. Other cash used in financing activities  |                                      | (3)                                  |
| <b>III. Net cash provided by/(used in) financing activities – I-II</b>                                | <b>(625)</b>                         | <b>(48,334)</b>                      |
| <b>D. Total net cash flow – A.III+/-B.III+/-C.III</b>   | <b>(6,003)</b>                       | <b>(67,148)</b>                      |
| <b>E. Balance-sheet change in cash, including:</b>  | <b>(6,003)</b>                       | <b>(67,148)</b>                      |
| - change in cash resulting from foreign exchange gains/(losses)                                       |                                      |                                      |
| <b>F. Cash at beginning of period</b>   | <b>53,186</b>                        | <b>134,057</b>                       |
| <b>G. Cash at end of period (F+/-D), including:</b>   | <b>47,183</b>                        | <b>66,909</b>                        |
| - restricted cash*  | -                                    | 1,008                                |

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

## **SELECTED EXPLANATORY INFORMATION**

### **1. Rules governing the preparation of the consolidated quarterly report for Q3 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 interim 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 September 30th 2005.

##### Format of the financial statements

The report for Q3 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 nine months, i.e. from January 1st to September 30th 2005.

The data disclosed in the consolidated balance sheet, and consolidated off-balance-sheet items is accompanied by comparable consolidated financial data as at December 31st 2004.

The data disclosed in the non-consolidated balance sheet and non-consolidated off-balance sheet items is accompanied by comparable non-consolidated financial data as at December 31st 2004.

The data disclosed in the consolidated profit and loss account, the statement of changes in consolidated equity and in consolidated cash flow statement is accompanied by comparable consolidated financial data for the period from January 1st to September 30th 2004. Additionally, the data disclosed in the consolidated profit and loss account is accompanied by comparable consolidated financial data for the period from July 1st 2004 to September 30th 2004

The data disclosed in the non-consolidated profit and loss account, the statement of changes in non-consolidated equity and in non-consolidated cash flow statement is accompanied by comparable non-consolidated financial data for the period from January 1st to September 30th 2004. Additionally, the data disclosed in the non-consolidated profit and loss account is accompanied by comparable non-consolidated financial data for the period from July 1st 2004 to September 30th 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 September 30th 2005, the Impel Group (the "Impel Group" or the "Group") consisted of the Parent Undertaking and 17 consolidated subsidiary undertakings. The Group's Parent Undertaking is Impel SA (the "Company" or the "Parent Undertaking").

#### **1.5 Adopted accounting policies and computing methods**

The accounting policies applied by Impel SA and its Group at the beginning of 2005 were changed relative to the policies applied in the preparation of the financial statements and the consolidated financial statements for the year ended December 31st 2004.

The change comprised adoption of the International Accounting Standards and International Financial Reporting Standards as accounting policies applied by the Group. 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 Q3 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, except for the changes in depreciation/amortisation periods of selected non-current assets. Impel IT Sp. z o.o. reviewed the useful economic lives of non-current assets and determined that the depreciation/amortisation rates had been too high. Hence, the valuation of property, plant and equipment was changed by extending the useful lives of computer equipment and communication systems. The changed useful lives are as follows:

- computer equipment – 3.3 years
- communication systems – 10 years.

Consequently, the financial result for Q3 2005 and the equity rose by approx. PLN 200 thousand.

**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      |  |   |
| <b>I. Non-current assets</b>                         | <b>117,468</b> | -           | (1,717) | (4,875) | (754)   | (491) | (43)     | (3) | - | 618 | (741)   | <b>109,462</b>                                 | <b>I. Non-current assets</b>  |
| 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)     |         |         |         |       |          |     |   |     |         |  |   |
| <b>5. Non-current investments</b>                    | <b>15,060</b>  | -           | -       | -       | -       | -     | 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                                    |
| <b>6. Non-current prepayments and accrued income</b> | <b>13,632</b>  |             |         |         |         |       |          |     |   |     |         |  |   |
|  |                |             |         |         |         |       |          |     |   |     |         | -  | 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  |
| <b>II. Current assets</b>                            | <b>233,898</b> | -           | 1,260   | -       | (8,984) | -     | -        | 3   | - | -   | 641     | <b>226,818</b>                                 | <b>II. Current assets</b>   |
| 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  | <b>III. Non-current assets classified as held for sale</b>                |
| <b>Total assets</b>                                  | <b>351,366</b> | -           | (457)   | (4,875) | (9,738) | -     | (43)     | -   | - | 618 | (100)   | <b>336,771</b>                                 | <b>Total assets</b>   |

| 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    |  |   |
| <b>1. Equity</b>  | <b>206,008</b> | -           | (457)   | (4,875) | - | - | - | - | - | 618 | (100) | <b>201,194</b>                                 | <b>1. Equity</b>  |
| 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   |
| <b>2. Minority interests</b>  | <b>925</b>     |             |         |         |   |   |   |   |   |     |       | <b>925</b>                                     | <b>2. Minority interests</b>  |
| <b>I. Total equity</b>  | <b>206,933</b> |             |         |         |   |   |   |   |   |     |       | <b>202,119</b>                                 | <b>I. Total equity</b>  |

|             |  |                |          |       |         |         |   |      |          |     |     |       |   |                |                |  |
|-------------|--|----------------|----------|-------|---------|---------|---|------|----------|-----|-----|-------|---|----------------|----------------|--|
| <b>II.</b>  | <b>Liabilities and provisions for liabilities</b>      | <b>144,433</b> | (6,613)  | -     | -       | -       | - | -    | -        | -   | -   | -     | - | -              | <b>7,097</b>   | <b>II. Non-current liabilities</b>   |
| 1.          | Provisions for liabilities                             | <b>10,924</b>  |          |       |         |         |   |      |          |     |     |       |   |                |                |  |
| 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)  |       |         |         |   |      |          |     |     |       |   |                |                |  |
| <b>III.</b> | <b>Non-current liabilities</b>                         | <b>2,815</b>   | (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   |
| <b>IV.</b>  | <b>Current liabilities</b>                             | <b>104,792</b> | 6,698    | -     | (9,738) | -       | - | -    | 11,291   | -   |     |       |   |                | <b>113,043</b> | <b>III. Current liabilities</b>  |
| 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  |
| <b>V.</b>   | <b>Accruals and deferred income</b>                    | <b>25,902</b>  | -        | -     | -       | -       | - | (43) | (11,347) | -   |     |       |   |                |                |  |
| a)          | non-current  | 12,166         | 2,389    |       |         |         |   | (43) |          |     |     |       |   |                | 14,512         | <b>IV. Deferred income</b>   |
| b)          | current  | 13,736         | (2,389)  |       |         |         |   |      | (11,347) |     |     |       |   |                | -              |  |
|             |  |                |          |       |         |         |   |      |          |     |     |       |   |                | -              |  |
|             |  |                |          |       |         |         |   |      |          |     |     |       |   |                |                | <b>V. Liabilities directly related to non-current assets classified as held for sale</b> |
|             | <b>Total equity and liabilities</b>                    | <b>351,366</b> | -        | (457) | (4,875) | (9,738) | - | (43) | -        | -   | 618 | (100) |   | <b>336,771</b> |                | <b>Total equity and liabilities</b>  |

