



The Management Board of

IMPEL SA

releases the Consolidated Quarterly Report
for the second quarter of 2008

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I. ORGANISATION OF THE IMPEL GROUP INCLUDING SPECIFICATION OF CONSOLIDATED UNDERTAKINGS

As at the date of this report, the Impel Group consists of Impel SA i.e. the Parent undertaking and:

- 10 direct subsidiary undertakings,
- 23 indirect subsidiary undertakings,
- 1 co-subsidiary undertaking,
- 1 associated undertaking.

The Parent Undertaking of the Impel Group is Impel SA which exercises formal supervision over all of the Group companies, and is in charge of their strategy and coordination of activities.

Composition of the Group, in the breakdown into Business Units, including the companies consolidated as at June 30th 2008:

| No. | Name and form of incorporation | Registered office | Business profile | Type of relation | Shareholders | Consolidation as at Jun 30 2008 |
|--|--|------------------------|--|---------------------------------|--|---------------------------------|
| | Impel SA | Wrocław | supervision and management of the Impel Group | Parent Undertaking | 33.25% Grzegorz Dzik; 25.08% Józef Biegaj; 41.67% other shareholders | yes |
| Business Unit 1 – Facility Management | | | | | | |
| 1. | Impel Cleaning sp. z o.o. | Wrocław | cleaning services | direct subsidiary undertaking | 100% Impel SA | yes |
| 2. | Serviks Riga SIA | Riga (Latvia) | cleaning services | direct subsidiary undertaking | 66.99% Impel SA 33.01% Aivars Garancs | yes |
| 3. | DC System sp. z o.o. | Warsaw | cleaning services | indirect subsidiary undertaking | 100% Impel Cleaning sp. z o.o. | yes |
| 4. | SaneChem Service sp. z o.o. | Łomianki | cleaning services | indirect subsidiary undertaking | 100% Impel Cleaning sp. z o.o. | yes |
| 5. | Inter Serwis – Technika sp. z o.o. (1) | Warsaw | facility management | indirect subsidiary undertaking | 100% Impel Cleaning sp. z o.o. | yes |
| 6. | Seiso sp. z o.o. | Wrocław | cleaning services | indirect subsidiary undertaking | 100% Impel Cleaning sp. z o.o., | yes |
| 7. | Hospital Serwis sp. z o.o. | Wrocław | cleaning services, assistance services in healthcare | indirect subsidiary undertaking | 100% Impel Cleaning sp. z o.o., | yes |
| 8. | Impel Griffin Group sp. z o.o. | Kiev (Ukraine) | cleaning services | indirect subsidiary undertaking | 61% Impel Cleaning sp. z o.o. 39% third persons | yes |
| Business Unit 2 – Security | | | | | | |
| 9. | Impel Security Polska sp. z o.o. | Wrocław | manned and electronic security of property | direct subsidiary undertaking | 100% Impel SA | yes |
| 10. | Impel Cash Handling sp. z o.o. | Warsaw | cash handling services | indirect subsidiary undertaking | 100% Impel Security Polska sp. z o.o. | yes |
| 11. | Impel Security Technologies sp. z o.o. | Wrocław | installation of electronic security systems | indirect subsidiary undertaking | 100% Impel Security Polska sp. z o.o. | yes |
| 12. | Impel Security Provider sp. z o.o. | Wrocław | manned and electronic security of people and property | indirect subsidiary undertaking | 100% Impel Security Polska sp. z o.o. | yes |
| 13. | Black Point Security sp. z o.o. | Warsaw | manned and electronic security of people and property | indirect subsidiary undertaking | 100% Impel Security Polska sp. z o.o. | yes |
| 14. | Bankowy Dom Faktor sp. z o.o. 2) | Warsaw | property security services, management of industrial and commercial facilities | indirect subsidiary undertaking | 100% Impel Security Polska sp. z o.o. | yes |
| 15. | Przedsiębiorstwo Specjalistyczne Asekuracja sp. z o.o. | Warsaw | cash processing services | indirect subsidiary undertaking | 51% Impel Security Polska sp. z o.o., 49% third parties | yes |
| 16. | Impel UK Limited | London (Great Britain) | outsourcing services | indirect subsidiary undertaking | 90% Impel Security Polska sp. z o.o., 10% third party | yes |
| Business Unit 3 – Distribution | | | | | | |
| 17. | Impel Delivery sp. z o.o. | Wrocław | laundry and rental services | direct subsidiary undertaking | 100% Impel SA | yes |
| 18. | Impel Perfekta sp. z o.o. 2) | Wrocław | laundry services | co-subsidiary undertaking | 50% Impel Delivery sp. z o.o. 50% Perfekta Beteiligungsgesellschaft mbH | yes |
| 19. | Krakpol sp. z o.o. | Niepołomice | laundry services | indirect subsidiary undertaking | 38.34% Impel Delivery sp. z o.o., | yes |

| | | | | | | |
|---|-------------------------------------|--------------------|--|---------------------------------|--|-----|
| | | | | | 61.66% third parties | |
| 20. | TeleBT sp. z o.o. | Wrocław | telecommunication audit, telecom infrastructure management | indirect subsidiary undertaking | 80% Impel Delivery sp. z o.o., 20% third parties | yes |
| 21. | Wena Floor System sp. z o.o. | Wrocław | installation, rental and maintenance of flooring | indirect subsidiary undertaking | 80% Impel Delivery sp. z o.o., 20% Wena SA | yes |
| 22. | Impel Catering sp. z o.o. | Wrocław | catering (preparation and delivery of food) | direct subsidiary undertaking | 100% Impel Delivery sp. z o.o. | yes |
| 23. | Impel Logistics sp. z o.o. 3) | Wrocław | logistic services | indirect subsidiary undertaking | 100% Impel Delivery sp. z o.o. | tak |
| 24. | Praxima Hotel Serwis sp. z o.o. | Kraków | laundry services | indirect subsidiary undertaking | 51% Impel Delivery sp. z o.o. 49% third parties | nie |
| Independent undertakings | | | | | | |
| 25. | Open Property Management sp. z o.o. | Warsaw | management of service deliveries to clients | direct subsidiary undertaking | 100% Impel SA | yes |
| 26. | Impel HR Service sp. z o.o. | Wrocław | temporary work agency | direct subsidiary undertaking | 100% Impel SA | yes |
| 27. | Impel Job Service sp. z o.o. | Wrocław | temporary work agency | direct subsidiary undertaking | 100% Impel SA | yes |
| 28. | Sanpro - PTS sp. z o.o. | Warsaw | temporary work agency | indirect subsidiary undertaking | 100% Impel Job Service sp. z o.o. | yes |
| 29. | Sanpro - ATP sp. z o.o. | | temporary work agency | indirect subsidiary undertaking | 100% Impel Job Service sp. z o.o. | no |
| 30. | Promedis sp. z o.o. 4) | Wrocław | healthcare services | indirect subsidiary undertaking | 100% Tara Cosmetics B.V. | tak |
| Companies supporting the Impel Group | | | | | | |
| 31. | Impel IT sp. z o.o. | Wrocław | telecommunication and IT services | direct subsidiary undertaking | 100% Impel SA | yes |
| 32. | HR for Business sp. z o.o. | Wrocław | consulting in the scope of configuration and implementation of integrated IT systems | direct subsidiary undertaking | 100% Impel SA | yes |
| 33. | Impel Accounting sp. z o.o. | Wrocław | accounting services, consulting in the scope of business activity | direct subsidiary undertaking | 100% Impel SA | yes |
| 34. | Tara Cosmetics B.V. | Alkmaar (Holandia) | capital operations on the financial assets of selected companies of the Impel Group | direct subsidiary undertaking | 100% Impel SA | no |
| Associated undertakings | | | | | | |
| 35. | Grupa Vantage Development SA 5) | Wrocław | property development services | direct associated undertaking | 49.24% Worldstar Investments S. a. r. l. 25.94% Impel SA 14.15% Grzegorz Dzik 10.67% Józef Biegaj | yes |

- 1) On January 24th 2008 a resolution was adopted regarding the merger of Bankowy Dom Faktor sp. z o.o. and North Ochrona sp. z o.o. – merger of the companies registered on April 11th 2008,
- 2) Company consolidated with the proportionate method,
- 3) Previously the company operated under the name Pi sp. z o.o. – new name pending registration,
- 4) On August 7th 2008, a conditional sales contract of 100% shares of Promedis sp. z o.o. was concluded - transfer of share ownership will be effected as from the date the bank account of Tara Cosmetics B.V. is credited with the initially established price - money transfer order of that amount should be placed by August 31st 2008, at the latest.
- 5) Companies consolidated with the equity method.

The above breakdown does not include:

- DC System Polska sp. z o.o. – company sold on July 18th 2008, subject to consolidation as at June 30th 2008,
- business entities in which the Impel Group companies hold less than 0.3% in share capital.

II. CONDENSED QUARTERLY FINANCIAL STATEMENTS OF THE IMPEL GROUP

1. CONSOLIDATED BALANCE SHEET

| ASSETS | | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
|--|--|------------------------|------------------------|
| I. Non-current assets (items 1-7) | | 178 109 | 177 428 |
| 1. | Goodwill | 17,983 | 17,983 |
| 2. | Other intangible assets | 28,915 | 22,528 |
| 3. | Property, plant and equipment | 60,923 | 79,722 |
| 4. | Investment property | 3,083 | 4,874 |
| 5. | Intangible assets held as investments | 283 | 31,413 |
| 6. | Financial assets (6a+6b+6c+6d) | 50,085 | 2,109 |
| 6a. | Financial assets valued at fair value by financial result | - | - |
| 6b. | Investments held to maturity | - | - |
| 6c. | Loan and receivables: | 47,771 | 2,067 |
| 6c ₁ . | Loans | 45,872 | - |
| 6c ₂ . | Non-current receivables | 1,899 | 2,067 |
| 6d. | Financial assets available for sale: | 2,314 | 42 |
| 6d ₁ . | Investments in shares | 100 | 42 |
| 6d ₂ . | Investments in associated undertakings consolidated with equity method | 2,214 | - |
| 7. | Deferred tax assets | 16,837 | 18,799 |
| | | | |
| II. Current assets (items 1 – 3) | | 273,189 | 298,103 |
| 1. | Inventories | 12,051 | 44,992 |
| 2. | Financial assets (2a+2b+2c+2d+2e) | 256,183 | 250,401 |
| 2a. | Financial assets valued at fair value by financial result | - | - |
| 2b. | Investments held to maturity | - | - |
| 2c. | Loan and receivables: | 226,881 | 215,451 |
| 2c ₁ . | Loans | 18,876 | 341 |
| 2c ₂ . | Current receivables (a+b+c+d) | 208,005 | 215,110 |
| | a) Trade receivables | 189,174 | 170,083 |
| | b) Receivables from state and local budgets, including: | 12,272 | 23,904 |
| | - Current tax receivables | 1,598 | 5,298 |
| | c) Financed lease receivables | 11 | 216 |
| | d) Other receivables | 6,548 | 20,907 |
| 2d. | Financial assets available for sale | - | - |
| 2e. | Cash and cash equivalents | 29,302 | 34,950 |
| 3. | Prepayments and accrued income | 4,955 | 2,710 |
| | | | |
| III. Non-current assets classified as held for sale | | 20,168 | 600 |
| | | | |
| Total assets – I+II+III | | | 476,131 |

