



The Management Board of

IMPEL SA

releases the Consolidated Quarterly Report
for the first quarter of 2007

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

Impel SA is the Parent Undertaking of the Impel Group.

Composition of the Group (by Business Units), as at the date of these financial statements.

No	Name and form of incorporation	Registered office	Business profile	Type of relation	Shareholders	Consolidation as at Mar 31 st 2007
1.	Impel SA	Wrocław	supervision and management of the Impel Group	Parent Undertaking	33.50% Grzegorz Dzik; 25.27% Józef Biegaj; 41.23% other shareholders	yes
Business Unit 1 – Facility Management						
2.	Impel Cleaning sp. z o.o.	Wrocław	cleaning services	direct subsidiary undertaking	100% Impel SA	yes
3.	DC System sp. z o.o.	Warsaw	cleaning services	indirect subsidiary undertaking	100% Impel Cleaning sp. z o.o.	yes
4.	DC System Polska sp. z o.o.	Warsaw	cleaning services	indirect subsidiary undertaking	100% DC System sp. z o.o.	yes
5.	Inter - Serwis sp. z o.o.	Warsaw	cleaning services	indirect subsidiary undertaking	100% Impel Cleaning sp. z o.o.	yes
6.	SaneChem Service sp. z o.o.	Łomianki	cleaning services	indirect subsidiary undertaking	100% Impel Cleaning sp. z o.o.	yes
7.	GP Bis sp. z o.o. (1)	Warsaw	facility management	indirect subsidiary undertaking	100% Impel Cleaning sp. z o.o.	yes
8.	Serviks Riga SIA	Riga (Latvia)	cleaning services	direct subsidiary undertaking	66.99% Impel SA 33.01% Aivars Garancs	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.	Red Point Security sp. z o.o.	Katowice	manned and electronic security of property	indirect subsidiary undertaking	100% Impel Security Polska sp. z o.o.	yes
14.	Black Oak Security sp. z o.o.	Warsaw	manned and electronic security of people and property	indirect subsidiary undertaking	100% Impel Security Polska sp. z o.o.	yes
15.	Bankowy Dom Faktor sp. z o.o.	Warsaw	property security services, management of industrial and commercial facilities	indirect subsidiary undertaking	100% Impel Security Polska sp. z o.o.	yes
16.	North Ochrona sp. z o.o.	Gdańsk	security services	indirect subsidiary undertaking	100% Impel Security Polska sp. z o.o.	yes
17.	Przedsiębiorstwo Specjalistyczne Asekuracja sp. z o.o.	Warsaw	cash processing	indirect subsidiary undertaking	51% Impel Security Polska sp. z o.o., 49% third parties unrelated to the Impel Group	yes
Business Unit 3 – Employees Service						
18.	Impel HR Service sp. z o.o.	Wrocław	temporary work agency	direct subsidiary undertaking	100% Impel SA	yes
19.	LCC sp. z o.o.	Wrocław	temporary work agency	indirect subsidiary undertaking	1% Impel SA 99% Impel HR Service sp. z o.o.	yes
20.	Sanpro - PTS sp. z o.o.	Warsaw	cleaning services	indirect subsidiary undertaking	100% Impel HR Service sp. z o.o.	yes

21.	Promedis sp. z o.o.	Wrocław	healthcare services	direct subsidiary undertaking	100% Impel SA	yes
22.	PI sp. z o.o.	Wrocław	training services	direct subsidiary undertaking	75% Impel SA, 25% third party unrelated to the Impel Group	yes
Business Unit 4 – Distribution						
23.	Impel Rental sp. z o.o.	Wrocław	laundry and rental services	direct subsidiary undertaking	100% Impel SA	yes
24.	Impel Perfekta sp. z o.o. (2)	Wrocław	laundry services	co-subsiary undertaking	50% Impel Rental sp. z o.o. 50% Perfekta Beteiligungsgesellschaft mbH	yes
25.	Krakpol sp. z o.o. (3)	Niepołomice	laundry services	indirect subsidiary undertaking	34.2% Impel Rental sp. z o.o., 65.8% third parties unrelated to the Impel Group (7)	yes
26.	TeleBT sp. z o.o.	Wrocław	telecommunication audit, telecom infrastructure management	indirect subsidiary undertaking	80% Impel Rental sp. z o.o., 20% third parties	yes
27.	Wena Floor System sp. z o.o.	Wrocław	installation, rental and maintenance of flooring	indirect subsidiary undertaking	80% Impel Rental sp. z o.o., 20% Wena SA	yes
28.	Impel Catering sp. z o.o.	Wrocław	catering (preparation and delivery of food)	direct subsidiary undertaking	100% Impel SA	yes
Business Unit 5 – Property Development						
29.	Impel Real Estate sp. z o.o.	Wrocław	facility management,	direct subsidiary undertaking	100% Impel SA	yes
30.	IPD Centrum sp. z o.o.	Warsaw	property development services	direct subsidiary undertaking	100% Impel SA	yes
31.	IPD Południe sp. z o.o.	Kraków	property development services	direct subsidiary undertaking	100% Impel SA	yes
32.	IPD Zachód sp. z o.o.	Wrocław	property development services	direct subsidiary undertaking	100% Impel SA	yes
33.	BNM Impel SA sp.j.	Wrocław	property development services	co-subsiary undertaking	50% Impel SA, 50% BNM3 sp. z o.o.	yes
Business Unit 6 – Management of Service Delivery						
34.	Open Property Management sp. z o.o.	Warsaw	management of service deliveries to clients	direct subsidiary undertaking	100 % Impel SA	yes
Other						
35.	Impel IT sp. z o.o.	Wrocław	telecommunication and IT services	direct subsidiary undertaking	100% Impel SA	yes
36.	HR for Business sp. z o.o. (4)	Wrocław	consulting in the scope of configuration and implementation of integrated IT systems	direct subsidiary undertaking	100% Impel SA	no
37.	Hanka SA in bankruptcy	Legnica	manufacture of underwear	-	3.3% Impel SA	no
38.	HSW Zakład Ciągarnia sp. z o.o. in bankruptcy	Stalowa Wola	manufacture of metallurgical products	-	0.3% Impel SA	no