| Consolidated profit and loss account<br>for the period Jan 1 – Sep 30 2004 |           | Adjustments |         |       |   |   |   |   |   |   |     | Consolidated comparable data<br>for the period Jan 1 – Sep 30 2004 |                |  |
|--|-----------|-------------|---------|-------|---|---|---|---|---|---|-----|--|----------------|--|
|  |           | 1           | 2       | 3     | 4 | 5 | 6 | 7 | 8 | 9 | 10  |  |                |  |
| <b>I. Revenue:</b>   | 418,771   | 36,741      | -       | -     | - | - | - | - | - | - | -   | (360)  | <b>455,152</b> | <b>I. Revenue – items 1-2</b>                                      |
|  |           |             |         |       |   |   |   |   |   |   |     |  | 415,906        | 1. Sales revenue, including:                                       |
| a) revenue on sales of products  | 414,837   |             |         |       |   |   |   |   |   |   |     | (360)  | 414,477        | a) revenue on sales of products                                    |
| b) revenue on sales of materials and goods for resale                      | 1,429     |             |         |       |   |   |   |   |   |   |     |  | 1,429          | b) revenue on sales of materials and goods for resale              |
| c) cost of products for own needs  | 695       | (695)       |         |       |   |   |   |   |   |   |     |  | -              |  |
| d) change in products  | 1,810     | (1,810)     |         |       |   |   |   |   |   |   |     |  | -              |  |
|  |           | 39,246      |         |       |   |   |   |   |   |   |     |  | 39,246         | 2. Subsidies   |
| <b>II. Operating expenses</b>  | (465,524) | 2,505       | (311)   | 3,871 | - | - | - | - | - | - | -   | 184  | (459,275)      | <b>II. Operating expenses – items 1-8</b>                          |
| 1 depreciation and amortisation  | (15,146)  |             | (1,367) | 3,871 |   |   |   |   |   |   |     |  | 184            | 1. depreciation and amortisation                                   |
| 2. raw materials and energy used   | (57,315)  |             | 1,388   |       |   |   |   |   |   |   |     |  | (55,927)       | 2. raw materials and energy used                                   |
| 3. contracted services   | (61,126)  |             |         |       |   |   |   |   |   |   |     |  | (61,126)       | 3. contracted services   |
| 4. taxes and charges   | (3,759)   | 3,759       |         |       |   |   |   |   |   |   |     |  | -              |  |
| 5. salaries and wages  | (262,058) | (57,112)    |         |       |   |   |   |   |   |   |     |  | (319,170)      | 4. salaries and wages, social security and other employee benefits |
| 6. social security and other employee benefits                             | (57,112)  | 57,112      |         |       |   |   |   |   |   |   |     |  | -              |  |
| 7. other cost by type  | (7,951)   | (3,759)     | 3       |       |   |   |   |   |   |   |     |  | (11,707)       | 5. other cost by type  |
| 8. cost of sales of materials and goods for resale                         | (1,057)   |             |         |       |   |   |   |   |   |   |     |  | (1,057)        | 6. selling cost of materials and goods for resale                  |
|  |           | 1,810       | (335)   |       |   |   |   |   |   |   |     |  | 1,475          | 7. change in products  |
|  |           | 695         |         |       |   |   |   |   |   |   |     |  | 695            | 8. cost of products for own needs                                  |
| <b>A. Profit/(loss) on sales – I-II</b>                                    | (46,753)  | 39,246      | (311)   | 3,871 | - | - | - | - | - | - | -   | (176)  | (4,123)        | <b>A. Profit/(loss) on sales – I-II</b>                            |
| <b>I. Other operating income</b>   | 46,519    | (39,130)    | -       | -     | - | - | - | - | - | - | -   | -  | 7,389          | <b>I. Other operating income, including:</b>                       |
| 1. Gain on disposal of non-current non-financial assets                    | 549       | 116         |         |       |   |   |   |   |   |   |     |  | 665            | 1. Gain on disposal of non-current non-financial assets            |
| 2. Subsidies   | 39,246    | (36,345)    |         |       |   |   |   |   |   |   |     |  | 2,901          | 2. Revaluation of non-financial assets                             |
| 3. Other operating income  | 6,724     | (2,901)     |         |       |   |   |   |   |   |   |     |  | 3,823          | 3. Other operating income  |
| <b>II. Other operating expenses</b>  | (15,351)  | (4,435)     | (12)    | -     | - | - | - | - | - | - | 347 | -  | (19,451)       | <b>II. Other operating expenses, including:</b>                    |
| 1. Loss on disposal of non-current non-financial assets                    | (318)     |             |         |       |   |   |   |   |   |   |     |  | (318)          | 1. Loss on disposal of non-current non-financial assets            |
| 2. Revaluation of non-financial assets                                     | (6,024)   |             |         |       |   |   |   |   |   |   |     |  | (6,024)        | 2. Revaluation of non-financial assets                             |

| Consolidated profit and loss account<br>for the period Jan 1 – Sep 30 2004       |                 | Adjustments    |              |              |          |          |          |          |          |            |              | Consolidated comparable data<br>for the period Jan 1 – Sep 30 2004 |  |  |
|--|-----------------|----------------|--------------|--------------|----------|----------|----------|----------|----------|------------|--------------|--|--|--|
|  |                 | 1              | 2            | 3            | 4        | 5        | 6        | 7        | 8        | 9          | 10           |  |  |  |
| 3. Other operating expenses  | (9,009)         |                | (12)         |              |          |          |          |          |          |            |              |  | (9,021)  | 3. Other operating expenses                          |
|  |                 | (4,435)        |              |              |          |          |          |          |          | 347        |              |  | (4,088)  | 4. Consolidation goodwill write-off (negative value) |
| <b>B. Operating profit/(loss) – A+I-II</b>                                       | <b>(15,585)</b> | <b>(4,319)</b> | <b>(323)</b> | <b>3,871</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>347</b> | <b>(176)</b> | <b>(16,185)</b>  | <b>B. Operating profit/(loss) – A+I-II</b>                                       |  |
| I. Financial income, including:  | 5,153           | -              | -            | -            | -        | -        | -        | -        | -        | -          | 97           | 5,250  | I. Financial income, including:  |  |
| 1. Interest  | 4,816           |                |              |              |          |          |          |          |          |            | 97           | 4,913  | 1. Interest  |  |
| 2. Other   | 337             |                |              |              |          |          |          |          |          |            |              | 337  | 2. Other   |  |
| II. Financial expenses, including:   | (3,662)         | -              | -            | -            | -        | -        | -        | -        | -        | -          | -            | (3,662)  | II. Financial expenses, including:   |  |
| 1. Interest  | (2,133)         |                |              |              |          |          |          |          |          |            |              | (2,133)  | 1. Interest  |  |
| 2. Other   | (1,529)         |                |              |              |          |          |          |          |          |            |              | (1,529)  | 2. Other   |  |
| C. Profit/(loss) on disposal of all or part of shares                            | 116             | (116)          |              |              |          |          |          |          |          |            |              |  |  |  |
| <b>D. Consolidation goodwill write-off</b>                                       | <b>(4,435)</b>  | <b>4,435</b>   |              |              |          |          |          |          |          |            |              |  |  |  |
| <b>E. Pre-tax profit/(loss) – B+I-II+/-C-D</b>                                   | <b>(18,413)</b> | <b>-</b>       | <b>(323)</b> | <b>3,871</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>347</b> | <b>(79)</b>  | <b>(14,597)</b>  | <b>C. Pre-tax profit/(loss) – B+I-II</b>   |  |
| F. Corporate income tax  | (786)           |                |              |              |          |          |          |          |          |            |              | (786)  | I. Corporate income tax  |  |
| <b>G. (Profit)/loss attributable to minority interests</b>                       | <b>(429)</b>    |                |              |              |          |          |          |          |          |            |              | (429)  | <b>D. (Profit)/loss attributable to minority interests</b>                       |  |
| <b>H. Net profit/(loss) on continued and discontinued operations – E+/-F+/-G</b> | <b>(19,628)</b> | <b>-</b>       | <b>(323)</b> | <b>3,871</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>347</b> | <b>(79)</b>  | <b>(15,812)</b>  | <b>E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D)</b> |  |

| Consolidated cash-flow statement for the period<br>Jan 1 – Sep 30 2004   |                 | Adjustments |       |         |         |   |   |     |   |       |       | Consolidated comparable data for the period Jan 1 – Sep 30 2004 |                 |  |
|--|-----------------|-------------|-------|---------|---------|---|---|-----|---|-------|-------|---|-----------------|--|
|  |                 | 1           | 2     | 3       | 4       | 5 | 6 | 7   | 8 | 9     | 10    |   |                 |  |
| <b>I. Net profit/(loss)</b>  | <b>(19,628)</b> |             | (323) | 3,871   |         |   |   |     |   |       | 347   | (79)  | <b>(15,812)</b> | <b>I. Net profit/(loss)</b>  |
| <b>II. Total adjustments</b>   | <b>25,134</b>   |             | 590   | (3,871) | (4,199) |   |   | (7) |   | (347) | (279) |   | <b>17,021</b>   | <b>II. Total adjustments</b>   |
| <b>A.III. Net cash provided by/(used in) operating activities – I±II</b> | <b>5,506</b>    |             | 267   |         | (4,199) |   |   | (7) |   |       |       | (358)   | <b>1,209</b>    | <b>A.III. Net cash provided by/(used in) operating activities – I±II</b> |
| <b>B.III. Net cash provided by/(used in) investing activities – I-II</b> | <b>(29,282)</b> |             | (267) |         |         |   |   | 7   |   |       |       | 358   | <b>(29,184)</b> | <b>B.III. Net cash provided by/(used in) investing activities – I-II</b> |
| <b>C.III. Net cash provided by/(used in) financing activities – I-II</b> | <b>(49,437)</b> |             |       |         |         |   |   |     |   |       |       |   | <b>(49,437)</b> | <b>C.III. Net cash provided by/(used in) financing activities – I-II</b> |
| <b>D. Total net cash flow – A.III±B.III±C.III</b>                        | <b>(73,213)</b> |             |       |         | (4,199) |   |   |     |   |       |       |   | <b>(77,412)</b> | <b>D. Total net cash flow – A.III±B.III±C.III</b>                        |
| <b>E. Cash at beginning of period</b>                                    | <b>160,038</b>  |             |       |         | (3,405) |   |   |     |   |       |       |   | <b>156,633</b>  | <b>E. Cash at beginning of period</b>                                    |
| <b>F. Cash at end of period (E±D), including:</b>                        | <b>86,825</b>   |             |       |         | (7,604) |   |   |     |   |       |       |   | <b>79,221</b>   | <b>F. Cash at end of period (E±D), including:</b>                        |