| EQUITY AND LIABILITIES | | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
|--|---|--------------------------------|--------------------------------|
| I. Total equity and liabilities (1+2) | | 244,175 | 237,622 |
| 1. Equity of the Parent Undertaking (items 1a-1j) | | 238,943 | 233,006 |
| 1a. | Share capital | 75,757 | 75,707 |
| 1b. | Treasury shares | - | - |
| 1c. | Supplementary funds, including share premium account | 128,753 | 116,230 |
| 1d. | Revaluation capital reserve | - | - |
| 1e. | Capital reserves | 62,832 | 47,202 |
| 1f. | Revaluation capital on hedging transactions and currency translation differences due to consolidation | (101) | (102) |
| 1g. | Other capital | 952 | 1,123 |
| 1h. | Retained profit/(deficit) | (35,186) | (13,438) |
| 1i. | Current year net profit/(loss) | 5,936 | 6,284 |
| 1j. | Distributions from net profit during the year | - | - |
| 2. Minority interests | | 5,232 | 4,616 |
| II. Non-current liabilities (items 1-6) | | 20,282 | 30,533 |
| 1. | Deferred tax liability | 673 | 622 |
| 2. | Employee benefits | 461 | 497 |
| 3. | Non-current provisions | 113 | 194 |
| 4. | Non-current bank loans and borrowings | 12,818 | 22,598 |
| 5. | Non-current financed lease liabilities | 6,217 | 6,622 |
| 6. | Other non-current liabilities | - | - |
| III. Current liabilities (items 1-7) | | 194,506 | 196,258 |
| 1. | Current bank loans and borrowings | 47,939 | 48,782 |
| 2. | Trade payables | 61,249 | 49,529 |
| 3. | Public charges, including: | 40,535 | 50,441 |
| 3a. | Current tax liabilities | 712 | 496 |
| 4. | Employee benefits | 33,908 | 34,018 |
| 5. | Current financed lease liabilities | 2,306 | 2,282 |
| 6. | Other liabilities | 6,307 | 9,939 |
| 7. | Current provisions | 2,262 | 1,267 |
| IV. Deferred income | | 6,506 | 11,718 |
| V. Liabilities directly related to non-current assets classified as held for sale | | 5,997 | - |
| Total equity and liabilities – I+II+III+IV+V | | 471,466 | 476,131 |
| | | | |
| | | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
| Book value | | 238,943 | 233,006 |
| Number of shares | | 15,151,462 | 15,141,462 |
| Book value per share (PLN) | | 15,77 | 15,39 |
| | | | |

| OFF-BALANCE SHEET ITEMS | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
|--|--------------------------------|--------------------------------|
| 1. Contingent receivables | - | - |
| 2. Contingent liabilities | 31,973 | 31,079 |
| 1.1. To related undertakings, including: | - | - |
| - guarantees and sureties issued | - | - |
| 1.2. To other undertakings, including: | 31,973 | 31,079 |
| - guarantees and sureties issued | 31,973 | 31,079 |
| 3. Other | 322 | 772 |
| Total off-balance-sheet items | 32,295 | 31,851 |

2. CONSOLIDATED PROFIT AND LOSS ACCOUNT

| | Apr 4 2008 – Jun 30 2008 PLN'000 | Jan 1 2008 – Jun 30 2008 PLN'000 | Apr 4 2007 – Jun 30 2007 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|--|--|--|--|--|
| Continued and discontinued operations | | | | |
| I. Revenue (items 1-2): | 257,076 | 503,570 | 231,681 | 456,842 |
| 1. Sales revenue, including: | 251,003 | 489,383 | 217,087 | 428,492 |
| a) revenue on sales of products | 245,364 | 478,798 | 212,168 | 419,429 |
| b) revenue on sales of materials and goods for resale | 5,639 | 10,585 | 4,919 | 9,063 |
| 2. Subsidies | 6,073 | 14,187 | 14,594 | 28,350 |
| II. Operating expenses (items 1-8): | (249,006) | (489,727) | (226,961) | (452,033) |
| 1. depreciation and amortisation | (5,818) | (11,035) | (5,009) | (9,911) |
| 2. raw materials and energy used | (25,812) | (50,681) | (26,058) | (52,967) |
| 3. contracted services | (74,258) | (140,081) | (32,065) | (65,064) |
| 4. salaries and wages, social security and other employee benefits | (132,768) | (273,412) | (155,226) | (311,277) |
| 5. other cost by type | (4,870) | (8,369) | (4,400) | (8,963) |
| 6. selling costs – materials and goods for resale | (5,016) | (8,890) | (3,719) | (6,976) |
| 7. change in products | (464) | 2,741 | (484) | 3,125 |
| 8. cost of products for own needs | - | - | - | - |
| A. Profit/(loss) on sales (I-II) | 8,070 | 13,843 | 4,720 | 4,809 |
| I. Other operating income, including: | 5,194 | 10,431 | 5,597 | 10,469 |
| 1. Gain on disposal of non-current non-financial assets | 52 | 233 | 54 | 257 |
| 2. Revaluation of non-financial assets | 1,498 | 2,917 | 1,328 | 2,757 |
| II. Other operating expenses, including: | (5,726) | (12,240) | (4,235) | (9,097) |
| 1. Gain on disposal of non-current non-financial assets | (57) | (75) | (85) | (194) |
| 2. Revaluation of non-financial assets | (680) | (2,187) | (2,400) | (3,568) |
| B. Operating profit/(loss) (A+I-II) | 7,538 | 12,034 | 6,082 | 6,181 |
| I. Financial income, including: | 2,271 | 3,304 | 648 | 2,183 |
| 1. Dividends and other profit distributions | - | - | - | - |
| 2. Interest | 1,747 | 2,414 | 626 | 1,104 |
| II. Financial expenses, including: | (1,634) | (3,052) | (1,349) | (2,021) |
| 1. Interest | (1,181) | (2,246) | (567) | (854) |
| 2. Revaluation of investments | (30) | - | - | (30) |
| C. Pre-tax profit/(loss) (B + I-II) | 8,175 | 12,286 | 5,381 | 6,343 |
| I. Corporate income tax | (2,236) | (4,453) | (3,809) | (3,979) |
| D. Share in (profit)/loss of an undertaking valued with the equity method | (571) | (571) | - | - |
| E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D) | 5,368 | 7,262 | 1,572 | 2,364 |
| - attributable to shareholders of Parent Undertaking | 4,552 | 5,936 | 1,278 | 1,740 |
| - attributable to minority interests | 816 | 1,326 | 294 | 624 |
| Profit (loss) of the Parent Undertaking | 4,552 | 5,936 | 1,278 | 1,740 |
| Net profit/(loss) on discontinued operations | - | - | - | - |
| Net profit/(loss) on continued operations | 4,552 | 5,936 | 1,278 | 1,740 |
| Earnings/(loss) per ordinary share* | 0,30 | 0,39 | 0,09 | 0,12 |
| Discontinued operations | - | - | - | - |
| Continued operations | 0,30 | 0,39 | 0,09 | 0,12 |
| Diluted profit (loss) per share | 0,30 | 0,39 | 0,08 | 0,11 |

| Profit (loss) per share | Apr 4 2008 – Jun 30 2008 PLN'000 | Jan 1 2008 – Jun 30 2008 PLN'000 | Apr 4 2007 – Jun 30 2007 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|---|---|---|---|---|
| Net profit (loss) for ordinary shareholders (PLN'000) | 4,552 | 5,936 | 1,278 | 1,740 |
| Average weighted number of shares used in calculation of ordinary earnings (loss) per share | 15,151,462 | 15,151,462 | 15,038,462 | 15,038,462 |
| Ordinary earnings/(loss) per share (PLN) | 0,30 | 0,39 | 0,09 | 0,12 |
| Adjustment concerning options for purchase of series F shares | 11,506 | 57,351 | 115,390 | 202,332 |
| Average weighted number of shares used in calculation of diluted profit (loss) per share | 15,151,462 | 15,151,462 | 15,153,852 | 15,240,794 |
| Diluted profit (loss) per share (PLN) | 0,30 | 0,39 | 0,08 | 0,11 |

3. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

| CHANGES IN CONSOLIDATED EQUITY | Jan 1 2008 – Jun 30 2008 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|--|--|--|
| I. Equity at beginning of period | 233,006 | 230,155 |
| - changes in adopted accounting policies | | - |
| I.a. Equity at beginning of period, after adjustments | 233,006 | 230,155 |
| 1. Share capital at beginning of period | 75,707 | 75,192 |
| a) increase | 50 | - |
| - share issue | 50 | - |
| 1.2. Share capital at end of period | 75,757 | 75,192 |
| 2. Balance of called-up share capital not paid at beginning of period | - | - |
| 2.1 Balance of called-up share capital not paid at end of period | - | - |
| 3. Treasury shares at beginning of period | - | - |
| 2.1 Treasury shares at end of period | - | - |
| 4. Supplementary funds at beginning of period | 116,230 | 110,688 |
| 4.1. Changes in supplementary funds | 12,523 | 3,869 |
| a) increase | 12,523 | 3,869 |
| - distribution of profit (above statutory minimum) | 12,402 | 3,869 |
| - excess of the issue price over the par value of the shares | 121 | - |
| b) decrease | - | - |
| 4.2. Supplementary funds at end of period | 128,753 | 114,557 |
| 5. Revaluation capital reserve at beginning of period | - | - |
| 5.1 Revaluation capital reserve at end of period | - | - |
| 6. Other capital reserves at beginning of period | 47,202 | 44,138 |
| 6.1. Change in other capital | 15,630 | 3,064 |
| a) increase | 15,636 | 4,001 |
| - distribution of profit | 15,636 | 4,001 |
| - additional equity contributions | - | - |
| b) decrease | (6) | (937) |
| 6.2. Other capital reserves at end of period | 62,832 | 47,202 |
| 7. Other capital at beginning of period | 1,123 | 1,368 |
| 7.1. Change in other capital | (171) | 557 |
| a) increase, including | - | 557 |
| - valuation of options convertible to shares | - | - |
| - share issue | - | - |
| - payments towards shares | - | 557 |
| b) decrease, including | (171) | - |
| - transfer to share capital and supplementary capital by virtue of shares issue | (171) | - |
| 7.2. Other capital at end of period | 952 | 1,925 |
| 8. Currency-translation differences on subordinated undertakings at beginning of | (102) | (86) |
| a) increase | 55 | - |
| b) decrease | (54) | (10) |
| 8.1. Currency-translation differences on subordinated undertakings at end of period | (101) | (96) |
| 9. Retained profit/(loss) brought forward at beginning of period | (7,154) | (1,145) |
| - changes in adopted accounting policies | - | - |
| 9.1. Retained profit at beginning of period after reconciliation with comparable data | (7,154) | (1,145) |
| a) increase, including | (28,038) | (11,930) |
| - dividend paid | - | (4,060) |
| - increase in supplementary capital | (12,402) | (3,869) |
| - increase in reserve funds | (15,636) | (4,001) |
| b) decrease, including | 6 | 278 |
| - coverage of losses from reserve funds | 6 | - |
| - other | - | - |
| 9.2. Retained profit at end of period | (35,186) | (12,797) |
| 10. Net profit/(loss) | 5,936 | 1,740 |
| a) net profit | 5,936 | 1,740 |
| b) net loss | - | - |
| d) changes in adopted accounting policies | - | - |
| II. Group's Equity at end of period | 238,943 | 227,723 |
| III. Group's Equity after proposed distribution of profit (coverage of loss) | 238,943 | 227,723 |

| | | |
|--|----------------|----------------|
| IV. Minority interest at beginning of period | 4,616 | 5,002 |
| a) increase, including | 1,419 | 881 |
| - additional equity contributions | 10 | 145 |
| - recognition of capital by virtue of acquisition of companies | - | - |
| - minority profit | 1,409 | 736 |
| - currency translation differences on recalculation of foreign undertaking's equity | - | - |
| - other | - | - |
| b) decrease, including | (803) | (1,599) |
| - minority loss | (83) | (112) |
| - dividend | (705) | (1,204) |
| - currency translation differences on recalculation of foreign undertaking's equity | (15) | (5) |
| - withdrawal from a subsidiary undertaking | - | - |
| - retirement of minority interest shares | - | - |
| - other | - | (278) |
| V. Minority interest at end of period | 5,232 | 4,284 |
| VI. Total equity | 244,175 | 232,007 |
| VII. Equity after proposed distribution of profit (coverage of loss) at end of period | 244,175 | 232,007 |