- (1) On November 28th 2006 Impel Cleaning sp. z o.o. acquired 99.38% of GP Bis sp. z o.o. shares from Impel SA, and the remaining 0.62% on January 4th 2007;
- (2) Company consolidated with the equity method;
- (3) Due to the acquisition of preference shares (2:1 voting rights), Impel Rental sp. z o.o. holds 51% votes at the General Meeting of Krakpol sp. z o.o.;
- (4) Acquisition of shares on April 18th 2007.

The above breakdown does not include those 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 AND IMPEL SA

1. CONSOLIDATED BALANCE SHEET

ASSETS		Mar 31 st 2007 PLN'000	Dec 31 st 2006 PLN'000
I.	Non-current assets (items 1-7)	156,020	139,118
1.	Goodwill	19,293	16,312
2.	Other intangible assets	9,697	9,942
3.	Property, plant and equipment	76,803	78,381
4.	Investment property	13,948	4,963
5.	Intangible assets held as investments	16,231	11,388
6.	Financial assets (6a+6b+6c+6d)	2,252	2,438
6a.	Financial assets valued at fair value by financial result	-	-
6b.	Investments held to maturity	-	-
6c.	Loan and receivables :	2,210	2,396
6c ₁ .	Loans	-	-
6c ₂ .	Non-current receivables	2,210	2,396
6d.	Financial assets available for sale :	42	42
6d ₁ .	Investments in shares	42	42
6d ₂ .	Investments in associated undertakings consolidated with equity method	-	-
7.	Deferred tax asset	17,796	15,694
II.	Current assets (items 1 – 3)	264,184	250,872
1.	Inventories	23,368	12,312
2.	Financial assets (2a+2b+2c+2d+2e)	235,835	236,332
2a.	Financial assets valued at fair value by financial result	-	4,711
2b.	Investments held to maturity	-	-
2c.	Loan and receivables :	199,613	191,004
2c ₁ .	Loans	-	30
2c ₂ .	Current receivables (a+b+c+d)	199,613	190,974
	a) Trade receivables	167,685	157,194
	b) Receivables from state and local budgets, including :	14,886	12,532
	- Current tax receivables	1,068	2,235
	c) Financed lease receivables	997	850
	d) Other receivables	16,045	20,398
2d.	Financial assets available for sale	-	-
2e.	Cash and cash equivalents	36,222	40,617
3.	Prepayments and accrued income	4,981	2,228
III.	Non-current assets classified as held for sale	-	2,070
Total assets – I+II+III		420,204	392,060

EQUITY AND LIABILITIES		Mar 31st 2007	Dec 31st 2006
		PLN'000	PLN'000
I. Total equity and liabilities(1+2)		235,146	235,157
1.	Equity of the Parent Undertaking (items 1a-1j)	229,673	230,155
1a.	Share capital	75,192	75,192
1b.	Treasury shares	-	-
1c.	Reserve funds, including share premium account	110,630	110,688
1d.	Revaluation capital reserve	-	-
1e.	Other capital reserves	43,201	44,138
1f.	Revaluation capital on hedging transactions and currency translation differences due to consolidation	(93)	(86)
1g.	Other capital	1,368	1,368
1h.	Retained profit/(deficit)	(1,087)	(17,474)
1i.	Current year net profit/(loss)	462	16,329
1j.	Distributions from net profit during the year	-	-
2.	Minority interests	5,473	5,002
II. Non-current liabilities (items 1-6)		6,352	4,966
1.	Deferred tax liability	945	805
2.	Employee benefits	805	731
3.	Non-current provisions	575	909
4.	Non-current bank loans and borrowings	921	-
5.	Non-current financed lease liabilities	3,056	2,471
6.	Other non-current liabilities	50	50
III. Current liabilities (items 1-7)		169,574	140,742
1.	Current bank loans and borrowings	24,044	3,252
2.	Trade payables	41,293	41,767
3.	Public charges, including :	47,151	48,213
3a.	Current tax liabilities	782	428
4.	Employee benefits	38,011	36,203
5.	Current financed lease liabilities	2,342	2,929
6.	Other liabilities	15,365	6,915
7.	Current provisions	1,368	1,463
IV. Deferred income		9,132	9,392
V. Liabilities directly related to non-current assets classified as held for sale		-	1,803
Total equity and liabilities – I+II+III+IV+V		420,204	392,060