| Consolidated equity as at Sep 30 2004   |                | Adjustments |         |         |   |   |   |   |   |     |      | Consolidated comparable data as at Sep 30 2004 |   |
|---|----------------|-------------|---------|---------|---|---|---|---|---|-----|------|--|---|
|   |                | 1           | 2       | 3       | 4 | 5 | 6 | 7 | 8 | 9   | 10   |  |   |
| <b>1. Equity</b>  | <b>192,915</b> | -           | (611)   | (5,796) | - | - | - | - | - | 502 | (93) | <b>186,917</b>                                 | <b>1. Equity</b>  |
| 1a. Share capital   | 75,192         |             |         |         |   |   |   |   |   |     |      | 75,192   | 1a. Share capital   |
| 1b. Treasury shares   |                |             |         |         |   |   |   |   |   |     |      | -  | 1b. Treasury shares   |
| 1c. Reserve funds, including share premium account  | 107,790        |             |         |         |   |   |   |   |   |     |      | 107,790  | 1c. Reserve funds, including share premium account  |
| 1d. Revaluation capital reserve   |                |             |         |         |   |   |   |   |   |     |      | -  | 1d. Revaluation capital reserve   |
| 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 | (24)           |             |         |         |   |   |   |   |   |     |      | (24)   | 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)  | (19,628)       | (323)       | 3,871   |         |   |   |   |   |   | 347 | (79) | (15,812)                                       | 1i. Current year net profit/(loss)  |
| <b>2. Minority interests</b>  | <b>506</b>     |             |         |         |   |   |   |   |   |     |      | <b>506</b>                                     | <b>2. Minority interests</b>  |
| <b>I. Total equity</b>  | <b>193,421</b> |             |         |         |   |   |   |   |   |     |      | <b>187,423</b>                                 | <b>I. Total equity</b>  |

| 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   |   |   |
| <b>1. Equity</b>  | <b>255,684</b> | -           | (288)   | (9,667) | - | - | - | - | - | 155 | (14) | <b>245,870</b>                                | <b>1. Equity</b>  |
| 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)  |
| <b>2. Minority interests</b>  | <b>995</b>     |             |         |         |   |   |   |   |   |     |      | <b>995</b>                                    | <b>2. Minority interests</b>  |
| <b>Total equity</b>   | <b>256,679</b> |             |         |         |   |   |   |   |   |     |      | <b>246,865</b>                                | <b>Total equity</b>   |

| Balance sheet of Impel SA as at Dec 31 2004          |                | Adjustments |       |         |         |       |         |   |     |   |    | Comparable balance sheet of Impel SA as at Dec 31 2004 |                |   |
|--|----------------|-------------|-------|---------|---------|-------|---------|---|-----|---|----|--|----------------|---|
|  |                | 1           | 2     | 3       | 4       | 5     | 6       | 7 | 8   | 9 | 10 |  |                |   |
| <b>I. Non-current assets</b>                         | <b>107,488</b> | -           | 71    | (4,875) | (509)   | (491) | -       | - | -   | - | -  | -  | <b>101,684</b> | <b>I. Non-current assets</b>  |
| 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)   |       |         |   |     |   |    |  |                |   |
| <b>5. Non-current investments</b>                    | <b>79,177</b>  | -           | -     | -       | -       | -     | 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                                    |
| <b>6. Non-current prepayments and accrued income</b> | <b>4,177</b>   |             |       |         |         |       |         |   |     |   |    |  |                |   |
|  |                |             |       |         |         |       |         |   |     |   |    |  | -              | 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  |
| <b>II. Current assets</b>                            | <b>142,719</b> | (1)         | (425) | -       | (4,086) | 491   | -       | - | -   | - | -  | -  | <b>138,207</b> | <b>II. Current assets</b>   |
| 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            |   |
|  |                |             |       |         |         |       |         |   |     |   |    |  |                | <b>III. Non-current assets classified as held for sale</b>                |
| <b>Total assets</b>                                  | <b>250,207</b> | (1)         | (354) | (4,875) | (4,595) | -     | -       | - | (1) | - | -  | -  | <b>240,382</b> | <b>Total assets</b>   |

| Balance sheet of Impel SA as at Dec 31 2004   |                | Adjustments |       |         |   |   |   |   |   |   |    | Comparable balance sheet of Impel SA as at Dec 31 2004 |                |   |
|---|----------------|-------------|-------|---------|---|---|---|---|---|---|----|--|----------------|---|
|   |                | 1           | 2     | 3       | 4 | 5 | 6 | 7 | 8 | 9 | 10 |  |                |   |
| <b>1. Equity</b>  | <b>199,810</b> |             | (355) | (4 875) | - | - | - | - | - | - | -  | -  | <b>194,580</b> | <b>1. Equity</b>  |
| 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   |
| <b>2. Minority interests</b>  |                |             |       |         |   |   |   |   |   |   |    |  | -              | <b>2. Minority interests</b>  |
| <b>Total equity</b>   | <b>199,810</b> |             |       |         |   |   |   |   |   |   |    |  | <b>194,580</b> | <b>Total equity</b>   |

|  |                |         |       |         |         |   |   |   |   |         |   |              |  |                                     |
|--|----------------|---------|-------|---------|---------|---|---|---|---|---------|---|--------------|--|-------------------------------------|
| <b>II. Liabilities and provisions for liabilities</b>      | <b>50,397</b>  | (1,384) | -     | -       | -       | - | - | - | - | -       | - | <b>3,776</b> | <b>II. Non-current liabilities</b>   |                                     |
| 1. Provisions for liabilities                              | <b>5,110</b>   |         |       |         |         |   |   |   |   |         |   |              |  |                                     |
| 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) |       |         |         |   |   |   |   |         |   |              |  |                                     |
| <b>Non-current liabilities</b>                             | <b>50</b>      |         |       |         |         |   |   |   |   |         |   |              |  |                                     |
| 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   |                                     |
| <b>III. Current liabilities</b>                            | <b>37,130</b>  | 1,384   |       |         | (4,595) |   |   |   |   | 4,594   |   |              | <b>38,513</b>  | <b>III. Current liabilities</b>     |
| 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  |                                     |
| <b>IV. Accruals and deferred income</b>                    | <b>8,107</b>   |         |       |         |         |   |   |   |   | (4,594) |   |              |  |                                     |
| a) non-current   | 2,397          | 1,116   |       |         |         |   |   |   |   |         |   | 3,513        | <b>IV. Deferred income</b>   |                                     |
| b) current   | 5,710          | (1,116) |       |         |         |   |   |   |   | (4,594) |   |              |  |                                     |
|  |                |         |       |         |         |   |   |   |   |         |   |              | <b>V. Liabilities directly related to non-current assets classified as held for sale</b> |                                     |
| <b>Total equity and liabilities</b>                        | <b>250,207</b> | (1)     | (354) | (4,875) | (4,595) |   |   |   |   |         |   |              | <b>240,382</b>   | <b>Total equity and liabilities</b> |