4. CONSOLIDATED CASH FLOW STATEMENT

| CONSOLIDATED CASH FLOW STATEMENT | Jan 1 2008 – Jun 30 2008 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|---|--|--|
| A. Cash flows from operating activities | | |
| I. Net profit (loss) | 5,936 | 1,740 |
| II. Total adjustments | (416) | (24,059) |
| 1. (Profit)/loss attributable to minority interests | 1,326 | 624 |
| 2. Depreciation and amortisation | 11,035 | 9,911 |
| 3. Foreign exchange (gains)/losses | (14) | (35) |
| 4. Interest and distributions from profit (dividends) | (670) | 273 |
| 5. (Profit)/loss on investing activities | (143) | 417 |
| 6. Change in provisions | 965 | (788) |
| 7. Change in inventories | (3,993) | (12,238) |
| 8. Change in receivables | (18,595) | (26,020) |
| 9. Change in liabilities (net of loans and borrowings), including: | (881) | 4,833 |
| 9a. Change in current tax liabilities | 216 | (195) |
| 10. Change in accruals and deferrals | (2,400) | 245 |
| 11. Other adjustments | 12,854 | (1,281) |
| III. Net cash provided by/(used in) operating activities (I+/-II) | 5,420 | (22,319) |
| B. Cash flows from investing activities | | |
| I. Cash provided by investing activities | 10,035 | 7,629 |
| 1. Sale of intangible assets and property, plant and equipment | 9,555 | 1,066 |
| 2. Sale of investment property and intangible assets | - | - |
| 3. Cash provided by financial assets, including: | 480 | 6,561 |
| a) in related undertakings | 176 | 1,580 |
| b) in other undertakings | 304 | 4,981 |
| - disposal of financial assets | - | 4,722 |
| - repayment of loans advanced | - | - |
| - interest received | 304 | 259 |
| 4. Other cash provided by investing activities | - | 2 |
| II. Cash used in investing activities | (15,114) | (46,462) |
| 1. Acquisition of intangible assets and property, plant and equipment | (13,800) | (12,692) |
| 2. Investment property and intangible assets | (494) | (28,304) |
| 3. Cash used on financial assets, including: | (120) | - |
| a) in related undertakings | - | - |
| b) in other undertakings | (120) | - |
| 4. Dividends and other distributions from profit to minority interests | (700) | (1,159) |
| 5. Other cash used in investing activities | - | (4,307) |
| III. Net cash provided by/(used in) investing activities (I-II) | (5,079) | (38,833) |
| C. Cash flows from financing activities | | |
| I. Cash provided by financial activities | 17,120 | 81,651 |
| 1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity | - | 702 |
| 2. Increase in loans and borrowings | 17,120 | 80,024 |
| 3. Other cash provided by financing activities (cash provided by newly acquired comp.) | - | 925 |
| II. Cash used in financial activities | (23,109) | (41,646) |
| 1. Acquisition of treasury shares | - | - |
| 2. Dividends and other distributions to shareholders, including outstanding amounts | - | (4,060) |
| 3. Repayment of loans and borrowings | (18,470) | (34,679) |
| 4. Decrease in financed lease liabilities | (1,300) | (1,417) |
| 5. Interest paid | (2,238) | (630) |
| 6. Other cash used in financing activities | (1,101) | (860) |
| III. Net cash provided by/(used in) financing activities (I-II) | (5,989) | 40,005 |
| D. Total net cash flow (A.III+/-B.III+/-C.III) | (5,648) | (21,147) |
| E. Balance-sheet change in cash, including: | (5,648) | (21,147) |
| - change in cash resulting from foreign exchange gains/(losses) | - | - |
| F. Cash at beginning of period | 34,950 | 41,081 |
| G. Cash at end of period (F+/-D), including: | 29,302 | 19,934 |
| - restricted cash | 328 | 976 |

III. CONDENSED QUARTERLY FINANCIAL STATEMENTS OF IMPEL SA

1. BALANCE SHEET OF IMPEL SA.

| AKTYWA | | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
|--|--|------------------------|------------------------|
| I. Non-current assets (items 1-7) | | 182 654 | 187 599 |
| 1. | Goodwill | - | - |
| 2. | Other intangible assets | 989 | 1,166 |
| 3. | Property, plant and equipment | 3,487 | 3,702 |
| 4. | Investment property | 2,404 | 2,437 |
| 5. | Intangible assets held as investments | 283 | 8,357 |
| 6. | Financial assets (6a+6b+6c+6d) | 172,877 | 170,246 |
| 6a. | Financial assets valued at fair value by financial result | - | - |
| 6b. | Investments held to maturity | - | - |
| 6c. | Loan and receivables: | 83,149 | 84,312 |
| 6c ₁ . | Loans | 81,400 | 82,199 |
| 6c ₂ . | Non-current receivables | 1,749 | 2,113 |
| 6d. | Financial assets available for sale: | 89,728 | 85,934 |
| 6d ₁ . | Investments in shares | 77,894 | 85,934 |
| 6d ₂ . | Investments in associated undertakings consolidated with equity method | 11,834 | - |
| 7. | Deferred tax assets | 2,614 | 1,691 |
| II. Current assets (items 1 – 3) | | 52,711 | 65,333 |
| 1. | Inventories | - | 232 |
| 2. | Financial assets (2a+2b+2c+2d+2e) | 52,374 | 64,643 |
| 2a. | Financial assets valued at fair value by financial result | - | - |
| 2b. | Investments held to maturity | - | - |
| 2c. | Loan and receivables: | 48,561 | 59,524 |
| 2c ₁ . | Loans | 30,911 | 40,711 |
| 2c ₂ . | Current receivables (a+b+c+d) | 17,650 | 18,813 |
| | a) Trade receivables | 14,208 | 14,986 |
| | b) Receivables from state and local budgets, including: | 885 | 1,291 |
| | - Current tax receivables | - | - |
| | c) Financed lease receivables | - | - |
| | d) Other receivables | 2,557 | 2,536 |
| 2d. | Financial assets available for sale | - | - |
| 2e. | Cash and cash equivalents | 3,813 | 5,119 |
| 3. | Prepayments and accrued income | 337 | 458 |
| III. Non-current assets classified as held for sale | | 13,229 | - |
| Total assets – I+II+III | | 248,594 | 252,932 |

| PASYWA | | Jun 30 2008 | Dec 31 2007 |
|--|---|--------------------|--------------------|
| | | PLN'000 | PLN'000 |
| I. Share capital (items 1a – 1j) | | 224,246 | 219,841 |
| 1a. | Share capital | 75,757 | 75,707 |
| 1b. | Treasury shares | - | - |
| 1c. | Supplementary funds, including share premium account | 100,036 | 99,915 |
| 1d. | Revaluation capital reserve | - | - |
| 1e. | Capital reserves | 47,829 | 32,193 |
| 1f. | Revaluation capital on hedging transactions and currency translation differences due to consolidation | - | - |
| 1g. | Other capital | 952 | 1,123 |
| 1h. | Retained profit/(deficit) | (4,733) | (4,733) |
| 1i. | Current year net profit/(loss) | 4,405 | 15,636 |
| 1j. | Distributions from net profit during the year | - | - |
| II. Non-current liabilities (items 1-6) | | 1,708 | 2,527 |
| 1. | Deferred tax liability | - | - |
| 2. | Employee benefits | 65 | 65 |
| 3. | Non-current provisions | 107 | 161 |
| 4. | Non-current bank loans and borrowings | 1,511 | 2,267 |
| 5. | Non-current financed lease liabilities | - | - |
| 6. | Other non-current liabilities | 25 | 34 |
| III. Current liabilities (items 1-7) | | 18,282 | 25,609 |
| 1. | Current bank loans and borrowings | 7,734 | 14,199 |
| 2. | Trade payables | 5,135 | 6,727 |
| 3. | Public charges, including: | 2,067 | 1,997 |
| 3a. | Current tax liabilities | - | - |
| 3b. | Subsidy provision liabilities | - | 191 |
| 4. | Employee benefits | 2,262 | 1,286 |
| 5. | Current financed lease liabilities | - | - |
| 6. | Other liabilities | 379 | 848 |
| 7. | Current provisions | 705 | 552 |
| IV. Deferred income | | 4,358 | 4,955 |
| V. Liabilities directly related to non-current assets classified as held for sale | | - | - |
| Total equity and liabilities – I+II+III+IV+V | | 248,594 | 252,932 |

| | Jun 30 2008 | Dec 31 2007 |
|----------------------------|--------------------|--------------------|
| | PLN'000 | PLN'000 |
| Book value | 224,246 | 219,841 |
| Number of shares | 15,151,462 | 15,141,462 |
| Book value per share (PLN) | 14,80 | 14,52 |

| OFF-BALANCE SHEET ITEMS | Jun 30 2008 PLN'000 | Dec 31 2007 PLN'000 |
|---|--------------------------------|--------------------------------|
| 1. Contingent receivables | - | - |
| 2. Contingent liabilities | 129,537 | 123,672 |
| 2.1. To related undertakings, including: | 124,363 | 117,710 |
| - guarantees and sureties issued | 124,363 | 117,710 |
| 2.2. To other undertakings, including: | 5,174 | 5,962 |
| - guarantees and sureties issued | 5,174 | 5,962 |
| 3. Other, including: | - | - |
| - assignment of receivables with the re-assignment option | - | - |
| Total off-balance-sheet items | 129,537 | 123,672 |

2. PROFIT AND LOSS ACCOUNT OF IMPEL SA

| | Apr 4 2008 – Jun 30 2008 PLN'000 | Jan 1 2008 – Jun 30 2008 PLN'000 | Apr 4 2007 – Jun 30 2007 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|--|---|---|---|--|
| Continued and discontinued operations | | | | |
| I. Revenue (items 1-2): | 12,081 | 24,865 | 16,466 | 32,010 |
| 1. Sales revenue, including: | 11,836 | 24,340 | 16,049 | 31,155 |
| a) revenue on sales of products | 11,709 | 24,052 | 16,000 | 31,030 |
| b) revenue on sales of materials and goods for resale | 127 | 288 | 49 | 125 |
| 2. Subsidies | 245 | 525 | 417 | 855 |
| II. Operating expenses (items 1-8): | (11,843) | (24,759) | (14,454) | (30,004) |
| 1. depreciation and amortisation | (265) | (535) | (251) | (517) |
| 2. Raw materials and energy used | (434) | (643) | (194) | (592) |
| 3. Contracted services | (5,896) | (12,759) | (8,414) | (16,628) |
| 4. Salaries and wages, social security and other employee benefits | (4,427) | (8,522) | (4,822) | (10,255) |
| 5. Other cost by type | (513) | (1,841) | (693) | (1,978) |
| 6. Selling costs – materials and goods for resale | (128) | (271) | (51) | (126) |
| 7. Change in products | (180) | (188) | (29) | 92 |
| 8. Cost of products for own needs | - | - | - | - |
| A. Profit/(loss) on sales (I-II) | 238 | 106 | 2,012 | 2,006 |
| I. Other operating income, including: | 173 | 290 | 344 | 1,006 |
| 1. Gain on disposal of non-current non-financial assets | - | - | 5 | 7 |
| 2. Revaluation of non-financial assets | 55 | 133 | 95 | 467 |
| II. Other operating expenses, including: | (322) | (494) | (346) | (782) |
| 1. Loss on disposal of non-current non-financial assets | - | - | (5) | (5) |
| 2. Revaluation of non-financial assets | (4) | (28) | (47) | (90) |
| B. Operating profit/(loss) (A+I-II) | 89 | (98) | 2,010 | 2,230 |
| I. Financial income, including: | 3,061 | 6,111 | 2,421 | 5,560 |
| 1. Dividends and other profit distributions | - | - | 88 | 88 |
| 2. Interest | 2,551 | 4,967 | 1,912 | 3,492 |
| II. Financial expenses, including: | (227) | (2,531) | (79) | (159) |
| 1. Interest | (167) | (353) | (21) | (30) |
| 2. Revaluation of investments | - | - | - | - |
| C. Pre-tax profit/(loss) (B + I-II) | 2,923 | 3,482 | 4,352 | 7,631 |
| I. Corporate income tax | 1,066 | 923 | (893) | (1,693) |
| D. Net profit/(loss) on continued and discontinued operations (C+/-I) | 3,989 | 4,405 | 3,459 | 5,938 |
| Net profit/(loss) on discontinued operations | - | - | 125 | 125 |
| Net profit/(loss) on continued operations | 3,989 | 4,405 | 3,334 | 5,813 |
| Profit/(loss) per ordinary share | 0.26 | 0.29 | 0.23 | 0.39 |
| Discontinued operations | - | - | 0.01 | 0.01 |
| Continued operations | 0.26 | 0.29 | 0.22 | 0.38 |
| Diluted profit (loss) per ordinary share | 0.26 | 0.29 | 0.23 | 0.39 |

| Profit (loss) per share | Apr 4 2008 – Jun 30 2008 PLN'000 | Jan 1 2008 – Jun 30 2008 PLN'000 | Apr 4 2007 – Jun 30 2007 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|---|---|---|---|---|
| Net profit (loss) for ordinary shareholders (PLN'000) | 3,989 | 4,405 | 3,459 | 5,938 |
| Average weighted number of shares used in calculation of ordinary earnings (loss) per share | 15,151,462 | 15,151,462 | 15,038,462 | 15,038,462 |
| Ordinary earnings/(loss) per share (PLN) | 0.26 | 0.29 | 0.23 | 0.39 |
| Adjustment concerning options for purchase of series F shares | (6,757) | 25,840 | 220,799 | 202,332 |
| Average weighted number of shares used in calculation of diluted profit (loss) per share | 15,144,705 | 15,177,302 | 15,259,261 | 15,240,794 |
| Diluted profit (loss) per share (PLN) | 0.26 | 0.29 | 0.23 | 0.39 |