	Mar 31st 2007	Dec 31st 2006
	PLN'000	PLN'000
Book value	229,673	230,155
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	15.27	15.31

OFF-BALANCE-SHEET ITEMS	Mar 31st 2007 PLN'000	Dec 31st 2006 PLN'000
1. Contingent receivables	-	-
2. Contingent liabilities	28,500	39,604
1.1. To related undertakings, including:	-	-
- guarantees and sureties issued	-	-
1.2. To other undertakings, including:	28,500	39,604
- guarantees and sureties issued	28,500	39,604
3. Other	1,212	2,801
Total off-balance-sheet items	29,712	42,405

2. CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
Continued and discontinued operations		
I. Revenue (items 1-2):	225,161	182,349
1. Sales revenue, including:	211,405	169,426
a) revenue on sales of products	207,261	166,672
b) revenue on sales of materials and goods for resale	4,144	2,754
2. Subsidies	13,756	12,923
II. Operating expenses (items 1-8):	(225,072)	(178,878)
1. depreciation and amortisation	(4,902)	(4,294)
2. raw materials and energy used	(26,909)	(20,436)
3. contracted services	(32,999)	(26,817)
4. salaries and wages, social security and other employee benefits	(156,051)	(124,483)
5. other cost by type	(4,563)	(5,029)
6. selling costs – materials and goods for resale	(3,257)	(1,849)
7. change in products	3,609	3,476
8. cost of products for own needs.	-	554
A. Profit/(loss) on sales (I – II)	89	3,471
I. Other operating income, including:	4,872	4,119
1. Gain on disposal of non-current non-financial assets	203	79
2. Revaluation of non-financial assets	1,429	2,016
II. Other operating expenses, including:	(4,862)	(3,784)
1. Loss on disposal of non-current non-financial assets	(109)	(26)
2. Revaluation of non-financial assets	(1,168)	(1,328)
B. Operating profit/(loss) (A+II)	99	3,806
I. Financial income, including:	1,535	887
1. Dividends and other profit distributions	-	-
2. Interest	478	875
II. Financial expenses, including:	(672)	-
1. Interest	(287)	(580)
2. Revaluation of investments	(30)	-
C. Pre-tax profit/(loss) (B + I-II)	962	4,113
I. Corporate income tax	(170)	(1,018)
D. Share in (profit)/loss of an undertaking valued with the equity method	-	-
E. Net profit/(loss) on continued and discontinued operations (C+/-I+/-D)	792	3,095
- attributable to shareholders of Parent Undertaking	462	2,920
- attributable to minority interests	330	175
Profit (loss) of the Parent Undertaking	462	2,920
Net profit/(loss) on discontinued operations	-	-
Net profit/(loss) on continued operations	462	2,920
Earnings/(loss) per ordinary share*	0.03	0.19
Discontinued operations	-	-
Continued operations	0.03	0.19
Diluted profit (loss) per share	0.03	0.19

Profit (loss) per share	Jan 1st 2007 – Mar 31st 2007 PLN'000	Jan 1st 2006 – Mar 31st 2006 PLN'000
Net profit (loss) for ordinary shareholders (PLN'000)	462	2 920
Average weighted number of shares used in calculation of earnings (loss) per ordinary share	15,038,462	15,038,462
Earnings (loss) per ordinary share (PLN)	0.03	0.19
Adjustment concerning options for purchase series F shares	179,601	36,621
Average weighted number of shares used in calculation of diluted profit (loss) per share	15,218,063	15,075,083
Diluted profit (loss) per share (PLN)	0.03	0.19

3. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

CHANGES IN CONSOLIDATED EQUITY	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
I. Equity at beginning of period	230,155	201,981
- changes in adopted accounting policies	-	-
I.a. Equity at beginning of period, after adjustments	230,155	201,981
1. Share capital at beginning of period	75,192	75,192
1.2. Share capital at end of period	75,192	75,192
2. Balance of called-up share capital not paid at beginning of period	-	-
2.1. Balance of called-up share capital not paid at end of period	-	-
3. Treasury shares at beginning of period	-	-
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	110,688	105,556
4.1. Changes in reserve funds	(58)	-
a) increase	-	-
- distribution of profit (above statutory minimum)	-	-
b) decrease	(58)	-
- coverage of losses	(58)	-
4.2. Reserve funds at end of period	110,630	105,556
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	44,138	40,457
6.1. Change in other capital reserves	-	-
a) increase	-	-
b) decrease	(937)	-
6.2. Other capital reserves at end of period	43,201	40,457
7. Other capital at beginning of period	1,368	786
7.1. Change in other capital	-	196
a) increase, including:	-	196
- valuation of bonds convertible to shares	-	196
7.2. Other capital at end of period	1,368	982
8. Currency-translation differences on subordinated undertakings at beginning of period	(86)	(85)
a) increase	-	8
b) decrease	(7)	-
8.1. Currency-translation differences on subordinated undertakings at end of period	(93)	(77)
9. Retained profit/(loss) brought forward at beginning of period	(1,145)	439
- changes in adopted accounting policies	-	-
9.1. Retained profit at beginning of period after reconciliation with comparable data	(1,145)	439
a) increase, including:	58	175
- other	58	175
b) decrease, including:	-	-
9.2. Retained profit at end of period	(1,087)	614
10. Net profit/(loss)	462	2,920
a) net profit	462	2,920
b) net loss	-	-
d) changes in adopted accounting policies	-	-
II. Group's Equity at end of period	229,673	225,644
III. Group's Equity after proposed distribution of profit (coverage of loss)	229,673	215,418
IV. Minority interest at beginning of period	5,002	400
a) increase, including:	527	181
- additional equity contributions	145	-
- minority profit (loss)	382	177
- currency-translation differences on recalculation of foreign undertaking's equity	-	4
b) decrease, including:	(56)	(73)
- shareholder's departure from company	(52)	(2)
- dividend paid in advance	-	(71)
- currency-translation differences on recalculation of foreign undertaking's equity	(4)	-
V. Minority interest at end of period	5,473	508
VI. Total equity	235,146	226,152
VII. Equity after proposed distribution of profit (coverage of loss) at end of period	235,146	215,926

4. CONSOLIDATED CASH-FLOW STATEMENT

CONSOLIDATED CASH-FLOW STATEMENT	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
A. Cash flows from operating activities		
I. Net profit/(loss)	462	2,920
II. Total adjustments	(17,505)	3,396
1. (Profit)/loss attributable to minority interests	330	175
2. Depreciation and amortisation	4,902	4,293
3. Foreign exchange (gains)/losses	(11)	12
4. Interest and distributions from profit (dividends)	(6)	(392)
5. (Profit)/loss on investing activities	(1,138)	(53)
6. Change in provisions	(289)	(804)
7. Change in inventories	(10,889)	(1,582)
8. Change in receivables	(5,976)	3,993
9. Change in liabilities (net of loans and borrowings), including:	1,267	3,256
9a. Change in current tax liabilities	354	370
10. Change in accruals and deferrals	(4,907)	(6,832)
11. Other adjustments	(788)	1,330
III. Net cash provided by/(used in) operating activities (I+/-II)	(17,043)	6,316
B. Cash flows from investing activities		
I. Cash provided by investing activities	6,434	1,335
1. Sale of intangible assets and property, plant and equipment	576	895
2. Sale of investment property and intangible assets	-	-
3. Cash provided by financial assets, including:	5,856	428
a) in related undertakings	1,000	-
b) in other undertakings	4,835	428
- disposal of financial assets	4,722	-
- repayment of non-current loans advanced	-	-
- interest received	134	428
4. Other cash provided by investing activities	2	12
II. Cash used in investing activities	(15,319)	(9,657)
1. Acquisition of intangible assets and property, plant and equipment	(7,008)	(3,370)
2. Investment property and intangible assets	(4,511)	(12)
3. Cash used on financial assets, including:	-	(42)
a) in related undertakings	-	-
b) in other undertakings	-	(42)
4. Dividends and other distributions from profit to minority interests	-	(71)
5. Other cash used in investing activities	(3,800)	(6,162)
III. Net cash provided by/(used in) investing activities (I-II)	(8,885)	(8,322)
C. Cash flows from financing activities		
I. Cash provided by financing activities	55,538	1,118
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	120	-
2. Increase in loans and borrowings	54,572	798
3. Other cash provided by financing activities (cash provided by newly acquired companies)	846	320
II. Cash used in financing activities	(34,469)	(2,741)
1. Acquisition of treasury shares	-	-
2. Dividends and other distributions to shareholders, including outstanding amounts	-	(400)
3. Repayment of loans and borrowings	(33,058)	(1,889)
4. Decrease in financed lease liabilities	(768)	(303)
5. Interest paid	(177)	(149)
6. Other cash used in financing activities	(466)	-
III. Net cash provided by/(used in) financing activities (I-II)	21,069	(1,623)
D. Total net cash flow (A.III+/-B.III+/-C.III)	(4,859)	(3,629)
E. Balance-sheet change in cash, including:	(4,859)	(3,629)
- change in cash resulting from foreign exchange gains/(losses)	-	-
F. Cash at beginning of period	41,081*	71,862
G. Cash at end of period (F+/- D), including:	36,222	68,233
- restricted cash	971	9

* including PLN 466 thousand of cash from Impel – Tom M.Kapalski spółka komandytowa, in the consolidated balance sheet as at December 31st 2006 disclosed in *Non-current assets classified as held for sale*