| Profit and loss account of Impel SA<br>for the period Jan 1 – Sep 30 2004 |           | Adjustments |       |       |   |   |   |   |   |   |    | Comparable profit and loss account of Impel SA<br>for the period Jan 1 – Sep 30 2004 |  |
|---|-----------|-------------|-------|-------|---|---|---|---|---|---|----|--|--|
|   |           | 1           | 2     | 3     | 4 | 5 | 6 | 7 | 8 | 9 | 10 |  |  |
| <b>A. Revenue:</b>  | 180,357   |             |       |       |   |   |   |   |   |   |    | <b>199,573</b>   | <b>I. Revenue – items 1-2</b>                                      |
|   |           |             |       |       |   |   |   |   |   |   |    | 179,526  | 1. Sales revenue, including:                                       |
| a) revenue on sales of products   | 179,287   |             |       |       |   |   |   |   |   |   |    | 179,287  | a) revenue on sales of products                                    |
| b) revenue on sales of materials and goods for resale                     | 239       |             |       |       |   |   |   |   |   |   |    | 239  | b) revenue on sales of materials and goods for resale              |
| c) cost of products for own needs   |           |             |       |       |   |   |   |   |   |   |    | -  |  |
| d) change in products   | 831       | (831)       |       |       |   |   |   |   |   |   |    | -  |  |
|   |           | 20,047      |       |       |   |   |   |   |   |   |    | 20,047   | 2. Subsidies   |
| <b>B. Operating expenses</b>  | (199,288) |             |       |       |   |   |   |   |   |   |    | (195,007)  | <b>II. Operating expenses</b>                                      |
| 1 depreciation and amortisation   | (7,753)   |             | (303) | 3,871 |   |   |   |   |   |   |    | (4,185)  | 1. depreciation and amortisation                                   |
| 2. raw materials and energy used  | (22,632)  |             | 246   |       |   |   |   |   |   |   |    | (22,386)   | 2. raw materials and energy used                                   |
| 3. contracted services  | (39,429)  |             |       |       |   |   |   |   |   |   |    | (39,429)   | 3. contracted services   |
| 7 4. taxes and charges  | (1,606)   | 1,606       |       |       |   |   |   |   |   |   |    | -  |  |
| 5. salaries and wages   | (100,532) | (23,741)    |       |       |   |   |   |   |   |   |    | (124,273)  | 4. salaries and wages, social security and other employee benefits |
| 6. social security and other employee benefits                            | (23,741)  | 23,741      |       |       |   |   |   |   |   |   |    | -  |  |
| 7. other cost by type   | (3,396)   | (1,606)     |       |       |   |   |   |   |   |   |    | (5,002)  | 5. other cost by type  |
| 8. cost of sales of materials and goods for resale                        | (199)     |             |       |       |   |   |   |   |   |   |    | (199)  | 6. selling cost of materials and goods for resale                  |
|   |           | 831         | (364) |       |   |   |   |   |   |   |    | 467  | 7. change in products  |
|   |           |             |       |       |   |   |   |   |   |   |    | -  | 8. cost of products for own needs                                  |
| <b>C. Profit/(loss) on sales – I-II</b>                                   | (18,931)  |             |       |       |   |   |   |   |   |   |    | 4,566  | <b>Profit/(loss) on sales – I-II</b>                               |
| <b>D. Other operating income</b>  | 23,573    |             |       |       |   |   |   |   |   |   |    | 3,526  | <b>A. Other operating income, including:</b>                       |
| 1. Gain on disposal of non-current non-financial assets                   | 308       | -           |       |       |   |   |   |   |   |   |    | 308  | I. 1. Gain on disposal of non-current non-financial assets         |
| 2. Subsidies  | 20,047    | (18,671)    |       |       |   |   |   |   |   |   |    | 1,376  | 2. Revaluation of non-financial assets                             |
| 3. Other operating income   | 3,218     | (1,376)     |       |       |   |   |   |   |   |   |    | 1,842  | 3. Other operating income  |
| <b>E. Other operating expenses</b>  | (6,013)   |             |       |       |   |   |   |   |   |   |    | (5,847)  | <b>II. Other operating expenses, including:</b>                    |
| 1. Loss on disposal of non-current non-financial assets                   | (95)      |             |       |       |   |   |   |   |   |   |    | (95)   | I. 1. Loss on disposal of non-current non-financial assets         |
| 2. Revaluation of non-financial assets                                    | (2,211)   |             |       |       |   |   |   |   |   |   |    | (2,211)  | 2. Revaluation of non-financial assets                             |
| 3. Other operating expenses   | (3,707)   |             | 166   |       |   |   |   |   |   |   |    | (3,541)  | 3. Other operating expenses  |



| Balance sheet of Impel SA as at Sep 30 2004   |                | Adjustments |       |         |   |   |   |   |   |   |    | Comparable balance sheet of Impel SA as at Sep 30 2004 |   |
|---|----------------|-------------|-------|---------|---|---|---|---|---|---|----|--|---|
|   |                | 1           | 2     | 3       | 4 | 5 | 6 | 7 | 8 | 9 | 10 |  |   |
| <b>1. Equity</b>  | <b>194,643</b> |             | (543) | (5,796) | - | - | - | - | - | - | -  | <b>188,304</b>   | <b>1. Equity</b>  |
| 1a. Share capital   | 75,192         |             |       |         |   |   |   |   |   |   |    | 75,192   | 1a. Share capital   |
| 1b. Treasury shares   |                |             |       |         |   |   |   |   |   |   |    |  | 1b. Treasury shares   |
| 1c. Reserve funds, including share premium account  | 95,694         |             |       |         |   |   |   |   |   |   |    | 95,694   | 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) | (9,667) |   |   |   |   |   |   |    | (9,458)  | 1h. Retained profit/(deficit)   |
| 1i. Current year net profit/(loss)  | (2,194)        |             | (255) | 3,871   |   |   |   |   |   |   |    | 1,422  | 1i. Current year net profit/(loss)  |
| 1j. Distributions from net profit during the year   |                |             |       |         |   |   |   |   |   |   |    | -  | 1j. Distributions from net profit during the year   |

| Balance sheet of Impel SA as at Jan 1 2004  |                | Adjustments |       |         |   |   |   |   |   |   |    | Comparable balance sheet of Impel SA as at Jan 1 2004 |   |
|---|----------------|-------------|-------|---------|---|---|---|---|---|---|----|---|---|
|   |                | 1           | 2     | 3       | 4 | 5 | 6 | 7 | 8 | 9 | 10 |   |   |
| <b>1. Equity</b>  | <b>239,954</b> |             | (288) | (9,667) | - | - | - | - | - | - | -  | <b>229,999</b>  | <b>1. Equity</b>  |
| 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 SA 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 SA 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 SA, 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 SA 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. Revenue generated seasonally, cyclically or occasionally**

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 Q3 2005, there were no material unusual events which might in any way affect the assets, equity and liabilities, share capital, net profit/(loss), or cash flows.

The Impel Group's results for Q3 2005:

- a. In Q3 2005, the Impel Group recorded revenue of PLN 157,807 thousand on sales of products, services, goods for resale and materials – more by PLN 10.6m (7.2%) than in the comparable period of the previous year. Relative to Q2 2005, the Group's revenue rose by PLN 7.3m (4.9%). The increase in sales is attributable to the organic growth of the Group, conclusion of new contracts, and acquisition of Bankowy Dom Faktor Sp. z o.o. The Group's Q3 2005 sales revenue attributable to the acquisition amounted to approximately PLN 3.2m.
- b. The continuous improvement of the management quality enabled the Group to further enhance its business efficiency. In Q3 2005, the operating ratio was 102.9%, in relation to 106.6% in the comparable period of the previous year, and 104.9% in Q2 2005. This means that the Group's profit on sales (without taking into account the subsidies) increased in Q3 2005 by PLN 5.2m – in relation to Q3 2004, and by PLN 2.6m – in relation to Q2 2005.
- c. The Group's operating result cannot be directly compared with the relevant data for the previous periods due to the regulatory changes introduced in 2004 with respect to the state aid for sheltered employers of the disabled. Nevertheless, the Group's operating result for Q3 2005 net of subsidies is higher by PLN 12.3m and PLN 4.2m than the results for Q3 2004 and Q2 2005, respectively.
- d. In Q3 2005, the Impel Group received subsidies lower by PLN 2.8m (17.4%) compared with the corresponding period of 2004 (taking into account retroactive changes in the regulations). The percentage share of subsidies in total revenue in Q3 2005 amounted to 8.4%, which represents the lowest level of subsidies in the history of the Impel Group. The Q3 2005 level of subsidies was lower by 2.5pp than in the comparable period of the previous year and by 0.9pp in relation to Q2 2005. These results attest to the Group's determination to steadily implement its policy aimed at making its financial performance independent of public aid.

The acquisition of Bankowy Dom Faktor Sp. z o.o. brought about changes which affected the Group's performance in Q3 2005. For the effects of these changes see Section 9 of this Report.

#### 4.1 Impel Group

Adjustments for provisions and revaluation allowances on assets:

|                          | Revaluation allowances on assets<br>(4.1.1) | Deferred tax asset<br>(4.1.2) | Deferred tax liability<br>(4.1.2) | Provisions for liabilities<br>(4.1.3) | Provisions for employee benefits<br>(4.1.4) | Employee benefits in the form of shares<br>(4.1.5) |
|--------------------------|---|-------------------------------|-----------------------------------|---------------------------------------|---|--|
| <b>As at Dec 31 2004</b> | <b>31,882</b>                               | <b>11,092</b>                 | <b>300</b>                        | <b>9,099</b>                          | <b>10,927</b>                               | -  |
| Increase                 | 8,248                                       | 19,705                        | 3,554                             | 2,833                                 | 31,632                                      | 390  |
| Use                      | (910)                                       |                               |                                   | (942)                                 | (22,847)                                    | -  |
| Release                  | (4,046)                                     | (19,087)                      | (3,456)                           | (2,242)                               | (103)                                       | -  |
| <b>As at Sep 30 2005</b> | <b>35,174</b>                               | <b>11,710</b>                 | <b>398</b>                        | <b>8,748</b>                          | <b>19,609</b>                               | <b>390</b>   |

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 Revaluation allowances on assets

As at September 30th 2005, the total value of revaluation allowances on assets was PLN 35,174 thousand and included:

- revaluation allowances on intangible assets, including goodwill PLN 6,435 thousand
- revaluation allowances on non-current assets PLN 2,194 thousand
- revaluation allowances on non-current investments PLN 1,704 thousand
- revaluation allowances on current investments PLN 113 thousand
- revaluation allowances on inventories PLN 235 thousand
- revaluation allowances on current receivables PLN 24,380 thousand
- revaluation allowances on non-current assets classified as held for sale PLN 113 thousand

##### 4.1.2 Deferred tax asset and provision

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 September 30th 2005, the deferred tax asset and liability amounted to PLN 11,710 thousand and PLN 398 thousand, respectively.