3. STATEMENT OF CHANGES IN EQUITY OF IMPEL SA

| CHANGES IN EQUITY | Jan 1 2008 – Jun 30 2008 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|--|--|--|
| I. Equity at beginning of period | 219,841 | 206,746 |
| - changes in adopted accounting policies | - | - |
| I.a. Equity at beginning of period, after adjustments | 219,841 | 206,746 |
| 1. Share capital at beginning of period | 75,707 | 75,192 |
| a) increase | 50 | - |
| - share issue | 50 | - |
| 1.1. Share capital at end of period | 75,757 | 75,192 |
| 2. Balance of called-up share capital not paid at beginning of period | - | - |
| 2.1 Balance of called-up share capital not paid at end of period | - | - |
| 3. Treasury shares at beginning of period | - | - |
| 2.1 Treasury shares at end of period | - | - |
| 4. Supplementary funds at beginning of period | 99,915 | 98,666 |
| 4.1. Changes in supplementary funds | 121 | - |
| a) increase, including | 121 | - |
| - excess of the issue price over the par value of the share | 121 | - |
| 4.2. Supplementary funds at end of period | 100,036 | 98,666 |
| 5. Revaluation capital reserve at beginning of period | - | - |
| 5.1 Revaluation capital reserve at end of period | - | - |
| 6. Other capital reserves at beginning of period | 32,193 | 28,198 |
| 6.1. Change in other capital reserves | 15,636 | 3,995 |
| a) increase | 15,636 | 3,995 |
| - distribution of profit (above statutory minimum) | 15,636 | 3,995 |
| 6.2. Other capital reserves at end of period | 47,829 | 32,193 |
| 7. Other capital at beginning of period | 1,123 | 1,368 |
| 7.1. Change in other capital | (171) | 557 |
| a) increase, including | - | 557 |
| - valuation of executive options | - | - |
| - shares acquired in return for bonds | - | - |
| - share issue | - | 557 |
| b) decrease, including | (171) | - |
| - transfer to share capital by virtue of share issue | (50) | - |
| - transfer to supplementary funds by virtue of surplus of issue price over par value of shares | (121) | - |
| 7.2. Other capital at end of period | 952 | 1,925 |
| 8. Currency translation differences on subordinated undertakings | - | - |
| 9. Retained profit/(loss) brought forward at beginning of period | 10,903 | 3,322 |
| - changes in adopted accounting policies | - | - |
| 9.1. Retained profit/(loss) at beginning of period after adjustments | 10,903 | 3,322 |
| a) increase | - | - |
| b) decrease | (15,636) | (8,055) |
| - dividend paid | - | (4,060) |
| - increase in supplementary capital | - | - |
| - increase in reserve capital | (15,636) | (3,995) |
| 9.2. Retained profit at end of period | (4,733) | (4,733) |
| 10. Net profit/(loss) | 4,405 | 5,938 |
| a) net profit | 4,405 | 5,938 |
| b) net loss | - | - |
| c) changes in adopted accounting policies | - | - |
| II. Equity at end of period | 224,246 | 209,181 |
| III. Equity after proposed distribution of profit (coverage of loss) | 224,246 | 209,181 |

4. CASH FLOW STATEMENT OF IMPEL SA

| CASH FLOW STATEMENT | Jan 1 2008 – Jun 30 2008 PLN'000 | Jan 1 2007 – Jun 30 2007 PLN'000 |
|---|--|--|
| A. Cash flows from operating activities | | |
| I. Net profit (loss) | 4,405 | 5,938 |
| II. Total adjustments | (2,212) | 8,915 |
| 1. Depreciation and amortisation | 535 | 517 |
| 2. Foreign exchange (gains)/losses | - | - |
| 3. Interest and distributions from profit (dividends) | (4,546) | (3,292) |
| 4. (Profit)/loss on investing activities | - | (1,268) |
| 5. Change in provisions | 99 | (652) |
| 6. Change in inventories | 232 | 85 |
| 7. Change in receivables | 1,524 | 8,575 |
| 8. Change in liabilities (net of loans and borrowings), including: | (711) | 2,739 |
| 8a. Change in current tax liabilities | - | - |
| 9. Change in accruals and deferrals | (1,399) | 2,211 |
| 10. Other adjustments | 2,054 | - |
| III. Net cash provided by/(used in) operating activities (I+II) | 2,193 | 14,853 |
| B. Cash flows from investing activities | | |
| I. Cash provided by financial activities | 28,454 | 18,493 |
| 1. Sale of intangible assets and property, plant and equipment | 7 | 27 |
| 2. Sale of investment property and intangible assets | - | - |
| 3. Cash provided by financial assets, including: | 28,447 | 18,464 |
| a) in related undertakings | 28,388 | 13,678 |
| - disposal of financial assets | 85 | 1,000 |
| Dividends and other profit distributions | - | - |
| - repayment of loans advanced | 23,354 | 12,412 |
| - interest received | 4,949 | 266 |
| b) in other undertakings | 59 | 4,786 |
| - disposal of financial assets | - | 4,722 |
| - repayment of loans advanced | - | - |
| - interest received | 59 | 64 |
| 4. Other cash provided by investing activities | - | 2 |
| II. Cash used in financial activities | (24,384) | (46,736) |
| 1. Acquisition of intangible assets and property, plant and equipment | (424) | (370) |
| 2. Investment property and intangible assets | (366) | - |
| 3. Cash used on financial assets, including: | (23,594) | (33,566) |
| a) in related undertakings | (23,594) | (33,566) |
| - acquisition of financial assets | (10,718) | (6,051) |
| - loans granted | (12,876) | (27,515) |
| b) in other undertakings | - | - |
| - acquisition of financial assets | - | - |
| - loans granted | - | - |
| 4. Other cash used in investing activities | - | (12,800) |
| III. Net cash provided by/(used in) investing activities (I-II) | 4,070 | (28,243) |
| C. Cash flows from financing activities | | |
| I. Cash provided by financing activities | - | 11,966 |
| 1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity | - | 557 |
| 2. Increase in loans and borrowings | - | 11,409 |
| 3. Issue of debt securities | - | - |
| 4. Other cash provided by financing activities | - | - |
| II. Cash used in financial activities | (7,569) | (4,077) |
| 1. Acquisition of treasury shares | - | - |
| 2. Dividends and other distributions to shareholders | - | (4,060) |
| 3. Distributions from profit other than to shareholders | - | - |
| 4. Repayment of loans and borrowings | (7,221) | - |
| 5. Interest paid | (348) | (17) |
| III. Net cash provided by/(used in) financing activities (I-II) | (7,569) | 7,889 |
| D. Total net cash flow (A.III+/-B.III+/-C.III) | (1,306) | (5,501) |
| E. Balance-sheet change in cash, including: | (1,306) | (5,501) |
| - change in cash resulting from foreign exchange gains/(losses) | - | - |
| F. Cash at beginning of period | 5,119 | 8,408 |
| G. Cash at end of period (F+/-D), including: | 3,813 | 2,907 |
| - restricted cash | - | - |

IV. SELECTED EXPLANATORY INFORMATION

1. COMMENTS ON THE IMPEL GROUP'S RESULTS OBTAINED IN Q2 2008

PLN '000

| Selected consolidated financial data | Q2 2007 | Q1 2008 | Q2 2008 |
|--|---------|---------|----------------|
| Sales revenue from products and services | 217,087 | 238,380 | 251,003 |
| Subsidies | 14,594 | 8,114 | 6,073 |
| EBIT | 6,082 | 4,496 | 7,538 |
| EBIT net of subsidies | (8,512) | (3,618) | 1,465 |
| EBITDA | 11,091 | 9,713 | 13,365 |
| EBITDA net of subsidies | (3,503) | 1,599 | 7,292 |
| Net result of the Parent Undertaking | 1,278 | 1,384 | 4,552 |

In Q2 2008, the Impel Group recorded sales revenue from products, materials and goods at the level of PLN 251,003,000. It means an increase as compared to the corresponding period last year by PLN 33,916,000 (i.e. 15.6%). The increase in sales in Q2 2008 in relation to the previous quarter amounted to 5.30%, which is the highest value since 2006. For comparison, the corresponding value in 2007 was 2.69%.

EBIT net of subsidies achieved in Q2 2008 totalled PLN 7,538,000, which is PLN 1,456,000 more than the result of the corresponding quarter last year. Positive impact on the results in Q2 2008 came in particular from: high rate of sales growth (higher margins obtained as part of newly acquired contracts), positive effects of contract negotiation and wzrost efektywności operacyjnej.

Execution of the strategy adopted by the Impel Group of increasing the importance of third-party subcontractors in the process of provision of security and cleaning services directly affects a drop in income from subsidies.

In absolute values, subsidies obtained in Q2 2008 are lower by PLN 8,521,000 (i.e. about 58.4%) from those obtained in the corresponding period last year. The index of subsidies contribution to revenue from sales in Q2 2008 amounted to 2.4% and was lower than the result recorded in Q2 2007 by 4.3%. In Q2 2008, the Impel Group recorded a positive result on EBIT net of subsidies.

The net result obtained in Q2 2008 amounted to PLN 4,552,000 and was higher than the result recorded in Q2 2007 by PLN 3,274,000 – mainly due to better results on operating activity – by PLN 1,456,000, and lower income tax – by PLN 1,573,000.

PLN '000

| Selected consolidated financial data | December 31st 2007 | June 30th 2008 |
|--------------------------------------|--------------------|----------------|
| Non-current assets | 177,428 | 178,109 |
| Current assets | 298,103 | 273,189 |
| Total assets | 476,131 | 471,466 |
| Equity | 237,622 | 244,175 |
| Non-current liabilities | 30,533 | 20,282 |
| Current liabilities | 196,258 | 194,506 |
| Total equity and liabilities | 476,131 | 471,466 |

As at June 30th 2008, the consolidated balance sheet total amounted to PLN 471,466,000 and was lower than the figure recorded as at December 31st 2007 by PLN 4,665,000 i.e. by one percent. Non-current assets amounted to 38% as at March 31st 2008 compared to 37% as at December 31st 2007

and, respectively, current assets: 58% and 63%. As at June 30th 2008, the equity accounted for 38% of financing, which was the same value as at December 31st 2007.

The factors that caused significant changes in the internal structure of the balance sheet items include:

- acquisition by Impel SA of Vantage Development SA's shares for non-cash contribution – resulting in a decrease in the area of property, plant and equipment and investment property, and an increase in non-current financial assets,
- implementation of the Integrated IT System (ZSI) – resulting in an increase in intangible assets,
- settlement of profits for 2007 in subsidiary undertakings – resulting in an increase in reserve funds and capital reserves, and an increase in unsettled losses from previous years,
- signing of a conditional sales contract for Promedis sp. z o.o.'s shares – resulting in identification in the consolidated statement of assets qualified for sale.

As at June 30th 2008, the Impel Group recorded positive net current assets, and maintained a safe financial mix.

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

Apart from those mentioned in Section 1 of this report, in Q2 2008 there did not occur any significant, extraordinary events which could in any way affect assets, liabilities, equity, net financial result or cash flows of the Impel Group and Impel SA.

3. SEGMENT REVENUE AND RESULTS

Business segments

The Group's operating activity is divided into four main business segments:

- Facility Management Segment comprises building interior and exterior cleaning services and specialist cleaning services for institutional clients. The scope of facility management includes also technical maintenance of property.
- Property Security Segment comprises services related to manned and electronic security services, alarm systems, CCTV, fire protection and CIT (cash transport and handling) services.
- Distribution Segment comprises catering (food preparation and delivery); rental services; laundry services for institutional clients; installation, rental, and maintenance of flooring; organization of deliveries of materials and goods for resale; and brokerage services in the scope of telecommunications.
- Independent Undertakings Segment comprises employee lease, personnel and payroll services, healthcare services, and management of service provision for institutional clients. The entities comprising the segment do not jointly manage purchase, sale, and HR management processes.

The 'Other' Segment includes telecommunication and IT services, accounting services executed mainly for own needs of the Group, and property development activities.