5. BALANCE SHEET OF IMPEL SA

ASSETS		Mar 31 st 2007 PLN'000	Dec 31 st 2006 PLN'000
I. Non-current assets (items 1-7)		177,445	156 427
1.	Goodwill	-	-
2.	Other intangible assets	707	764
3.	Property, plant and equipment	3,900	4,074
4.	Investment property	2,487	2,504
5.	Intangible assets held as investments	8,082	8,110
6.	Financial assets(6a+6b+6c+6d)	161,126	139,032
6a.	Financial assets valued at fair value by financial result	-	-
6b.	Investments held to maturity	-	-
6c.	Loan and receivables:	83,163	61,152
6c ₁ .	Loan	81,386	59,977
6c ₂ .	Non-current receivables	1,777	1,175
6d.	Financial assets available for sale:	77,963	77,880
6d ₁ .	Investments in shares	77,963	77,880
7.	Deferred tax asset	1,143	1,943
II. Current assets (items1 – 3)		49,980	68,648
1.	Inventories	172	238
2.	Financial assets(2a+2b+2c+2d+2e)	49,152	68,094
2a.	Financial assets valued at fair value by financial result	-	4,711
2b.	Investments held to maturity	-	-
2c.	Loan and receivables::	37,534	54,973
2c ₁ .	Loan	14,071	21,072
2c ₂ .	Current receivables(a+b+c+d)	23,463	33,901
	a) Trade receivables	19,322	29,800
	b) Receivables from state and local budgets, including:	2,190	1,839
	- Current tax receivables	860	860
	c) Financed lease receivables	-	-
	d) Other receivables	1,951	2,262
2d.	Financial assets available for sale	-	-
2e.	Cash and cash equivalents	11,618	8,410
3.	Prepayments and accrued income	656	316
III. Non-current assets classified as held for sale		-	45
Total assets– I+II+III		227,425	225,120

EQUITY AND LIABILITIES		Mar 31st 2007 PLN'000	Dec 31st 2006 PLN'000
I. Equity (items 1a – 1j)		209,225	206,746
1a.	Share capital	75,192	75,192
1b.	Treasury shares	-	-
1c.	Reserve funds, including share premium account	98,666	98,666
1d.	Revaluation capital reserve	-	-
1e.	Other capital reserves	28,198	28,198
1f.	Revaluation capital on hedging transactions and currency translation differences due to consolidation	-	-
1g.	Other capital	1,368	1,368
1h.	Retained profit/(deficit)	3,322	(4,733)
1i.	Current year net profit/(loss)	2,479	8,055
1j.	Distributions from net profit during the year	-	-
II. Non-current liabilities (items 1–6)		727	932
1.	Deferred tax liability	-	-
2.	Employee benefits	23	23
3.	Non-current provisions	447	805
4.	Non-current bank loans and borrowings	-	-
5.	Non-current financed lease liabilities	-	-
6.	Other non-current liabilities	257	104
III. Current liabilities (items 1-7)		13,513	13,278
1.	Current bank loans and borrowings	-	-
2.	Trade payables	7,325	7,014
3.	Public charges, including :	2,420	2,657
3a.	Current tax liabilities	-	-
4.	Employee benefits	2,461	2,437
5.	Current financed lease liabilities	-	-
6.	Other liabilities	656	439
7.	Current provisions	651	731
IV. Deferred income		3,960	4,164
V. Liabilities directly related to non-current assets classified as held for sale		-	-
Total equity and liabilities – I+II+III+IV+V		227,425	225,120

	Mar 31st 2007 PLN'000	Dec 31st 2006 PLN'000
Book value	209,225	206,746
Number of shares	15,038,462	15,038,462
Book value per share (PLN)	13.91	13.75

OFF-BALANCE-SHEET ITEMS	Mar 31st 2007 PLN'000	Dec 31st 2006 PLN'000
1. Contingent receivables	-	-
2. Contingent liabilities	92,822	74,581
2.1. To related undertakings, including:	84,070	63,900
- guarantees and sureties issued	84,070	63,900
2.2. To other undertakings, including:	8,752	10,681
- guarantees and sureties issued	8,752	10,681
3. Other, including:	365	1,834
- assignment of receivables with the re-assignment option	365	1,834
Total off-balance-sheet items	93,187	76,415

6. PROFIT AND LOSS ACCOUNT OF IMPEL SA

	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
Continued and discontinued operations		
I. Revenue (items 1-2):	15,544	21,782
1. Sales revenue, including:	15,106	21,314
a) revenue on sales of products	15,030	21,293
b) revenue on sales of materials and goods for resale	76	21
2. Subsidies	438	468
II. Operating expenses (items 1-8):	(15,550)	(22,451)
1. depreciation and amortisation	(266)	(270)
2. raw materials and energy used	(398)	(265)
3. contracted services	(8,214)	(15,089)
4. salaries and wages, social security and other employee benefits	(5,433)	(5,167)
5. other cost by type	(1,285)	(1,875)
6. selling costs – materials and goods for resale	(75)	(22)
7. change in products	121	237
8. cost of products for own needs.	-	-
A. Profit/(loss) on sales (I – II)	(6)	(669)
I. Other operating income, including:	662	2,528
1. Gain on disposal of non-current non-financial assets	2	25
2. Revaluation of non-financial assets	372	1,163
II. Other operating expenses, including:	(436)	(1,527)
1. Loss on disposal of non-current non-financial assets	-	-
2. Revaluation of non-financial assets	(43)	(348)
B. Operating profit/(loss) (A+I-II)	220	332
I. Financial income, including:	3,139	1 558
1. Dividends and other profit distributions	-	-
2. Interest	1,580	1,362
II. Financial expenses, including:	(80)	(225)
1. Interest	(9)	(60)
C. Pre-tax profit/(loss) (B+I-II)	3,279	1,665
I. Corporate income tax	(800)	(1,751)
D. Net profit/(loss) on continued and discontinued operations (C+/-I)	2,479	(86)
Net profit/(loss) on discontinued operations	-	-
Net profit/(loss) on continued operations	2,479	(86)
Profit/(loss) per ordinary share	0.16	(0.01)
Discontinued operations	-	-
Continued operations	0.16	(0.01)
Diluted profit (loss) per ordinary share	0.16	(0.01)