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

- increase by PLN 5,759 thousand – creation of a 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 46 thousand in connection with the increase of provisions for unused holidays,
- increase of the asset by PLN 356 thousand in connection with the increase of provisions for contracted services,
- decrease of the asset by PLN 31 thousand in connection with the decrease of revaluation allowances on receivables,
- decrease of the asset by PLN 5,829 thousand in connection with the use of the tax losses,
- decrease of the asset by PLN 127 thousand in connection with the decrease of provisions for disputed claims

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

- increase of provisions for interest on loans by PLN 513 thousand,
- increase of provisions for subsidies from the State Fund for the Disabled by PLN 108 thousand,
- decrease in positive timing differences on the difference between tax amortisation/depreciation and balance-sheet amortisation/depreciation by PLN 293 thousand.

Changes of the deferred tax asset and liability increased the Group's result for Q3 2005 by PLN 520 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 564 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 3,509 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 other provisions for future liabilities, amounting to PLN 1,043 thousand, which are disclosed in the balance-sheet as trade payables:

- for consultancy services – PLN 813 thousand
- for balance-sheet audit – PLN 230 thousand.

**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 September 30th 2005, provisions for employee benefits amounted to PLN 19,609 thousand and comprised the following items:

|  |                    |
|--|--------------------|
| - provision for unused holidays        | PLN 4,312 thousand |
| - provision for awards                 | PLN 4,074 thousand |
| - provision for off-the payroll items  | PLN 8,902 thousand |
| - provision for retiree severance pays | PLN 1,653 thousand |
| - other provisions                     | PLN 668 thousand   |

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

|  |                                |
|--|--------------------------------|
| - provision for unused holidays        | decrease by PLN 269 thousand   |
| - provision for awards                 | increase by PLN 1,474 thousand |
| - provision for off-the payroll items  | increase by PLN 6,406 thousand |
| - provision for retiree severance pays | increase by 1,038 thousand     |
| - other provisions                     | increase by PLN 33 thousand    |

The key change which affected the Q3 2005 result was the reduction of the provision for unused holidays by PLN 2,893 thousand in relation to Q2 2005.

**4.1.5 Employee benefits in the form of shares**

In 2005, the Company recognised costs of share-based payments to employees at PLN 390 thousand and they related to rights granted to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe and acquire Series F ordinary bearer shares of Impel SA.

**4.2 Impel SA**

Adjustments for provisions and revaluation allowances on assets:

|                          | Revaluation allowances on 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) |
|--------------------------|--|----------------------------|--------------------------------|------------------------------------|--|---|
| <b>As at Dec 31 2004</b> | <b>47,768</b>                            | <b>5,525</b>               | <b>1,348</b>                   | <b>4,440</b>                       | <b>4,699</b>                             | <b>0</b>  |
| Increase                 | 7,292                                    | 4,064                      | 877                            | 2,078                              | 4,118                                    | 390   |
| Use                      | (5,593)                                  |                            |                                | (741)                              | (2,438)                                  |   |
| Release                  | (4,093)                                  | (3,114)                    | (782)                          | (1,987)                            | (3)                                      |   |
| <b>As at Sep 30 2005</b> | <b>45,374</b>                            | <b>6,475</b>               | <b>1,443</b>                   | <b>3,790</b>                       | <b>6,376</b>                             | <b>390</b>                                      |

**4.2.1 Revaluation allowances on assets**

As at September 30th 2005, the total value of revaluation allowances on assets amounted to PLN 45,374 thousand and included:

|  |                     |
|--|---------------------|
| - revaluation allowances on non-current assets                             | PLN 203 thousand    |
| - revaluation allowances on non-current investments                        | PLN 34,441 thousand |
| - revaluation allowances on inventories                                    | PLN 75 thousand     |
| - revaluation allowances on receivables                                    | PLN 10,542 thousand |
| - revaluation allowances on non-current assets classified as held for sale | PLN 113 thousand    |

**4.2.2 Deferred tax asset and liability**

For the purposes of balance-sheet presentation, Impel SA offsets the deferred tax asset against the deferred tax liability. As at September 30th 2005, these two items stood at PLN 6,475 thousand and PLN 1,443 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 2,664 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 338 thousand in connection with the increase of provisions for return of subsidies to salaries and wages,
- increase of the asset by PLN 194 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 178 thousand in connection with the decrease of employee claims.

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

- increase of provisions for interest on loans by PLN 313 thousand,
- decrease of provisions for subsidies from the State Fund for the Disabled by PLN 218 thousand.

Changes of the deferred tax asset and liability increased the Group's net result by PLN 854 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 September 30th 2005 these provisions amounted respectively to PLN 3,265 thousand and PLN 525 thousand. In the current reporting period, provisions for disputed claims increased/decreased by PLN 957 thousand, whereas provisions for liabilities under assigned receivables with a return option increased by PLN 308 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 September 30th 2005 provisions for employee benefits amounted to PLN 6,376 thousand and comprised the following items:

|  |                    |
|--|--------------------|
| - provision for unused holidays        | PLN 1,759 thousand |
| - provision for off-the payroll items  | PLN 2,251 thousand |
| - provision for awards                 | PLN 2,080 thousand |
| - provision for retiree severance pays | PLN 286 thousand   |

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

|                                       |                                |
|---------------------------------------|--------------------------------|
| - provision for unused holidays       | decrease by PLN 406 thousand   |
| - provision for awards                | increase by PLN 1,437 thousand |
| - provision for off-the payroll items | increase by PLN 646 thousand   |

The provision for retiree severance pays did not change.

#### **4.2.5 Employee benefits in the form of shares**

In Q2 2005, the costs of employee benefits were increased by PLN 48 thousand and they related to the granted rights to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe and acquire Series F ordinary bearer shares of Impel SA. As at September 30th 2005 the balance of these benefits stood at PLN 390 thousand.

### **5. Share issues, redemptions and repayments of debt and equity securities**

In Q3 2005 Impel SA did not issue any shares nor did it redeem or repay any debt or equity securities.

### **6. Dividend paid (in total or per share), broken into ordinary shares and other shares**

In Q3 2005 Impel SA 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 and personnel and payroll 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 – September 30th 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 valuation of profit(loss) of particular segments**

To provide for a more accurate assessment by the Impel SA Executive 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 September 30th 2005, by business segments**

| BUSINESS SEGMENT  | CLEANING SERVICES | SECURITY SERVICES | CATERING | OTHER  | TOTAL SEGMENTS | Eliminations | After eliminations |
|---|-------------------|-------------------|----------|--------|----------------|--------------|--------------------|
| <b>SALES REVENUE</b>  |                   |                   |          |        |                |              |                    |
| Sales to external customers   | 175,291           | 182,954           | 36,532   | 62,133 | 456,910        | -            | 456,910            |
| Inter-segmental sales   | 4,039             | 4,205             | 195      | 16,136 | 24,575         | -            | -                  |
| Total sales revenue   | 179,330           | 187,159           | 36,727   | 78,269 | 481,485        | (24,575)     | 456,910            |
| <b>RESULT</b>   |                   |                   |          |        |                |              |                    |
| Segment results   | 19,736            | 7,051             | 1,147    | 219    | 28,153         | (725)        | 27,428             |
| Unallocated Group costs   |                   |                   |          |        | (8,879)        | -            | (8,879)            |
| <b>Operating profit/(loss)</b>  |                   |                   |          |        | <b>19,274</b>  | <b>(725)</b> | <b>18,549</b>      |
| Financial income  |                   |                   |          |        | 10,919         | (6,737)      | 4,182              |
| Financial expenses  |                   |                   |          |        | (11,759)       | 8,977        | (2,782)            |
| Gain/(loss) on sale of all or part of shares in subordinated undertakings |                   |                   |          |        | 250            | -            | 250                |
| <b>Pre-tax profit/(loss)</b>  |                   |                   |          |        | <b>18,684</b>  | <b>1,515</b> | <b>20,199</b>      |
| Corporate income tax  |                   |                   |          |        | (3,226)        | (104)        | (3,330)            |
| Profit/(loss) attributable to minority shareholders                       |                   |                   |          |        | -              | (604)        | (604)              |
| <b>Net profit/(loss)</b>  |                   |                   |          |        | <b>15,458</b>  | <b>807</b>   | <b>16,265</b>      |