Revenues and expenses 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, as well as Impel UK Limited and Impel Griffin Group sp. z o.o. in 2007, the Impel Group is also present in Latvia, Ukraine and Great Britain. In the period January 1st 2008 – June 30th 2008 the revenue generated from these operations accounted for 2.83% 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 on investment.

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

As of January 1st 2008 the manner of presenting the results of business segments was changed to provide for the Management Board of the Parent Undertaking the possibility of better assessment of the results produced in the organization and decision-making concerning the future allocation of resources. The presented segments correspond to the distinguished responsibility centres. The change was effected respecting the rule that all costs which can be allocated directly to respective business segments should be thus allocated. Due to the above, changes affecting the organization and the manner of data aggregation were introduced in the Group, to facilitate direct identification of costs and their allocation to the relevant business segments.

Differences:

The whole segment presented in 2007 as 'Staff Management', due to the completion of joint management of processes, has been transferred since 2008 to the Segment 'Independent Undertakings'. Since 2008 the Segment 'Independent Undertakings' has taken over the activities connected with management of service provision, which in 2007 were assigned to the Segment 'Other'. The data concerning the business segments 'Facility Management', 'Distribution', and 'Security' are directly comparable to the data presented in 2007. However, regarding the above-mentioned change, the Group does not have appropriately aggregated comparable data for the year 2007 for the business segments 'Independent Undertakings' and 'Other'.

Consolidated profit and loss account in the breakdown into business segments for the period from January 1st 2007 to June 30th 2007

| BUSINESS SEGMENT | FACILITY MANAGEMENT | | SECURITY | | STAFF MANAGEMENT | | DISTRIBUTION | | OTHER | | TOTAL SEGMENTS | | ELIMINATIONS | | AFTER ELIMINATIONS | |
|---|---------------------|---------|-------------|---------|------------------|---------|--------------|---------|-------------|---------|----------------|--------------|--------------|--------------|--------------------|--------------|
| | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 | Jun 30 2007 | Q2 2007 |
| P&L Account for period ended | | | | | | | | | | | | | | | | |
| Sales to external customers | 180,507 | 90,980 | 155,021 | 75,208 | 41,128 | 21,146 | 47,040 | 26,706 | 4,796 | 3,046 | 428,492 | 217,087 | - | - | 428,492 | 217,087 |
| Inter-segmental sales | 3,193 | 2,031 | 1,740 | 794 | 4,979 | 1,882 | 2,560 | (916) | 18,693 | 9,304 | 31,165 | 13,095 | - | - | 31,165 | 31,165 |
| Total sales revenue | 183,700 | 93,012 | 156,761 | 76,002 | 46,107 | 23,028 | 49,600 | 25,790 | 23,489 | 12,350 | 459,657 | 230,182 | (31,165) | (13,095) | 428,492 | 217,087 |
| Segment results including subsidiaries, net of all charges to the corporation | 9,777 | 5,624 | 7,486 | 6,508 | (2,525) | (1,619) | 851 | 497 | (125) | 2 | 15,464 | 11,008 | - | - | 15,464 | 11,008 |
| Result on discontinued operations | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Result on continued operations | 9,777 | 5,624 | 7,486 | 6,508 | (2,525) | (1,619) | 851 | 497 | (125) | 2 | 15,464 | 11,008 | - | - | 15,464 | 11,008 |
| Unallocated Group costs | | | | | | | | | | | (9,094) | (4,632) | - | - | (9,094) | (4,632) |
| Operating profit/(loss) | | | | | | | | | | | 6,370 | 6,364 | (189) | (294) | 6,181 | 6,070 |
| Profit (loss) from discontinued operations | | | | | | | | | | | | | | | - | - |
| Profit (loss) from continued operations | | | | | | | | | | | | | | | 6,181 | 6,070 |
| Financial income | | | | | | | | | | | | | | | 2,183 | 648 |
| Financial expenses | | | | | | | | | | | | | | | (2,021) | (1,349) |
| Pre-tax profit/(loss) from discontinued operations | | | | | | | | | | | | | | | 6,343 | 5,381 |
| Pre-tax profit (loss) from discontinued operations | | | | | | | | | | | | | | | - | - |
| Pre-tax profit (loss) from continued operations | | | | | | | | | | | | | | | 6,343 | 5,176 |
| Corporate income tax | | | | | | | | | | | | | | | (3,979) | 3,809 |
| Profit/(loss) attributable to minority interests | | | | | | | | | | | | | | | 624 | 294 |
| Net profit (loss) | | | | | | | | | | | | | | | 1,740 | 1,278 |
| Net profit (loss) from discontinued operations | | | | | | | | | | | | | | | - | - |
| Net profit (loss) on continued operations | | | | | | | | | | | | | | | 1,740 | 1,278 |

4. EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE, NOT DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q2 2008, WHICH COULD, HOWEVER, HAVE A MATERIAL BEARING ON THESE FINANCIAL STATEMENTS

After the date of these consolidated financial statements i.e. after June 30th 2008 the following events occurred that required disclosing in the financial statements, and required adjustments in the value of the deferred tax asset connected with the difference between the tax value and book value of shares in Promedis sp. z o.o.:

1. Impel SA's contribution of 100% Promedis sp. z o.o.'s shares to Tara Cosmetics B.V. of Amsterdam,
2. signing of a conditional sales contract for 100% shares of Promedis sp. z o.o.

The above-mentioned events have been described in detail in section 12 of this report.

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

The following factors and events may have a bearing on the Group's financial performance in the next quarter:

1. further outlay on implementation of the Integrated IT System,
2. the increased labour costs as a result of an increase in the national minimum earned income,
3. improved revenue resulting from higher prices of services, increased as a result of contract renegotiations conducted in Q1 2008,
4. sale of shares of Promedis sp. z o.o.

V. OTHER INFORMATION

1. RULES GOVERNING THE PREPARATION OF THE CONSOLIDATED QUARTERLY REPORT FOR Q2 2008

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

Basis for the preparation of the financial statements

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

- Polish Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694, as amended);
- International Financial Reporting Standards ("IFRS"), and relevant IFRS adopted by the EU. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC");
- Regulation of the Minister of Finance on current and periodic reports to be disclosed by issuers of securities, dated October 19th 2005 (Dz.U. No. 209, item 1744) and cover the period from January 1st 2008 to March 31st 2008.

Format of the financial statements

The report for Q2 2008 was prepared in a condensed form, and includes:

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

Figures in the financial statements are denominated in PLN '000. The comparable data were reviewed by a chartered auditor as part of the review of the financial statements for 2007.

1.2. Period covered by the financial statements

The consolidated financial statements and the non-consolidated financial statements cover the period of 6 months, i.e. from January 1st 2008 to June 30th 2008.

The data disclosed in the consolidated and non-consolidated balance sheet, and consolidated and non-consolidated off-balance-sheet items are accompanied by comparable consolidated financial data as at December 31st 2007.

The data disclosed in the consolidated and non-consolidated profit and loss accounts, the statements of changes in consolidated and non-consolidated equity, and the consolidated and non-consolidated cash-flow statements are accompanied by comparable financial data for the period from January 1st 2007 to June 30th 2007.

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

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

1.4. General information on the Issuer and its Group

As at June 30th 2008, the Impel Group (the "Impel Group" or the "Group") consisted of the Parent Undertaking Impel SA (the "Company" or the "Parent Undertaking" or the "Issuer"), 32 subsidiary undertakings consolidated with the full method, 1 co-subsidiary undertaking consolidated with the equity method, and 1 spółki wycenianej metodą praw własności.

1.5. Adopted accounting policies and computing methods

The accounting policies described in the annual report as at December 31st 2007 did not change in Q2 2008.

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

During the presented reporting period, Impel SA did not declare or pay dividend.

3. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES

During the presented reporting period, Impel SA and the Impel Group companies did not issue, redeem or repay any debt securities.

Concurrently, in the reporting period, under the three-year Incentive Scheme of Impel SA, none of the entitled persons acquired Series F ordinary shares.

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

4.1. Impel Group

Adjustments for provisions and valuation allowances for assets:

| | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|---|----------------------|----------|----------|----------------------|
| Valuation allowances for assets (4.1.1) | 32,749 | 2,600 | (5,190) | 30,159 |
| Deferred tax asset (4.1.2) | 18,799 | - | (1,962) | 16,837 |
| Deferred tax liability (4.1.2) | 622 | 51 | - | 673 |
| Provisions for liabilities (4.1.3) | 1,461 | 1,610 | (696) | 2,375 |
| Provisions for employee benefits (4.1.4) | 16,857 | 72,815 | (71,764) | 17,908 |
| Employee benefits in the form of shares (4.1.5) | 1,368 | - | - | 1,368 |

4.1.1. Valuation allowances for assets

| Valuation allowances: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|--|-------------------|--------------|----------------|-------------------|
| Valuation allowances for intangible assets, including goodwill | 8,041 | - | - | 8,041 |
| Valuation allowances for non-current assets | 2,296 | 36 | (96) | 2,236 |
| Valuation allowances for non-current investments | 1,557 | 365 | (1,208) | 714 |
| Valuation allowances for current investments | (31) | - | 61 | 30 |
| Valuation allowances for inventories | 616 | 10 | (522) | 104 |
| Valuation allowances for non-current receivables | - | - | - | - |
| Valuation allowances for current receivables | 20,244 | 2,189 | (3,425) | 19,008 |
| Valuation allowances for intangible assets, including goodwill | 26 | - | - | 26 |
| Total: | 32,749 | 2,600 | (5,190) | 30,159 |

4.1.2. Deferred tax asset and liability

The deferred tax asset cannot be offset against the deferred tax liability at the consolidated level, as each company of the Impel Group settles its income tax on business activities separately. As at June 30th 2008 and before they were offset at the company level, these items amounted to PLN 21,372,000 and PLN 5,208,000, respectively, whereas after the items were offset at the company level the respective figures were PLN 16,837,000 and PLN 673,000.

Compared with the balance as at December 31st 2007, the deferred tax asset changed in particular due to:

| Change in deferred tax assets, including : | As at Dec 31 2007 | Impact on Result | | As at Jun 30 2008 |
|---|-------------------|------------------|----------------|-------------------|
| | | Increase | Increase | |
| Provisions for salaries and wages (including: bonuses, jubilee bonus, and non-payroll remuneration) | 7,414 | | (425) | 6,989 |
| Provisions for retirement severance pays | 80 | 2 | | 82 |
| Provisions for unused holidays | 786 | 589 | - | 1,375 |
| Provisions for disputed claims | 196 | 113 | - | 309 |
| Provisions for contracted services | 464 | 717 | - | 1,181 |
| Valuation allowances for receivables | 482 | - | (44) | 438 |
| Interest on loans | 2,192 | - | (1,064) | 1,128 |
| Return of subsidies | 12 | - | (12) | - |
| Difference between tax and balance-sheet value of non-current assets and intangible assets | 1,199 | 94 | - | 1,293 |
| Tax losses | 8,301 | - | (420) | 7,881 |
| Other | 3,734 | - | (3,038) | 696 |
| Total: | 24,860 | 1,515 | (5,003) | 21,372 |

Whereas the deferred tax liability changed in particular due to the following items:

| Change in deferred tax liabilities, including: | As at Dec 31 2007 | Impact on Result | | As at Jun 30 2008 |
|--|-------------------|------------------|----------------|-------------------|
| | | Increase | Decrease | |
| Interest on loans | 2,541 | 83 | - | 2,624 |
| Provisions for subsidies | 1,153 | - | (558) | 595 |
| Provision for ZFŚS (Company Social Contribution Fund) | 1 | 152 | - | 153 |
| Accruals and deferred income | 195 | - | (115) | 80 |
| Difference between tax and balance-sheet value of non-current assets and intangible assets | 1,703 | - | (928) | 775 |
| Income on lease | - | - | - | - |
| Financed lease | 645 | - | (121) | 524 |
| Other | 445 | 12 | - | 457 |
| Total: | 6,683 | 247 | (1,722) | 5,208 |

Changes of the deferred tax asset and liability decreased the Group's result for Q2 2007 by the amount of PLN 1,272,000. The amount not affecting the financial result resulting from

the sale of subsidiary companies and change of shares in subsidiary companies to shares in the associated undertaking consolidated with the equity method amounted to PLN 741,000.

