

## **Position on Press Articles Challenging the Reliability of Information Disclosed to Investors by the Executive Board of Impel SA**

### **Current Report No. 69/2004 of November 26<sup>th</sup> 2004**

In the light of press articles challenging the reliability of information disclosed in the Issue Prospectus and the diligence with which the Company fulfils its disclosure obligations, the Executive Board would like to present its position:

1. In line with the information published earlier (Current Report No. 49/2004 of July 22<sup>nd</sup> 2004), the Company's Issue Prospectus was prepared with due care and in accordance with the applicable laws and regulations. It provided an accurate description of legal aspects of the Company's regulatory environment which could prove material to its financial performance. Those provisions were reviewed by the Company's legal and financial advisors. Furthermore, the provisions contained therein on government aid to employers of the disabled were in line with the positions presented by the state administration authorities.
2. The accuracy of the information contained in the Issue Prospectus and the diligence with which the Company has fulfilled its disclosure obligations relating to the publication and cancellation of financial forecasts was analysed by the Polish Securities and Exchange Commission. As reported (Current Report No. 62/2004 of October 21<sup>st</sup> 2004), in a letter to Impel SA, dated October 18<sup>th</sup> 2004, the Polish SEC stated that "the information presented by the Executive Board of Impel SA in the Issue Prospectus, as at the date of the Issue Prospectus and as at the date it was updated, relating to changes in the legal regulations concerning granting aid to supported employers of the disabled, was presented in accordance with the best knowledge of the Executive Board of Impel SA and supported with opinions of state administration authorities". Thus, in the opinion of the Polish SEC, investors acquiring shares as part of the IPO were duly informed of the current legal situation, and of any potential investment risks connected with the possible amendment of regulations applicable to the Company's operations. Furthermore, the Polish SEC determined that in cancelling the previously-published financial forecasts, Impel SA had not violated any applicable laws or regulations.
3. Raising funds to repurchase the Company shares for retirement was one of the objectives of the share issue. The Issue Prospectus provided a detailed description of this objective; and furthermore, the Company informed the public through numerous venues of the fact that the shares would be repurchased after being introduced to public trading. The procedure governing the repurchase and retirement of the shares was described in detail in Section 5.1.4 of Chapter 1 of the Issue Prospectus. Meanwhile, the steps taken by the Company, including adoption of a Resolution by the General Shareholders Meeting, the repurchase price and number of repurchased shares, was fully in line with the information disclosed in the Issue Prospectus.

4. The 2004 financial forecast released on February 26th 2004 reflected the Company's best knowledge as at the date of its publication. The new financial forecast released on November 15th 2004 (Current Report No. 64/2004) accounted for a number of events material to the forecasted results, which the Company could not have foreseen as at the date of the publication of its original forecast, primarily the government's two amendments to the regulations governing aid to employers of the disabled and the restructuring programme prompted by the regulatory changes.
5. The Company has informed investors of material changes in the Company's legal environment on an ongoing basis. After the publication of Regulation of the Polish Council of Ministers of May 18th 2004, we published relevant information (Current Report No. 40/2004 of May 28th 2004). The impact of the sudden, unexpected and unclear regulatory change on the Company's operations could not be quickly assessed. Following completion of a preliminary analysis and upon obtainment of positions of the relevant administrative authorities, we reported (Current Report No. 45/2004 of July 9th 2004) on the significant reduction in the value of subsidies, cancellation of the previously-published financial forecasts, and the initiation of the restructuring programme. Then, after we assessed the initial results of the restructuring programme and the government reintroduced the method, clear to the Company, of the lump-sum determination of subsidies, we released information on the issued Regulation of the Polish Council of Ministers of October 12th 2004 (Current Report No. 63/2004 of November 2nd 2004) and a new forecast of the Group's financial results (Current Report No. 64/2004 of November 15th 2004).

*Art. 81.1.2 and Art. 97.2.4.a of the Polish Securities Act*