## Consolidated profit and loss account for the period July 1st – September 30th 2005, by business segments

| BUSINESS SEGMENT                                    | CLEANING SERVICES | SECURITY SERVICES | CATERING | OTHER  | TOTAL SEGMENTS | Eliminations | After eliminations |
|---|-------------------|-------------------|----------|--------|----------------|--------------|--------------------|
| <b>SALES REVENUE</b>                                |                   |                   |          |        |                |              |                    |
| Sales to external customers                         | 60,227            | 61,916            | 12,048   | 23,616 | 157,807        | -            | 157,807            |
| Inter-segmental sales                               | 1,162             | 2,000             | 55       | 4,838  | 8,055          | -            | -                  |
| Total sales revenue                                 | 61,389            | 63,916            | 12,103   | 28,454 | 165,862        | (8,055)      | 157,807            |
| <b>RESULT</b>                                       |                   |                   |          |        |                |              |                    |
| Segment results                                     | 6,924             | 2,582             | 406      | 1,411  | 11,323         | 429          | 11,752             |
| Unallocated Group costs                             |                   |                   |          |        | (3,280)        | -            | (3,280)            |
| <b>Operating profit/(loss)</b>                      |                   |                   |          |        | <b>8,043</b>   | <b>429</b>   | <b>8,472</b>       |
| Financial income                                    |                   |                   |          |        | 2,960          | (1,786)      | 1,174              |
| Financial expenses                                  |                   |                   |          |        | (2,262)        | 1,670        | (592)              |
| <b>Pre-tax profit/(loss)</b>                        |                   |                   |          |        | <b>8,741</b>   | <b>313</b>   | <b>9,054</b>       |
| Corporate income tax                                |                   |                   |          |        | (1,549)        | 29           | (1,520)            |
| Profit/(loss) attributable to minority shareholders |                   |                   |          |        | -              | (137)        | (137)              |
| <b>Net profit/(loss)</b>                            |                   |                   |          |        | <b>7,192</b>   | <b>205</b>   | <b>7,397</b>       |

**Consolidated profit and loss account for the financial period ended September 30th 2004, by business segments**

| BUSINESS SEGMENT  | CLEANING SERVICES | SECURITY SERVICES | CATERING | OTHER   | TOTAL SEGMENTS  | Eliminations   | After eliminations |
|---|-------------------|-------------------|----------|---------|-----------------|----------------|--------------------|
| <b>SALES REVENUE</b>  |                   |                   |          |         |                 |                |                    |
| Sales to external customers   | 168,758           | 157,516           | 38,764   | 50,868  | 415,906         | -              | 415,906            |
| Inter-segmental sales   | 3,988             | 2,556             | 59       | 18,141  | 24,744          | -              | -                  |
| Total sales revenue   | 172,746           | 160,072           | 38,823   | 69,009  | 440,650         | (24,744)       | 415,906            |
| <b>RESULT</b>   |                   |                   |          |         |                 |                |                    |
| Segment results*  | 14,097            | (9,341)           | (4,014)  | (4,309) | (3,567)         | (3,042)        | (6,609)            |
| Unallocated Group costs   |                   |                   |          |         | (9,576)         | -              | (9,576)            |
| <b>Operating profit/(loss)</b>  |                   |                   |          |         | <b>(13,143)</b> | <b>(3,042)</b> | <b>(16,185)</b>    |
| Financial income  |                   |                   |          |         | 10,286          | (5,036)        | 5,250              |
| Financial expenses  |                   |                   |          |         | (18,538)        | 14,876         | (3,662)            |
| Gain (loss) on sale of all or part of shares in subordinated undertakings |                   |                   |          |         | -               | -              | -                  |
| <b>Pre-tax profit/(loss)</b>  |                   |                   |          |         | <b>(21,395)</b> | <b>6,798</b>   | <b>(14,597)</b>    |
| Corporate income tax  |                   |                   |          |         | (307)           | (479)          | (786)              |
| Profit/(loss) attributable to minority shareholders                       |                   |                   |          |         | -               | (429)          | (429)              |
| <b>Net profit/(loss)</b>  |                   |                   |          |         | <b>(21,702)</b> | <b>5,890</b>   | <b>(15,812)</b>    |

\* 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 July 1st – September 30th 2004, by business segments**

| BUSINESS SEGMENT  | CLEANING SERVICES | SECURITY SERVICES | CATERING | OTHER   | TOTAL SEGMENTS | Eliminations   | After eliminations |
|---|-------------------|-------------------|----------|---------|----------------|----------------|--------------------|
| <b>SALES REVENUE</b>  |                   |                   |          |         |                |                |                    |
| Sales to external customers   | 55,777            | 59,507            | 12,190   | 19,754  | 147,228        | -              | 147,228            |
| Inter-segmental sales   | 1,629             | 1,076             | 14       | 5,766   | 8,485          | -              | -                  |
| Total sales revenue   | 57,406            | 60,583            | 12,204   | 25,520  | 155,713        | (8,485)        | 147,228            |
| <b>RESULT</b>   |                   |                   |          |         |                |                |                    |
| Segment results*  | 9,316             | (1,164)           | (1,567)  | (1,026) | 5,560          | (2,482)        | 3,078              |
| Unallocated Group costs   |                   |                   |          |         | (2,920)        | -              | (2,920)            |
| <b>Operating profit/(loss)</b>  |                   |                   |          |         | <b>2,640</b>   | <b>(2,482)</b> | <b>158</b>         |
| Financial income  |                   |                   |          |         | 2,768          | (1,444)        | 1,324              |
| Financial expenses  |                   |                   |          |         | (10,488)       | 8,990          | (1,498)            |
| Gain (loss) on sale of all or part of shares in subordinated undertakings |                   |                   |          |         | -              | -              | -                  |
| <b>Pre-tax profit/(loss)</b>  |                   |                   |          |         | <b>(5,080)</b> | <b>5,064</b>   | <b>(16)</b>        |
| Corporate income tax  |                   |                   |          |         | (1,192)        | 26             | (1,166)            |
| Profit/(loss) attributable to minority shareholders                       |                   |                   |          |         | -              | 115            | 115                |
| <b>Net profit/(loss)</b>  |                   |                   |          |         | <b>(6,272)</b> | <b>5,205</b>   | <b>(1,067)</b>     |

### 8. Events subsequent to the balance-sheet date, not disclosed in the consolidated financial statements for Q3 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 interim period, including mergers, acquisitions or sale of subsidiary undertakings or long-term investments, restructurings and discontinued operations

On July 1st 2005, the Executive Board of the Company was notified that the Anti-Trust and Consumer Protection Authority approved the takeover of direct control over Bankowy Dom Faktor Sp. z o.o. through purchase of 100% shares in the company by Impel Security Polska Sp. z o.o. The purchase agreement, which was contingent upon the approval, was signed on April 27th 2005. The control over Bankowy Dom Faktor Sp. z o.o. was assumed on August 2nd 2005.

The price for the shares was composed of a fixed component (PLN 3,400 thousand) and a variable component (PLN 1,700 thousand). The variable component was included into the acquisition cost due to the high probability of fulfilment of the conditions contained in the agreement. The agreement also provides for payment of additional – contingent – instalments within 36 months from the agreement date, i.e. from April 27th 2005. The value of contingent liabilities under additional instalments was not included in the cost of the merger as at the date of control takeover as it was impossible to make a reliable valuation.

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

|  | PLN '000               |  |                        |
|--|------------------------|--|------------------------|
| ASSETS   | Aug 2 2005<br>PLN '000 | LIABILITIES  | Aug 2 2005<br>PLN '000 |
| <b>I. Non-current assets:</b>                              | <b>2,617</b>           | <b>I. Equity, including:</b>   | <b>6,544</b>           |
| 1. Intangible assets                                       | 1,383                  | 1. Share capital   | 6,900                  |
| 3. Property, plant and equipment                           | 1,234                  | 2. Retained profit/(deficit) brought forward                               | (1,739)                |
|  |                        | 3. Current profit/( deficit)   | 1,383                  |
| <b>II. Current assets:</b>                                 | <b>6,443</b>           | <b>II. Non-current liabilities</b>   | <b>193</b>             |
| 1. Inventories   | 52                     | <b>III. Current liabilities</b>  | <b>2,318</b>           |
| 2. Current receivables                                     | 1,872                  | <b>IV. Deferred income</b>   | <b>5</b>               |
| 3. Current investments (cash)                              | 4,326                  |  |                        |
| 8. Prepayments and accrued income                          | 193                    |  |                        |
| <b>III. Non-current assets classified as held for sale</b> | <b>-</b>               | <b>V. Liabilities under non-current assets classified as held for sale</b> | <b>-</b>               |
| <b>Total assets – I+II+III</b>                             | <b>9,060</b>           | <b>Total equity and liabilities – I+II+III+IV+V</b>                        | <b>9,060</b>           |

Following the merger, the company recognised a PLN 1,444 thousand excess of the acquiring undertaking's share in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired undertaking. The excess was disclosed in the current period profit/(loss) under "Other operating income".