4.1.3. Provisions for future liabilities

| Change in provisions for future liabilities, including: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|---|-------------------|--------------|--------------|-------------------|
| Assigned receivables | 128 | 10 | (79) | 59 |
| Disputed claims against the Group companies | 908 | 1,153 | (402) | 1,659 |
| Other | 425 | 447 | (215) | 657 |
| Total: | 1,461 | 1,610 | (696) | 2,375 |

4.1.4. Provisions for employee benefits

| Change in provisions for employee benefits, including: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|--|-------------------|---------------|-----------------|-------------------|
| Unused holidays | 4,642 | 35,017 | (31,851) | 7,808 |
| Awards | 3,795 | 8,945 | (7,091) | 5,649 |
| Non-payroll remuneration | 7,802 | 28,491 | (32,444) | 3,849 |
| Retirement severance pays | 524 | 12 | (70) | 466 |
| Other | 94 | 350 | (308) | 136 |
| Total: | 16,857 | 72,815 | (71,764) | 17,908 |

4.1.5. Employee benefits in the form of shares

By March 31st 2008, the Company recognized cumulative costs of share-based payments to employees at PLN 1,368,000 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. The programme for employee benefits based on shares has been described in the supplementary information, note No. 16.

4.2 Impel SA

Adjustments for provisions and valuation allowances for assets:

| | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|---|-------------------|----------|----------|-------------------|
| Valuation allowances for assets (4.2.1) | 71,288 | 2,119 | (5,688) | 67,719 |
| Deferred tax asset (4.2.2) | 1,691 | 923 | - | 2,614 |
| Deferred tax liability (4.2.2) | - | - | - | - |
| Provisions for future liabilities (4.2.3) | 713 | 198 | (99) | 812 |
| Provisions for employee benefits (4.2.4) | 725 | 3,140 | (2,221) | 1,644 |
| Employee benefits in the form of shares | 1,368 | - | - | 1,368 |

4.2.1. Valuation allowances for assets

| Odpisy aktualizujące: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|--|-------------------|--------------|----------------|-------------------|
| Valuation allowances for intangible assets, including goodwill | - | - | - | - |
| Valuation allowances for non-current assets | - | - | - | - |
| Valuation allowances for non-current investments | 65,610 | 2,089 | (5,336) | 62,363 |
| Valuation allowances for current investments | (61) | - | 61 | - |
| Valuation allowances for inventories | 11 | - | (11) | - |
| Valuation allowances for current receivables | 5,728 | 30 | (402) | 5,356 |
| Valuation allowances for intangible assets, including goodwill | - | - | - | - |
| Total: | 71,288 | 2,119 | (5,688) | 67,719 |

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 June 30th 2008 these two items, before they were offset, stood at PLN 5,080,000 and PLN 2,466,000 respectively. Compared with the balance as at December 31st 2007, the deferred tax asset changed in particular due to the following reasons:

| Change in deferred tax assets, including: | As at Dec 31 2007 | Impact on Result | | As at Jun 30 2008 |
|---|-------------------|------------------|-------------|-------------------|
| | | Increase | Decrease | |
| Provisions for salaries and wages (including: bonuses, jubilee bonus, and non-payroll remuneration) | 301 | 149 | - | 450 |
| Provisions for retirement severance pays | 12 | - | - | 12 |
| Provisions for unused holidays | 29 | 36 | - | 65 |
| Provisions for disputed claims | 135 | 19 | - | 154 |
| Provisions for contracted services | 73 | 11 | - | 84 |
| Provisions for valuation allowances for receivables | 329 | - | (22) | 307 |
| Provisions for reimbursement of subsidies | - | - | - | - |
| Difference between tax and balance-sheet value of non-current assets and intangible assets | - | - | - | - |
| Tax losses | 3,268 | 705 | | 3,973 |
| Other | 79 | | (44) | 35 |
| Total: | 4,226 | 920 | (66) | 5,080 |

Whereas the deferred tax liability changed in particular due to the following items:

| Change in deferred tax assets, including: | As at Dec 31 2007 | Impact on Result | | As at Jun 30 2008 |
|---|-------------------|------------------|-------------|-------------------|
| | | Increase | Decrease | |
| Interest on loans and bonds | 2,394 | - | (23) | 2,371 |
| Provisions for subsidies | 51 | - | (18) | 33 |
| Provision for ZFŚS (Company Social Contribution Fund) | - | 2 | - | 2 |
| Other | 90 | - | (30) | 60 |
| Total: | 2,535 | 2 | (71) | 2,466 |

Changes of the deferred tax asset and liability increased the Group's net result by the amount of PLN 923,000.

4.2.3. Provisions for future liabilities

| Change in provisions for future liabilities, including: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|---|-------------------|------------|-------------|-------------------|
| Assigned receivables | - | - | - | - |
| Disputed claims against the Group companies | 713 | 198 | (99) | 812 |
| Total: | 713 | 198 | (99) | 812 |

4.2.4. Provisions for employee benefits

| Change in provisions for employee benefits, including: | As at Dec 31 2007 | Increase | Decrease | As at Jun 30 2008 |
|--|-------------------|--------------|----------------|-------------------|
| Unused holidays | 153 | 1,550 | (1,361) | 342 |
| Awards | 443 | 1,290 | (536) | 1,197 |
| Non-payroll remuneration | 64 | 298 | (324) | 38 |
| Retirement severance pays | 65 | - | - | 65 |
| Other | - | 2 | - | 2 |
| Total: | 725 | 3,140 | (2,221) | 1,644 |

5. SEASONAL, CYCLICAL AND OCCASIONAL REVENUE

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

6. EFFECTS OF CHANGES IN THE STRUCTURE OF THE BUSINESS UNDERTAKING OCCURRING IN THE SEMI-ANNUAL PERIOD, INCLUDING MERGERS, ACQUISITIONS OR SALE OF SUBSIDIARY UNDERTAKINGS OR LONG-TERM INVESTMENTS, RESTRUCTURINGS AND DISCONTINUED OPERATIONS

In the period under review, the above-mentioned events did not occur at the Impel Group.

7. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS AFTER THE END OF THE FINANCIAL YEAR 2007

The Impel Group has contingent liabilities resulting from the bank guarantees granted to the Group's clients by banks, and agreement performance bonds. The table below presents changes in the contingent liabilities by virtue of guarantees and sureties issued for the benefit of other entities which occurred after the end of 2007 and until June 30th 2008:

PLN '000

| Object of guarantee/surety | Value of liabilities by virtue of guarantees and sureties issued for the benefit of other entities as at Dec 31 2007 | Value of liabilities by virtue of guarantees and sureties issued for the benefit of other entities as at Jun 30 2008 |
|--|--|--|
| Impel SA | | |
| participation in tender, agreement performance bond (Kredyt Bank) | 3,037 | 2,850 |
| participation in tender, agreement performance bond (Pekao) | 1,471 | 1,421 |
| participation in tender, agreement performance bond (Deutsche Bank) | 1,000 | 567 |
| commitment under the guarantees issued for the benefit of Impel Security Provider sp. z o.o. (Pekao) | 118 | 0 |
| commitment under the guarantees issued for the benefit of Impel Security Polska sp. z o.o. (Pekao) | 10 | 10 |
| commitment under the guarantees issued for the benefit of Impel Delivery sp. z o.o. (Pekao) | 246 | 246 |
| commitment under the guarantees issued for the benefit of Impel Accounting sp. z o.o. (Pekao) | 80 | 80 |
| Total | 5,962 | 5,174 |
| Impel Security Polska sp. z o.o. | | |
| participation in tender, agreement performance bond (Kredyt Bank) | 4,627 | 2,540 |
| participation in tender, agreement performance bond (ING) | 521 | 1,187 |
| commitment under the guarantees issued for the benefit of Impel Cash Handling (ING) | 193 | 193 |
| participation in a tender, agreement performance bond (facility at Deutsche Bank for ISA, ISP and ICL) | 194 | 1,401 |
| Total | 5,535 | 5,321 |
| Impel Catering sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 2,801 | 2,801 |
| Total | 2,801 | 2,801 |
| Impel Delivery sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 23 | 119 |
| Total | 23 | 119 |
| Impel Cleaning sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 12,032 | 13,124 |
| participation in tender, agreement performance bond (facility at Deutsche Bank for ISA, ISP and ICL) | 0 | 634 |
| commitment under the guarantees issued for the benefit of DC System sp. z o.o. (Deutsche Bank) | - | 122 |

| | | |
|--|---------------|---------------|
| agreement performance bond | 10 | 10 |
| agreement performance bond | 10 | 10 |
| Total | 12,052 | 13,900 |
| Impel HR Service sp. z o.o. | | |
| agreement performance bond | 300 | - |
| tender guarantees, agreement performance bonds | 240 | 69 |
| Total | 540 | 69 |
| Impel Security Technologies sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 91 | 218 |
| | 91 | 218 |
| DC System sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 633 | 299 |
| Total | 633 | 299 |
| Promedis sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 301 | 301 |
| Total | 301 | 301 |
| Inter Serwis – Technika sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 586 | 1,060 |
| Total | 586 | 1,060 |
| Impel Cash Handling sp. z o.o. | | |
| agreement performance bond | 2,500 | 2,500 |
| Total | 2,500 | 2,500 |
| SaneChem Service sp. z o.o. | | |
| payment guarantee | 13 | - |
| tender guarantees, agreement performance bonds | 0 | 13 |
| Total | 13 | 13 |
| Impel Job Service sp. z o.o. | | |
| tender guarantees, agreement performance bonds | 42 | 198 |
| Total | 42 | 198 |
| TOTAL | 31,079 | 31,973 |

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

The existing loan sureties and guarantees issued to any entity or its subsidiary whose total value is equal to or higher than the equivalent of 10% of the equity of Impel SA as at June 30th 2008, are presented in the table below.

Sureties

The guarantor for sureties presented in the table below is Impel SA.

| Undertaking for which the surety was issued | Object of surety | Expiry date | Financial terms (remuneration Impel SA) | PLN '000 | |
|---|--------------------------------|-------------|---|-----------------------------------|--|
| | | | | Amount of surety in nominal terms | Amount of surety in real terms as at Jun 30 2008 |
| Impel Security Polska sp. z o.o. | bank loan from Kredyt Bank | Jun 30 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 10,400 | 3,373 |
| | bank loan from ING Bank Śląski | Jul 06 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 1,000 | 0 |
| | bank loan from ING Bank Śląski | Jan 23 2009 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 4,600 | 4,600 |
| | bank loan from Pekao | Dec 22 2007 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 4,000 | 0 |

| | | | | | |
|---------------------------|---|--|---|---------------|---------------|
| | guarantee facility from ING Bank Śląski | Jul 06 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 2,000 | 1,380 |
| | guarantee facility from Kredyt Bank | Jun 30 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 6,000 | 2,540 |
| | guarantee in the facility of Impel SA (Pekao) | Sep 30 2008 | quarterly fee of 0.5% of the guarantee amount | 10 | 10 |
| | Guarantee facility from Deutsche Bank for ISA ISP and ICL | Jul 01 2008 | quarterly fee of 0.5% of the guarantee amount | 15,000 | 1,401 |
| | operating lease from VW Leasing | individual agreements expire on different dates, from Jun 11th 2007 to Dec 11th 2009 | quarterly fee of 0.5% of the secured lease amount | 8,722 | 6,128 |
| | TOTAL | | | 51,732 | 19,432 |
| Impel Cleaning sp. z o.o. | bank loan from Kredyt Bank | Jun 30 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 3,000 | 0 |
| | bank loan from ING Bank Śląski | Jul 06 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 500 | 0 |
| | bank loan from PKO BP | Dec 31 2009 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 7,500 | 4,767 |
| | | | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 3,000 | 3,000 |
| | bank loan from Pekao | Feb 08 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 11,000 | 10,526 |
| | bank loan from ING Bank Śląski | Dec 13 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 14,400 | 14,400 |
| | guarantee facility from Kredyt Bank | Jun 30 2008 | quarterly fee of 0.5% of the amount drawn down as at beginning of quarter | 15,000 | 13,124 |
| | operating lease from VW Leasing | individual agreements expire on different dates, from Apr 11th 2008 to Feb 11th 2010 | quarterly fee of 0.5% of the secured lease amount | 16,519 | 11,377 |
| | Guarantee facility from Deutsche Bank for ISA ISP and ICL | Jul 01 2008 | quarterly fee of 0.5% of the guarantee amount | 15,000 | 756 |
| | TOTAL | | | 85,919 | 57,950 |

Guarantees

Total value of bank guarantees issued to the order and liability of the following:

PLN '000

| Guarantee | Object of guarantee | Guaranteed amount | Real value of liability duly guaranteed in whole or in part | Maximum guarantee period |
|--|---|-------------------|---|--------------------------|
| Impel SA | | | | |
| Kredyt Bank - guarantee facility | participation in tender, agreement performance bond | 5,000 | 2,850 | Jun 30 2012 |
| Deutsche Bank - credit facility of ISA, ISP, ICL - guarantees issued on behalf of Impel SA | participation in tender, agreement performance bond | 15,000 | 567 | Jun 30 2009 |
| Pekao – guarantees issued on behalf of Impel Security Polska sp. z o.o. as part of the guarantee facility of ISA | agreement performance bond | 6,000 | 10 | Sep 30 2008 |
| Pekao - guarantee facility as part of the current account loan | participation in tender, agreement performance bond | | 1,421 | May 31 2012 |

| | | | | |
|---|----------------------------|---------------|--------------|-------------|
| Pekao - guarantees issued on behalf of Impel Delivery sp. z o.o. as part of the guarantee facility of ISA | agreement performance bond | | 246 | Jun 13 2010 |
| Pekao - guarantees issued on behalf of Impel Accounting sp. z o.o. as part of the guarantee facility of ISA | agreement performance bond | | 80 | Jun 30 2010 |
| TOTAL | | 26,000 | 5,174 | |

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

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

In Q1 2008 apart from typical and routine transactions effected by the Impel Group with related parties at arm's length, the nature and conditions of which result from the current operating activity, both Impel SA and subsidiary undertakings concluded loan agreements the total value of which, as of the beginning of the accounting year, exceed the PLN equivalent of EUR 500,000. The table below presents the specification of the said loans as at June 30th 2008:

PLN '000

| Lender | Borrower | Total value of loans granted as at Jun 30 2008 | Highest value loan | | | | |
|----------|----------------------------------|--|--------------------|----------------------------------|----------------|--|-------------------------------|
| | | | Loan value | Significant financial conditions | Repayment date | Collateral | Nature of relations |
| Impel SA | HR for Business sp. z o.o. | 9,500 | 4,500 | WIBOR1M+ margin | Dec 31 2009 | blank promissory note with declaration | direct subsidiary undertaking |
| | HR for Business sp. z o.o. | | 2,500 | WIBOR1M+ margin | Dec 31 2009 | blank promissory note with declaration | direct subsidiary undertaking |
| | HR for Business sp. z o.o. | | 2,500 | WIBOR1M+ margin | Dec 31 2009 | blank promissory note with declaration | direct subsidiary undertaking |
| Impel SA | Impel Security Polska sp. z o.o. | 4,081 | 4,081 | WIBOR1M+ margin | Dec 31 2009 | blank promissory note with declaration | direct subsidiary undertaking |

Non-typical transactions concluded between related undertakings within the Impel Group, which occurred in Q2 2008, and exceeded the equivalent of EUR 500,000 also involved:

- redemption, on June 23rd 2008, from Promedis sp. z o.o. 3.5 million bearer bonds issued by Impel Cleaning sp. z o.o. in 2006 for the amount of PLN 3,530,156,
- contribution, on June 25th 2008, of subsidies to the shares of Impel HR Service sp. z o.o. in the amount of PLN 1,635 per one share, i.e. PLN 5,967,750 in total,
- sale, on June 25th 2008, by Promedis sp. z o.o. of a property located in ul. Rękodzielnicza 16 to Impel HR Service sp. z o.o. for the amount of PLN 5,850,000.

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

For 2008 the Management Board of Impel SA did not publish any forecasts for Impel SA financial results or the Group's consolidated financial results.

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

In Q2 2008 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 towards any customer or its capital group, whose unit or aggregate value would equal or exceed 10% of Impel's equity.

12. INFORMATION ON ACHIEVEMENTS OF IMPEL SA AND THE IMPEL GROUP AS WELL AS OTHER INFORMATION MATERIAL FOR THE ASSESSMENT OF THE PERSONNEL, ECONOMIC, OR FINANCIAL STANDING OF IMPEL SA AND THE IMPEL GROUP

12.1 CONTINUATION OF PROJECTS IN THE IMPEL GROUP

Concentration of Property Development Activity – Finishing the 2nd Stage of the Execution of the Investment Agreement

Under the provisions of the Investment Agreement regulating the process of increasing the capital of Vantage Development SA, on April 11th 2008 Impel SA and Vantage Development SA entered into an Agreement on the acquisition of shares in the increased share capital together with an agreement on the transfer of non-cash contributions; the scope of the agreement was the acquisition by Impel SA of 1,681,095 new registered series D shares in the increased share capital of Vantage Development SA, with a par value of PLN 2.48 per share, for the issue price of PLN 32.40 per share and the total issue price of PLN 54,635,587.50.

Impel SA acquired 1,681,095 shares in Vantage Development SA in exchange for non-cash contribution in the form of:

- 3,000 shares of Impel Real Estate sp. z o.o. seated in Wrocław, with a par value of PLN 500 per share, representing 100% of the total share capital of the Company – the market value of the above contribution was estimated at PLN 38,635,418.75 using the adjusted net asset method,
- 100 shares of IPD Centrum sp. z o.o. seated in Warsaw, with a par value of PLN 500 per share, representing 100% of the total share capital of the Company – the value of the above contribution was estimated at PLN 116,868.32 using the adjusted net asset method,
- 100 shares of IPD Południe sp. z o.o. seated in Kraków, with a par value of PLN 500 per share, representing 100% of the total share capital of the Company – the market value of the above contribution was estimated at PLN 56,852.45 using the adjusted net asset method,
- 1,000,000 registered shares numbered from 1 to 1,000,000, of Centauris IPD Invest sp. z o.o. S.K.A. (partnership limited by shares) seated in Wrocław, with a par value of PLN 10 per share, representing 50% of the total share capital of the Company – the market value of the above contribution was estimated at PLN 15,826,468.61 using the adjusted net asset method.

The value of the non-cash contributions made and the determination of the parity for exchanging the shares for Vantage shares have been favourably reviewed by a chartered auditor assigned by the District Court for Wrocław - Fabryczna in Wrocław, 6th Economic Section of the National Court Register.

As a result of execution of the 2nd stage of the Agreement, the share capital of Vantage Development SA was increased from the amount of PLN 3,989,895.92 to the amount of PLN 16,073,115.60. After the registration of the increase in share capital, which took place on May 9th 2008, Impel SA holds 25.94% of shares.

The most important events which occurred in the Vantage Group are:

- concluding a contract with a design office for the execution of the design of the 1st stage of the Promenady Wrocławskie housing estate on a property located in ul. Rychtalska in Wrocław,
- obtaining a permit for the construction of the 1st stage of the Centauris housing estate in ul. Ślężna in Wrocław,
- commencing construction works on the infrastructure of the Słoneczne Sady housing estate of single-family houses in Sadków near Wrocław.

Implementation of the Integrated IT System (ZSI) – Finishing the 1st Stage of the Project

In the reporting period, the 1st stage of implementation of the integrated IT System, treated as the commencement of the implementation of the full operating range of the System, was finished.

As at July 1st 2008, the Impel Group started work in SAP, in accordance with the schedule. and based on the decision of the Management Board of Impel SA

All modules working in the HR area were started – HR, payroll, working time, structure, training and e-learning, and Contact Center, in the first stage including Impel IT (Help Desk).

The implementation of the Integrated IT System aims, on the one hand, to build a common information database, and on the other hand – what is very important – to make it possible to manage through process optimisation. The advantages of this implementing will include complete information about the company's clients, communication and negotiations with them, current control over the quality of customer service, complete integration of the payroll system and the working time management system, and monitoring of the process of concluding contracts of mandate and annexes.

12.2 IMPACT OF INCREASE IN NATIONAL MINIMUM WAGE ON EXPENSES OF IMPEL GROUP COMPANIES

In connection with the Directive of the Cabinet of Ministers of July 25th 2008 (M.P.08.55.499) on the National Minimum Wage in 2009, which will be PLN 1,276 (gross amount), the Management Board of Impel SA reports that, based on its analyses, the Board became aware of the Directive's impact on the future consolidated results of the Impel Group, as compared with the present conditions the Group is operating in.

Based on the analysis, it is anticipated that the change in the minimum wage with regard to the consolidated results of the entire Group, in the current market conditions, will result in an increase of the total cost of wages in the Impel Group by about 4.5%. The influence of the Directive varies depending on individual segment of the Group's operations. The change will particularly affect the service segments of the Impel Group, i.e. the labour intensive ones, where the level of the increase will be proportional to the increase in the national minimum wage.

Concurrently, the Management Board of Impel SA reports that, in order to minimize the impact of changes in the minimum wage on the results of the Impel Group, the Group companies are renegotiating terms of their contracts with clients, so as to take account of the wage rate revaluation, which is dependent upon macroeconomic factors in Poland.

12.3 AGREEMENTS OF SIGNIFICANT VALUE

Conclusion of Significant Agreements with Kredyt Bank SA

On May 1st 2008 Impel Cash Handling Sp. z o.o. and Kredyt Bank SA concluded two significant agreements, under which Impel Cash Handling will provide cash-in-transit and cash handling services.

The cash-in-transit agreement was concluded for 36 months. The estimated monthly value of the agreement is PLN 875,000 i.e. approx. PLN 31.5 million over the next 3 years.

The cash handling agreement was concluded for 36 months. The estimated monthly value of the agreement is PLN 800,000 i.e. approx. PLN 28.8 million over the next 3 years.

The agreements represent continuation of the ongoing cooperation between Impel Cash Handling and Kredyt Bank SA. Under the deal, all 390 outlets across the country and over 3,500 ATMs of the Bank will be provided with the services.

Disposal of 100% Promedis Sp. z o.o. Shares

On August 7th 2008, Tara Cosmetics B.V. of Alkmaar, Holland (wholly owned by the Issuer), Promedis Sp. z o.o. of Wrocław (indirectly wholly owned by the Issuer), Impel SA and Lux Med Sp. z o.o. of Warsaw entered into a sales contract under which Tara Cosmetics B.V. sold 100% shares of Promedis Sp. z o.o. to Lux Med Sp. z o.o. (hereinafter referred to as the Contract).

The share disposal price was initially established at PLN 37,000,000. A certified auditor will establish any possible price adjustment by October 31st 2008, allowing for net debt, changes in working capital and undepreciated investments within the period from January 1st to July 31st 2008. The Management Board of Impel SA estimates that the adjusted price should not fall below PLN 34,000,000.

Transfer of share ownership will be effected as from the date the bank account of Tara Cosmetics B.V. is credited with the amount of PLN 34,500,000 (i.e. the initially established price less the deposit). Money transfer order of that amount should be placed by August 31st 2008, at the latest.

The Contract includes assurances of Tara Cosmetics B.V., Impel SA and Promedis Sp. z o.o., and provides for their liability for untrue assurances to the extent generally applicable.

The Contract also contains a suspensive condition applicable if Lux Med Sp. z o.o. fails to deliver to the Issuer a notification on any material negligence found while examining dealings of Promedis Sp. z o.o. within the period until August 28th 2008.

12.4 NEW COMPANIES IN THE IMPEL GROUP

Establishment of Sanpro - ATP sp. z o.o.

Sanpro-APT sp. z o.o. z , a company with its business seat in Wrocław, was established on April 7th 2008. The shareholders of the newly established company are:

- Impel Job Service sp. z o.o. (company wholly owned by the Issuer), which acquired 99 equal and indivisible shares with a par value of PLN 500 per share, for the total amount of PLN 49,500. The acquired shares constitute 99% of the share capital of Sandro-APT sp. z o.o. and confer Impel Job Service sp. z o.o. the right to 99% of the votes at the shareholders meeting;
- Sanpro PTS sp. z o.o. (company wholly owned by the Issuer), which acquired 1 share with a par value of PLN 500, for the total amount of PLN 500. The acquired share constitutes 1% of the share capital of Sandro-APT sp. z o.o. and confers Sandro-PTS sp. z o.o. the right to 1% of the votes at the shareholders meeting.

On June 22nd 2008, Impel Job Service sp. z o.o. redeemed from Sanpro PTS sp. z o.o. 1 share of Sanpro APT sp. z o.o. for the price of PLN 500.

The business profile of Sanpro-APT sp. z o.o. is temporary work agency.

Acquisition of Shares in Praxima Hotel Serwis Sp. z o.o.