Profit (loss) per share	Jan 1st 2007 – Mar 31st 2007 PLN'000	Jan 1st 2006 – Mar 31st 2006 PLN'000
Net profit (loss) for ordinary shareholders (PLN'000)	2,479	(86)
Average weighted number of shares used in calculation of earnings (loss) per ordinary share	15,038,462	15,038,462
Profit (loss) per ordinary share (PLN)	0.16	(0.01)
Adjustment concerning options for purchase series F shares	179,601	36,621
Average weighted number of shares used in calculation of diluted profit (loss) per share	15,218,063	15,075,083
Diluted profit (loss) per share (PLN)	0.16	(0.01)

7. CHANGES IN CONSOLIDATED EQUITY OF IMPEL SA

CHANGES IN CONSOLIDATED EQUITY	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
I. Equity at beginning of period	206,746	208,335
- changes in adopted accounting policies	-	-
I.a. Equity at beginning of period, after adjustments	206,746	208,335
1. Share capital at beginning of period	75,192	75,192
1.1. Share capital at end of period	75,192	75,192
2. Balance of called-up share capital not paid at beginning of period	-	-
2.1. Balance of called-up share capital not paid at end of period	-	-
3. Treasury shares at beginning of period	-	-
3.1. Treasury shares at end of period	-	-
4. Reserve funds at beginning of period	98,666	98,666
4.1. Changes in reserve funds	-	-
a) increase	-	-
4.2. Reserve funds at end of period	98,666	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	28,198	25,454
6.1. Change in other capital reserves	-	-
a) increase	-	-
6.2. Other capital reserves at end of period	28,198	25,454
7. Other capital at beginning of period	1,368	786
7.1. Change in other capital	-	196
a) increase, including:	-	196
- valuation of bonds convertible to shares	-	196
7.2. Other capital at end of period	1,368	982
8. Currency-translation differences on subordinated undertakings	-	-
9. Retained profit/(loss) brought forward at beginning of period	3,322	8,237
- changes in adopted accounting policies	-	-
9.1. Retained profit at beginning of period after adjustments	3,322	8,237
a) increase	-	-
b) decrease	-	-
9.2. Retained profit at end of period	3,322	8,237
10. Net profit/(loss)	2,479	(86)
a) net profit	2,479	-
b) net loss	-	(86)
c) change of adopted accounting principles	-	-
II. Equity at end of period	209,225	208,445
III. Equity after proposed distribution of profit (coverage of loss)	209,225	198,219

8. CASH-FLOW STATEMENT OF IMPEL SA

CASH-FLOW STATEMENT	Jan 1 st 2007 – Mar 31 st 2007 PLN'000	Jan 1 st 2006 – Mar 31 st 2006 PLN'000
A. Cash flows from operating activities		
I. Net profit/(loss)	2,479	(86)
II. Total adjustments	8,149	10,971
1. Depreciation and amortisation	266	270
2. Foreign exchange (gains)/losses	-	-
3. Interest and distributions from profit (dividends)	(1,569)	(1,246)
4. (Profit)/loss on investing activities	(1,268)	(25)
5. Change in provisions	(438)	(1,138)
6. Change in inventories	66	(81)
7. Change in receivables	8,864	36,118
8. Change in liabilities (net of loans and borrowings), including:	672	(24,167)
8a. Change in current tax liabilities	-	-
9. Change in accruals and deferrals	1,556	166
10. Other adjustments	-	1,074
III. Net cash provided by/(used in) operating activities (I+/-II)	10,628	10,885
B. Cash flows from investing activities		
I. Cash provided by investing activities	13,869	8,568
1. Sale of intangible assets and property, plant and equipment	-	63
2. Sale of investment property and intangible assets	-	-
3. Cash provided by financial assets, including:	13,867	8,483
a) in related undertakings	9,116	8,119
- disposal of financial assets	1,000	-
- dividends and other distributions from profit	-	-
- repayment of non-current loans advanced	7,962	-
- interest received	154	-
b) in other undertakings	4,751	364
- disposal of financial assets	4,722	-
- repayment of non-current loans advanced	-	-
- interest received	29	364
4. Other cash provided by investing activities	2	22
II. Cash used in investing activities	(21,285)	(20,636)
1. Acquisition of intangible assets and property, plant and equipment	(220)	(306)
2. Investment property and intangible assets	-	-
3. Cash used on financial assets, including:	(20,915)	(19,830)
a) in related undertakings	(20,915)	(19,830)
- acquisition of financial assets	-	-
- non-current loans granted	(20,915)	-
b) in other undertakings	-	-
- acquisition of financial assets	-	-
4. Other cash used in investing activities (current loans granted)	(150)	(500)
III. Net cash provided by/(used in) investing activities (I-II)	(7,416)	(12,068)
C. Cash flows from financing activities		
I. Cash provided by financing activities	-	-
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
2. Increase in loans and borrowings	-	-
3. Issue of debt securities	-	-
4. Other cash provided by financing activities	-	-
II. Cash used in financing activities	(2)	-
1. Acquisition of treasury shares	-	-
2. Dividends and other distributions to shareholders	-	-
3. Distributions from profit other than to shareholders	-	-
4. Repayment of loans and borrowings	-	-
5. Interest paid	(2)	-
III. Net cash provided by/(used in) financing activities (I-II)	(2)	-
D. Total net cash flow (A.III+/-B.III+/-C.III)	3,210	(1,183)
E. Balance-sheet change in cash, including:	3,210	(1,183)
- change in cash resulting from foreign exchange gains/(losses)	-	-
F. Cash at beginning of period	8,408	42,641
G. Cash at end of period (F+/-D), including:	11,618	41,458
- - restricted cash	-	-