Of the excess amount, PLN 1,383 thousand accounts for assets in the form of contracts recognised as at the acquisition date. The remaining PLN 61 thousand is the difference arising upon revaluation of the acquired contracts which are included in the company's acquisition cost.

In the period from the acquisition date to the balance-sheet date (August 2nd – September 30th 2005), Bankowy Dom Faktor Sp. z o.o. incurred a loss of PLN (648) thousand. However, in its result for the period under review the company recognised the costs of planned restructuring of PLN 1,156 thousand.

|                      | For the period<br>Jan 1 – Jul 31 2005 | For the period<br>Aug 2 – Sep 30 2005 | Total for the period Jan 1 – Sep 30 2005 |
|----------------------|---------------------------------------|---------------------------------------|--|
| Revenue              | 12,346                                | 3,330                                 | 15,676                                   |
| Expenses             | (13,131)                              | (4,398)                               | (17,529)                                 |
| Deferred tax         | -                                     | 420                                   | 420                                      |
| <b>Profit/(loss)</b> | <b>(785)</b>                          | <b>(648)</b>                          | <b>(1,433)</b>                           |

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 table below presents changes in the contingent liabilities which occurred after the end of 2004 and before September 30th 2005.

PLN '000

| Object of guarantee/surety  | Real value of loans and borrowings covered in part or in whole with a guarantee or a surety as at Dec 31 2004 | Real value of loans and borrowings covered in part or in whole with a guarantee or a surety as at Sep 30 2005 |
|---|---|---|
| <b>Impel SA</b>   |   |   |
| participation in a tender, agreement performance bond                       | 6,026   | 8,159   |
|   | 3,768   | 3,458   |
| commitment under the guarantees issued for the benefit of GP Bis Sp. z o.o. | 1,008   | 1,517   |
| contract performance bond   | 300   |   |
|   | 10  | 10  |
|   | 10  | 10  |
| surety issued for Mega Com Sp. z o.o.                                       | 300   | 300   |
| <b>Total</b>  | <b>11,422</b>   | <b>13,454</b>   |
| <b>Impel Security Polska Sp. z o.o.</b>                                     |   |   |
| agreement performance bond  | 56  | -   |
|   | 1,120   | 3,302   |
|   | 230   | -   |
|   | 736   | 1,538   |
| contract performance bond   | 3,000   | 3,000   |
|   | 4,000   | 4,000   |
| <b>Total</b>  | <b>9,142</b>  | <b>11,840</b>   |
| <b>Impel Catering Sp. z o. o.</b>   |   |   |
| tender guarantees, agreement performance bond                               | 2,138   | 3,261   |
| agreement performance bond  | 394   | 210   |
| <b>Total</b>  | <b>2,532</b>  | <b>3,471</b>  |
| <b>Impel Rental Sp. z o.o.</b>  |   |   |
| tender guarantees, agreement performance bond                               | 67  | 50  |
| <b>Total</b>  | <b>67</b>   | <b>50</b>   |
| <b>TOTAL</b>  | <b>23,163</b>   | <b>28,815</b>   |

## OTHER SUPPLEMENTARY INFORMATION

### 1. Organisation of the Impel Group, including specification of consolidated undertakings

The Parent Undertaking of the Impel Group is Impel SA, which exercises formal supervision over all of the Group companies. In addition, the Executive Board of Impel SA has a significant influence on the operations of the companies through the functional control of the departments and offices, including in particular the Owners' Supervision Office.

The undertakings included in the consolidated financial statements of the Impel Group as at September 30th 2005 were Impel SA and its 17 subsidiaries.

| No.             | Name and form of incorporation         | Principal place of business | Business profile   | Type of relation                | Share capital held (%) | Consolidation method applied |
|-----------------|--|-----------------------------|--|---------------------------------|------------------------|------------------------------|
| <b>IMPEL SA</b> |  |                             |  |                                 |                        |                              |
| 1.              | Impel Security Polska Sp. z o.o.       | Wroclaw                     | manned and electronic security of property                                     | direct subsidiary undertaking   | 100                    | full method                  |
| 2.              | GP Bis Sp. z o.o.                      | Warsaw                      | facility management  | direct subsidiary undertaking   | 99.18                  | full method                  |
| 3.              | Impel Catering Sp. z o.o.              | Wroclaw                     | catering (preparation and delivery of food)                                    | direct subsidiary undertaking   | 100                    | full method                  |
| 4.              | Impel Cash Handling Sp. z o.o.         | Warsaw                      | cash handling services   | indirect subsidiary undertaking | 100*                   | full method                  |
| 5.              | Impel Cleaning Sp. z o.o.***           | Wroclaw                     | personnel and payroll services   | direct subsidiary undertaking   | 100**                  | full method                  |
| 6.              | Impel Security Technologies Sp. z o.o. | Wroclaw                     | installation of electronic security systems                                    | indirect subsidiary undertaking | 100*                   | full method                  |
| 7.              | Medar Sp. z o.o.                       | Wroclaw                     | healthcare services  | direct subsidiary undertaking   | 100                    | full method                  |
| 8.              | Impel Rental Sp. z o.o.                | Wroclaw                     | laundry and rental services  | direct subsidiary undertaking   | 100                    | full method                  |
| 9.              | Impel IT Sp. z o.o.                    | Wroclaw                     | telecommunication and IT services  | direct subsidiary undertaking   | 100                    | full method                  |
| 10.             | Impel Real Estate Sp. z o.o.           | Wroclaw                     | facility management  | direct subsidiary undertaking   | 100                    | full method                  |
| 11.             | Impel HR Service Sp. z o.o.            | Wroclaw                     | cleaning services, temporary work agency                                       | direct subsidiary undertaking   | 100                    | full method                  |
| 12.             | BDH Serwis Sp. z o.o.                  | Warsaw                      | manned and electronic security of people and property                          | indirect subsidiary undertaking | 100*                   | full method                  |
| 13.             | Agencja Ochrony Sekret Sp. z o.o.      | Katowice                    | manned and electronic security of property                                     | indirect subsidiary undertaking | 100*                   | full method                  |
| 14.             | Black Oak Security Sp. z o.o.          | Warsaw                      | manned and electronic security of people and property                          | indirect subsidiary undertaking | 100*                   | full method                  |
| 15.             | BD Faktor Sp. z o.o.                   | Warsaw                      | property security services, management of industrial and commercial facilities | indirect subsidiary undertaking | 100*                   | full method                  |
| 16.             | Impel Tom M.Kapalski Sp. k.            | Zielona Góra                | cleaning services, manned and electronic security of property                  | direct subsidiary undertaking   | 64.68                  | full method                  |
| 17.             | Serviks Riga SIA                       | Ryga (Latvia)               | cleaning services  | direct subsidiary undertaking   | 66.99                  | full method                  |

\* shareholding of Impel Security Polska Sp. z o.o.

\*\* Pursuant to a share purchase agreement of September 14th 2005 concluded between Impel SA and G. Dzik and J. Biegaj

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

### 2. Opinion of the Executive Board of Impel SA on the feasibility of meeting the earlier published financial forecasts for the year in view of the results presented in the quarterly report

As disclosed in the increased financial forecast of the Impel Group published in Current Report No. 34/2005 of September 28th 2005, the Executive Board of Impel SA assumed achievement of the following financial results:

- consolidated sales revenue – PLN 630m;
- consolidated net profit – PLN 19.5m.

The change in the forecast concerned the estimated value of net profit at the end of 2005 which, according to the new forecast, is expected to reach PLN 19.5m (PLN 17m according to the earlier forecast).

The Executive Board of Impel SA upholds the adjusted forecast of the 2005 financial results of the Impel Group. This is based on the Q3 2005 financial results, which are in line with expectations and budget projections for 2005.

As at the date of this Report, the Executive Board of Impel SA is not aware of any obstacles to meeting the targets of the financial forecasts.

### 3. Shareholders holding at least 5% of the total vote at the General Shareholders' Meeting of Impel SA

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 August 16th 2005 to November 14th 2005, the following changes occurred in the ownership of large blocks of shares in Impel SA:

| Shareholder   | PREVIOUS QUARTER* |                    |                 |                 | CHANGE    | Q3 2005**        |                    |                 |                 |
|---|-------------------|--------------------|-----------------|-----------------|-----------|------------------|--------------------|-----------------|-----------------|
|   | 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***                                    | n/a               | n/a                | n/a             | n/a             | +         | 1,171,701        | 7.79               | 1,171,701       | 5.85            |
| Pioneer Pekao Investment Management S.A. acting on behalf of Pioneer Pekao TFI SA**** | 1,074,422         | 7.14               | 1,074,422       | 5.36            | no change | 1,074,422        | 7.14               | 1,074,422       | 5.36            |

\* Data as at August 16th 2005.