On July 28th 2008, Impel Delivery Sp. z o.o. (wholly owned by the Issuer) and BERKEN SA of Warsaw and a natural person entered into sales contracts concerning shares of Praxima Hotel Serwis Sp. z o.o. with its registered office in Alwernia near Krakow (hereinafter referred to as the Company).

Impel Delivery acquired shares with a par value of PLN 900 per share, and the total par value of PLN 1,092,600. The shares are equal and non-divisible, and represent 51.05% of the company's share capital and entitle Impel Delivery to 51.05% votes at GM.

The shares were purchased for PLN 2,700,000. The acquired shares, treated as a long-term investment, were financed with a loan advanced by Impel SA from Impel SA's public issue proceeds intended for allocated for acquisitions.

Praxima Hotel Serwis Sp. z o.o. provides laundry services, mainly for hotels within the regions of Małopolska and Upper Silesia. The Company will be used in the JB-3 Business Unit (Distribution), in Laundry Product Line.

Acquisition of Shares in Tara Cosmetics B.V.

On July 29th 2008, Impel SA and Brave Knight Corporation N.V. with its registered office in the Netherlands Antilles entered into a sales contract concerning shares of Tara Cosmetics B.V. (limited liability company) with its registered office in Alkmaar, Holland (hereinafter referred to as the Company).

Impel SA acquired 180 shares with a par value of EUR 100 (PLN 322.52) per share, and the total par value of EUR 18,000 (PLN 58,053.60). The shares represent 100% of the Company's share capital and entitle Impel SA to 100% votes at GM.

The purchase price of the shares was EUR 21,500 (PLN 67,729.20). The acquired shares, considered a long-term investment, were financed with Impel SA's own resources.

Tara Cosmetics B.V.'s business will involve conducting capital operations on the financial assets of selected companies of the Impel Group.

The calculation of EUR into Polish zloty was made based on the average exchange rate quoted by the National Bank of Poland as at the date of the transaction i.e. July 29th 2008.

12.5 COMPANIES SOLD

Disposal of shares in Inter Serwis Sp. z o.o.

On April 4th 2008, Impel Cleaning Sp. z o.o. (wholly owned by the Issuer) and a natural person entered into a Share Disposal Agreement concerning shares of Inter Serwis Sp. z o.o. of Wrocław (wholly owned by Impel Cleaning Sp. z o.o.).

Under the agreement, Impel Cleaning sold 200 equal and indivisible shares of par value PLN 500 each and the total par value of PLN 100,000. The shares represent 100% of the share capital of Inter Serwis Sp. z o.o. The disposal price of the above-mentioned shares was PLN 150,000.

The disposal of shares in the company results from Impel Cleaning's strategy involving reductions in provision of the services with low technological regimen, and conducting business based on cooperation with trade subcontractors.

Disposal of Shares in IPD Invest Sp. z o.o. and non-cash contribution to Vantage Development SA in the form of shares

On April 11th 2008, a Share Acquisition Agreement was signed by and between Impel SA and Vantage Development SA. Under the agreement, Impel SA will acquire shares in the increased share capital of Vantage in return for a transfer of non-cash contribution.

Impel SA will acquire 1,681,095 new series D registered shares of Vantage in its increased share capital. Par value of one share is PLN 2.48, its issue price is PLN 32.50 and the total value of the issue is PLN 54,635,587.50.

Impel SA will acquire Vantage Development's shares in return for a transfer of non-cash contribution in the form of shares of property development companies. Detailed information on the above-mentioned transaction is given in section 12.1 of this report.

On April 18th 2008, a Share Disposal Agreement – concerning the sale of shares in IPD Invest Sp. z o.o. of Wrocław (in which Impel SA holds 50% shares) – was concluded by and between Impel SA and Vantage Development SA, hereinafter referred to as "Vantage".

Under the agreement, Impel SA sold to Vantage 50 equal and indivisible shares of PLN 500 per share, and total par value of PLN 25,000, representing 50% of the share capital of IPD Invest Sp. z o.o. The disposal price of the shares was 25,000.

The disposal of the shares by Impel SA is connected with completion of Stage 2 of the Investment Agreement, described in section 12.1 of this report.

Disposal of shares in DC System Polska Sp. z o.o.

On June 16th 2008, Impel Cleaning Sp. z o.o. (wholly owned by the Issuer) and two natural persons entered into a Share Disposal Agreement concerning shares of DC System Polska Sp. z o.o. (wholly owned by Impel Cleaning Sp. z o.o.).

Under the agreement, Impel Cleaning sells to the two natural persons 6,000 equal and indivisible shares of par value PLN 100 each and the total par value of PLN 600,000. The shares represent 100% of DC System Polska's share capital, and 100% of the total number of votes at that company's GM. The total disposal price of the above-mentioned shares was PLN 496,500.

The transfer of ownership to the shares occurred on July 18th 2008, when the last condition was met.

The disposal of shares in DC System Polska Sp. z o.o. results from the Company's strategy involving reductions in direct provision of the services, and conducting business based on cooperation with independent trade subcontractors.

12.4 INTERNAL RESTRUCTURING OF CAPITAL STRUCTURES IN THE IMPEL GROUP

Acquisition of 100% shares of Pi sp. z o.o. by Impel Delivery sp. z o.o.

On June 10th 2008, Impel SA sold 4,784 shares of Pi Sp. z o.o. to Impel Delivery. The acquired shares with a par value of PLN 500 per share, and the total par value of PLN 2,374,000, are equal and non-divisible, and represent 100% of Pi's share capital, and 100% of the total number of votes at that company's GM. The disposal price of the above-mentioned shares was established at PLN 58,920. The purchase of the shares was financed with the Impel Delivery's own resources.

The above-mentioned transaction is connected with the internal restructuring and organization of capital structure and services within the Impel Group, and was carried out due to planned development of logistic activities within the JB-3 Distribution Business Unit.

Impel SA's Contribution of 100% Shares of Promedis sp. z o.o. to Tara Cosmetics B.V.

On August 5th 2008, a transaction was concluded under which Impel SA contributed 100% shares of Promedis Sp. z o.o. of Wrocław to Tara Cosmetics B.V. of Amsterdam (both companies being wholly owned by the Issuer), in return for 1 share with a par value of EUR 100 (PLN 321.92).

Impel SA contributed 25,940 shares with a par value of PLN 500 per share, and the total par value of PLN 12,970,000. The shares are equal and non-divisible, and represent 100% of Promedis Sp. z o.o. share capital, entitling their holder to 100% votes at the company's GM.

The value of the contributed assets, as reported in the accounting records of Impel SA, was PLN 4,839,572.01, as at July 31st 2008.

As a result of the transaction, Impel SA holds 181 shares of Tara Cosmetics B.V. with a par value of EUR 100 (PLN 321.92) per share, and the total par value of EUR 18,100 (PLN 58,267.52). Both before and after the contribution Impel SA has held 100% of Tara Cosmetics B.V shares and 100% votes at that company's GM.

The calculation of EUR into Polish zloty was made based on the average exchange rate quoted by the National Bank of Poland as at the date of the transaction i.e. August 5th 2008.

12.5 GENERAL SHAREHOLDERS MEETING OF IMPEL SA

On May 19th 2008, a General Shareholders Meeting of Impel SA was held, which adopted resolutions, among others, on approving the Management Board's report on operations of the Company and the Impel Group, and the consolidated financial statements for the accounting year from January 1st 2007 to December 31st 2007, allocation of the financial result for the year 2007, changes in the Company's Articles of Association, and changes in the composition of the Supervisory Board of Impel SA.

12.6 UTILISATION OF FUNDS OBTAINED FROM SHARE ISSUE

As at the date of issue of this report, out of PLN 159,939,000 raised from the public issue of series D, E, and F shares, PLN 20,441,000 was left, including PLN 11,189,000 allocated for the acquisition within the core business sector.

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

As at the date of this report, the share capital of Impel SA amounted to 75,707,310 and was divided into 15,141,462 shares with a par value of PLN 5.00 per share.

The table below presents a list of the shareholders holding at least 5% of the vote at the GM of Impel SA as at the date of this report, taking into account the current level of the share capital of Impel SA:

| Shareholder | Number of shares | Holding in the share capital | No of votes | Share in the total vote |
|---|------------------|------------------------------|-------------|-------------------------|
| Grzegorz Dzik | 5,037,907 | 33.25% | 7,887,907 | 39.14% |
| Józef Biegaj | 3,800,555 | 25.08% | 5,950,555 | 29.53% |
| Trigon Active Alpha Fund + Trigon Central and Eastern European Fund | 2,051,842 (3) | 13.54% | 2,051,842 | 10.18% |
| <i>Trigon Active Alpha Fund</i> | 1,437,962 | 9.49% | 1,437,962 | 7.14% |
| Pioneer Pekao Investment Management SA działający w imieniu Pioneer Pekao TFI S.A | 1,964,708 (2) | 12.97% | 1,964,708 | 9.75% |
| Merrill Lynch Investment Managers Group Limited | 1,171,701(1) | 7.73% | 1,171,701 | 5.81% |

(1) according to the notification received by the Company on October 11th 2005

(2) according to the notification received by the Company on November 23rd 2007

(3) according to the notification received by the Company on January 16th 2008

14. CHANGES IN THE COMPOSITION OF THE MANAGING AND SUPERVISING BODIES OF IMPEL SA IN Q2 2008 AND UP-TO-DATE

Management Board

On May 19th 2008, the Company's Supervisory Board appointed Mr Józef Biegaj to the post of a Member of the Management Board for another three-year term.

As at the date of submitting this report, i.e. on August 12th 2008, the composition of the Management Board of Impel SA was as follows:

| Function in the Management Board | Composition |
|--|----------------------|
| President of the Management Board | Grzegorz Dzik |
| Vice President of the Management Board | Józef Biegaj |
| | Wojciech Rembikowski |

Supervisory Board

On May 18th 2008, Mr Sylwester Cacek resigned from the post of a member of the Supervisory Board. Mr Sylwester Cacek justified his resignation by citing new duties and his permanent residence outside Poland.

On May 19th 2008, the General Shareholders Meeting appointed Mr Piotr Urbańczyk to the post of a Member of the Supervisory Board of Impel SA.

As at the date of submitting this report, i.e. on August 12th 2008, the composition of the Supervisory Board of Impel SA was as follows:

| Function in the Supervisory Board | Composition |
|--|----------------------|
| Chairman of the Supervisory Board | Krzysztof Obłój |
| Vice Chairman of the Supervisory Board | Andrzej Malinowski |
| Members of the Supervisory Board | Piotr Urbańczyk |
| | Piotr Pawłowski |
| Secretary of the Supervisory Board | Mariusz Matlakiewicz |

Proxies

In Q2 2008 and by the date of submitting this report there were no changes in the composition of Proxies of Impel SA. As at the date of submitting this report, i.e. on August 12th 2008, Mr. Bogusław Szyszka is the sole proxy of Impel SA.

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

According to the Company's knowledge, in the period following the submission of the previous quarterly report, i.e. from May 8th 2008, to the date of publication of this report, i.e. to August 12th 2008, there were no changes in holdings of Impel SA shares by Members of the Issuer's Management Board and Supervisory Board and Proxies of Impel SA.

| | No of shares as at the date of publication of Q1 2008 report (May 8th 2008) | Acquisition | Disposal | No of shares as at the date of publication of Q2 2008 report (August 12th 2008) |
|--------------------------|--|-------------|-----------|--|
| Management Board | | | | |
| Grzegorz Dzik | 5,037,907 | no change | no change | 5,037,907 |
| Józef Biegaj | 3,800,555 | no change | no change | 3,800,555 |
| Wojciech Rembikowski | 14,343 | no change | no change | 14,343 |
| Bogusław Szyszka | - | - | - | - |
| Supervisory Board | | | | |
| Krzysztof Oblój | - | - | - | - |
| Piotr Pawłowski | - | - | - | - |
| Piotr Urbańczyk | - | - | - | - |
| Andrzej Malinowski | - | - | - | - |
| Mariusz Matlakiewicz | - | - | - | - |

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

| Date | Name | Position | Signature |
|-------------|----------------------|--|-----------|
| Aug 12 2008 | Grzegorz Dzik | President of the Management Board | |
| Aug 12 2008 | Józef Biegaj | Vice President of the Management Board | |
| Aug 12 2008 | Wojciech Rembikowski | Vice President of the Management Board | |
| Aug 12 2008 | Dariusz Rutowicz | Accounting Director | |