III. SELECTED EXPLANATORY INFORMATION

1. RULES GOVERNING THE PREPARATION OF THE CONSOLIDATED QUARTERLY REPORT FOR Q1 2007

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 2007 to March 31st 2007.

Format of the financial statements

The report for Q1 2007 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 2006.

1.2 Period covered by the financial statements

The consolidated financial statements and the non-consolidated financial statements cover the period of 3 months, i.e. from January 1st 2007 to March 31st 2007.

The data disclosed in the consolidated and non-consolidated balance sheet, and consolidated and non-consolidated off-balance-sheet items is accompanied by comparable consolidated financial data as at December 31st 2006.

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 2006 to March 31st 2006.

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 March 31st 2007, 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, and 2 co-subsidiary undertakings consolidated with the equity method.

1.5 Adopted accounting policies and computing methods

The accounting policies described in the annual report as at December 31st 2006 did not change in Q1 2007.

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

In Q1 2007, the Impel Group recorded sales revenue from services, products, goods for resale and materials amounting to PLN 211.4 million, which translates to an increase of almost 25% as compared to the corresponding period last year (i.e. by PLN 42.0 million) and almost 1% as compared to the previous quarter (i.e. PLN 2.0 million). The increase in sales revenue on services, products, goods for resale and materials in Q1 2007 as compared to Q1 2006 results from:

- a) acquisitions made in 2006 – effect at the level of PLN 17.5 million,
- b) organic development of the Group's existing and new products – effect at the level of PLN 24.5 million.

In Q1 2007 the Impel Group achieved the operating result of PLN 99 thousand, which is by PLN 4.3 million lower as compared to the preceding quarter, and by PLN 3.7 million lower than the result produced in the corresponding period last year.

Revenue from subsidies generated in Q1 2007 totalled PLN 13.8 million. This amount is by PLN 0.4 million higher than the result obtained in the previous quarter (i.e. by 3.3%) and by PLN 0.8 million higher as compared to the figure in the corresponding period last year. In Q1 2007 the share of subsidies in the sales revenue amounted to 6.5%, staying close to the previous quarter, however, as compared to Q1 a year ago, the result was lower by 1.1%.

For Q1 2007 the Impel Group recorded the net profit of PLN 0.46 million.

Significant factors which affected the results generated in Q1 2007 include:

- growing costs of labour,
- growing costs related to acquisition and implementation of new contracts,
- expenses incurred for the implementation of management systems.

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

During the presented reporting period Impel SA did not make or declare any payment of dividend.

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

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

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

5.1. Impel Group

Adjustments for provisions and valuation allowances for assets:

	As at Dec 31 st 2006	Increase	Decrease	As at Mar 31 st 2007
Valuation allowances for assets (5.1.1)	32,973	1,482	(1,790)	32,665
Deferred tax asset (5.1.2)	15,694	2,102	-	17,796
Deferred tax liability (5.1.2)	805	140	-	945
Provisions for liabilities (5.1.3)	2,372	254	(683)	1,943
Provisions for employee benefits (5.1.4)	19,037	34,162	(32,264)	20,935
Employee benefits in the form of shares (5.1.5)	1,368	-	-	1,368

5.1.1. Valuation allowances for assets

Valuation allowances:	As at Dec 31 st 2006	Increase	Decrease	As at Mar 31 st 2007
Valuation allowances for intangible assets, including goodwill	6,694	-	-	6,694
Valuation allowances for non-current assets	2,245	-	(203)	2,042
Valuation allowances for non-current investments	1,668	-	-	1,668
Valuation allowances for current investments	(61)	30	61	30
Valuation allowances for inventories	523	42	(27)	538
Valuation allowances for non-current receivables	100	-	-	100
Valuation allowances for current receivables	21,804	1,410	(1,621)	21,593
Valuation allowances for non-current assets classified as held for sale	-	-	-	-
Total:	32,973	1,482	(1,790)	32,665

5.1.2. Deferred tax asset and liability

The deferred tax asset cannot be offset against the deferred tax liability at the consolidated level, as each company of the Impel Group settles its income tax on business activities separately. As at March 31st 2007, and before they were offset at the consolidated level, these items amounted to PLN 22,715 thousand and PLN 5,864 thousand, respectively, whereas after the items were offset the respective figures were PLN 17,796 thousand and PLN 945 thousand.