\*\* Data as at November 14th 2005.

\*\*\* According to the information received by the Company on October 11th 2005 pursuant to Art. 147 of the Polish Securities Act.

\*\*\*\* According to the information received by the Company on September 20th 2005 pursuant to Art. 147 of the Polish Securities Act.

### 4. Impel SA shares held by the management and supervisory staff

To the best of the Company's knowledge and as presented in the table below, in the period from the publication of the previous quarterly report, i.e. from August 16th 2005, to November 14th 2005, no changes occurred in the number of Impel SA 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* | Acquisition | Disposal  | Number of shares as at the date of Q3 2005 report** |
|--------------------------|--|-------------|-----------|---|
| <b>Executive Board</b>   |  |             |           |   |
| Grzegorz Dzik            | 5,037,907  | no change   | no change | 5,037,907   |
| Bogdan Dzik              | -  | -           | -         | -   |
| Józef Biegaj****         | 3,800,555  | no change   | no change | 3,800,555   |
| Dagmara Sobolewska***    | -  | n/a         | n/a       | n/a   |
| Edward Laufer            | -  | -           | -         | -   |
| Sławomir Borkowski       | -  | -           | -         | -   |
| Wojciech Rembikowski     | 1,343  | no change   | no change | 1,343   |
| <b>Supervisory Board</b> |  |             |           |   |
| Krzysztof Oblój          | -  | -           | -         | -   |
| Piotr Pawłowski          | -  | -           | -         | -   |
| Sylwester Cacek          | -  | -           | -         | -   |
| Andrzej Malinowski       | -  | -           | -         | -   |
| Mariusz Matlakiewicz     | -  | -           | -         | -   |

\*Data as at August 16th 2005.

\*\*Data as at November 14th 2005.

\*\*\* On September 30th 2005, Dagmara Sobolewska resigned from her position as Vice-President of the Executive Board responsible for human resources.

\*\*\*\*As at October 1st 2005, Józef Biegaj was appointed to the Executive Board of Impel SA.

## 5. Information on material proceedings involving Impel SA or its consolidated subsidiary undertakings

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

## 6. Information on non-typical transactions with related entities, concluded by Impel SA or its subsidiary undertaking

On August 1st 2005 Impel SA and Impel Security Polska Sp. z o.o. entered into an agreement whereby a PLN 5,100,000 loan was granted to Impel Security Polska Sp. z o.o. The loan was financed with the proceeds from the public offering of Impel SA shares and was used to conclude the transaction whereby Impel Security Polska Sp. z o.o. purchased shares in Bankowy Dom Faktor Sp. z o.o.

## 7. Loan sureties granted by Impel SA or the Impel Group member undertakings; guarantees granted to subsidiary undertakings

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

The existing loan sureties and guarantees granted to any entity or its subsidiary whose total value is equal to or higher than the equivalent of 10% of the equity of Impel SA as at September 30th 2005, are presented in the table below.

PLN '000

| Undertaking for the benefit of which the surety/guarantee was granted | Object of surety   | Amount of surety in nominal terms | Amount of surety in real terms | Surety granted by |
|---|--------------------|-----------------------------------|--------------------------------|-------------------|
| Impel Security Polska Sp. z o.o.                                      | bank loan          | 6,500                             | 1,465                          | Impel SA          |
|   | guarantee facility | 5,500                             | 4,840                          |                   |
|   | trade contracts    | 7,000                             | 7,000                          |                   |
|   | lease of vehicles  | 2,000                             | 2,000                          |                   |
|   | operating lease    | 1,986                             | 1,923                          |                   |
|   | <b>TOTAL</b>       | <b>22,986</b>                     | <b>17,228</b>                  |                   |

Except for the above, there were no loan sureties or guarantees advanced by any Group undertaking to any entity, whose value would equal or exceed 10% of Impel SA's equity.

## 8. Other information material for the assessment of the personnel, economic, or financial standing of Impel SA and the Impel Group

In the opinion of the Executive Board of the Company, material events which occurred in Q3 2005 include:

- a. Fulfilment of the condition precedent to the acquisition of shares in Bankowy Dom Faktor Sp. z o.o. – by virtue of Decision No. RWR 50/2005 of July 1st 2005, the Polish Anti-Trust and Consumer Protection Authority approved the concentration consisting in the assumption by Impel Security Polska Sp. z o.o. of direct control over Bankowy Dom Faktor Sp. z o.o. through the acquisition of 100% of shares in this company. The share acquisition is part of the implementation of the Impel Group's strategy of market consolidation with respect to the provision of outsourcing services;
- b. Appointment of a new member of the Executive Board of Impel SA - at its meeting of September 12th 2005, the Company's Supervisory Board appointed Mr Józef Biegaj (one of the founders and a shareholder in the Impel Group) as member of the Executive Board, with effect as of October 1st 2005. Mr Biegaj was entrusted with the post of Vice-President of the Executive Board in charge of sales. He is responsible for the setting of sales targets and their achievement, and for development of new products of the Impel Group.

Material events subsequent to the balance-sheet date:

- a. Extraordinary General Shareholders Meeting of Impel SA – The Extraordinary General Shareholders Meeting of the Company convened for October 17th 2005 adopted a resolution on the spin-off of cleaning services from Impel SA and their transfer to Impel Cleaning Sp. z o.o. (specialist subsidiary).

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 such acquisitions are made). As a result of the separation of executive functions from the operating ones, the executive staff of Impel Cleaning Sp. z o.o. will be able to focus solely on the development of cleaning services, as it will no longer be engaged in corporate management issues.

The ultimate objective 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.

- b. Significant blocks of shares – on October 11th 2005, Merrill Lynch Investment Managers Group Limited reported that together with its subsidiaries it held 1,171,701 shares in Impel SA, representing 5.85% of the total vote at the Company's General Shareholders Meeting.
- c. New company within the Impel Group – pursuant to the decision of the District Court for Wrocław-Fabryczna, dated October 19th 2005, Impel Rental Sp. z o.o. (subsidiary) became a shareholder in Impel Perfekta Sp. z o.o. by acquiring 500 shares for PLN 0.5m. The acquired shares represent 50% of the share capital of Impel Perfekta Sp. z o.o. and confer the rights to 500 votes (50% of the total vote) at the company's general shareholders meeting. The other 50% of the 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. The services will be provided to customers in Poland and in Germany. For this purpose the company will use a new laundry located in Krzywa in the Legnicka Special Economic Zone (LSSE).

As at the date of the publication of this Report, the Company utilised PLN 117.2m of the overall proceeds from the public issue of shares, amounting to PLN 158.6m. The amount remaining at the Company's disposal was PLN 41.4m.

#### **9. Factors which may affect the performance of Impel SA and the Impel Group in the next quarter**

The factors with a potential bearing on the financial performance in the next quarter are as follows:

- a. Spin-off of the cleaning services from the structures of Impel SA – the Group is spinning off its cleaning services to a product company – the effective date of the spin-off will be January 1st 2006.
- b. Changes in organisation and management systems – the Group is continuing the process of restructuring and improving its management systems.
- c. Equity transactions connected with development – the Group contemplates further use of the issue proceeds to make acquisitions – the outcome of the contemplated investments may materially affect the Group's financial performance in future periods.
- d. Possible further changes in the amount of subsidies received as a result of employing disabled persons – on May 4th 2005 the government's bill on the Act on Employment Promotion and Occupational and Social Rehabilitation of the Disabled was rejected by the Special Committee of the Sejm (the lower chamber of the Polish Parliament) organised to examine draft bills connected with the " Programme of Structuring and Imposing Restrictions on Public Expenditure" – as at the date of this report the proposed regulations have not been included in the agenda of the Sejm debates,
- e. upholding of the judgment of the court of first instance concerning the action brought by Omni Servis Security sp. z o.o. of Warsaw against Impel Security Polska sp. z o.o. and Impel S.A. The Group has created a provision of PLN 4.2m for the related liability. Payment of the claim will not have a material effect on the Group's financial results in future quarters.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

| Date        | Name                  | Position                                   | Signature |
|-------------|-----------------------|--|-----------|
| Nov 14 2005 | Grzegorz Dzik         | President of the Executive Board           |           |
| Nov 14 2005 | Bogdan Dzik           | Vice-president of the Executive Board      |           |
| Nov 14 2005 | Józef Biegaj          | Vice-president of the Executive Board      |           |
| Nov 14 2005 | Sławomir Borkowski    | Vice-president of the Executive Board      |           |
| Nov 14 2005 | Edward Laufer         | Vice-president of the Executive Board      |           |
| Nov 14 2005 | Halina Kaźmierczak    | Chief Accountant                           |           |
| Nov 14 2005 | Alina Rudnicka-Wałęsa | Head of the Accounting Centre of the Group |           |