Compared with the balance as at December 31st 2006, the deferred tax asset changed in particular due to:

Change in deferred tax assets, including:	As at Dec 31 st 2006	Impact on Result		As at Mar 31 st 2007
		Increase	Reversal	
Provisions for salaries and wages (including bonuses, jubilee bonus, and non-payroll remuneration)	8,881	-	(177)	8,704
Provisions for retirement severance pays	136	-	(1)	135
Provisions for unused holidays	770	509	-	1,279
Provisions for disputed claims	357	-	(60)	297
Provisions for contracted services	612	331	-	943
Valuation allowances for receivables	750	-	(237)	513
Interest on loans	1,320	450	-	1,770

Return of subsidies	33	209	-	242
Difference between tax and balance-sheet value of non-current assets and intangible assets	716	15	-	731
Tax losses	6,150	46	-	6,196
Other	842	1,063	-	1,905
Total:	20,567	2,623	(475)	22,715

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

Change in deferred tax liabilities:	As at Dec 31 st 2006	Impact on Result		As at Mar 31 st 2007
		Increase	Reversal	
Interest on loans	1,571	274	-	1,845
Provisions for subsidies	1,617	-	(548)	1,069
Accruals and deferred income	250	58	-	308
Difference between tax and balance-sheet value of non-current assets and intangible assets	504	759	-	1,263
Income on lease	82	-	(82)	-
Financed lease	549	222	-	771
Other	1,105	45	(542)	608
Total:	5,678	1,358	(1,172)	5,864

Changes of the deferred tax asset and liability increased the Group's result for Q1 2007 PLN 1,738 thousand. The amount (of PLN 224 thousand), which has negligible impact on the financial result, refers to the Group's increases on newly acquired companies.

5.1.3. Provisions for future liabilities

Provisions for the liabilities towards the State Fund for the Disabled, arising in connection with the expected necessity to return the subsidies to salaries and wages of the disabled employed by the Group, amounted to PLN 1,331 thousand. The provisions created in connection with the expected necessity to return the subsidies, disclosed in the profit and loss account, are charged against the value of revenue under "Subsidies".

Change in provisions for future liabilities:	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Assigned receivables	296	-	(81)	215
Disputed claims against the Group companies	1,577	70	(428)	1,219
Other	499	184	(174)	509
Total:	2,372	254	(683)	1,943

5.1.4. Provisions for employee benefits

Change in provisions for employee benefits:	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Unused holidays	4,365	8,477	(5,833)	7,009
Awards	4,604	3,936	(3,721)	4,819
Non-payroll remuneration	9,168	21,231	(22,288)	8,111
Retirement severance pays	785	256	(181)	860
Other	115	262	(241)	136
Total:	19,037	34,162	(32,264)	20,935

5.1.5. Employee benefits in the form of shares

By March 31st 2007, the Company recognized costs of share-based payments to employees at PLN 1,368 thousand and they related to rights granted to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe and acquire Series F ordinary bearer shares of Impel SA. The

programme for employee benefit based on shares has been described in the supplementary information, note no 16.

5.2. Impel SA

Adjustments for provisions and valuation allowances for assets:

	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Valuation allowances for assets (5.2.1)	89,430	76	(561)	88,945
Deferred tax asset (5.2.2)	3,682	-	(2,539)	1,143
Deferred tax liability (5.2.2)	1,739	-	(1,739)	-
Provisions for future liabilities (5.2.3)	1,536	41	(479)	1,098
Provisions for employee benefits (5.2.4)	1,708	1,686	(1,699)	1,695
Employee benefits in the form of shares (5.2.5)	1,368	-	-	1,368

5.2.1. Valuation allowances for assets

Valuation allowances:	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Valuation allowances for intangible assets, including goodwill	71	-	-	71
Valuation allowances for non-current assets	203	-	(203)	-
Valuation allowances for non-current investments	82,196	-	-	82,196
Valuation allowances for current investments	(61)	-	61	-
Valuation allowances for inventories	22	33	-	55
Valuation allowances for current receivables	6,999	43	(419)	6,623
Total:	89,430	76	(561)	88,945

5.2.2. Deferred tax asset and liability

For the purposes of balance-sheet presentation, Impel SA offsets the deferred tax asset against the deferred tax liability. As at March 31st 2007, these two items, before they were offset, stood at PLN 3,114 thousand and PLN 1,971 thousand, respectively. Compared with the balance as at December 31st 2006, the deferred tax asset changed in particular due to the following reason:

Change in deferred tax asset:	As at Dec 31 st 2006	Impact on Result		As at Mar 31 st 2007
		Increase	Reversal	
Provisions for salaries and wages (including bonuses, jubilee bonus, and non-payroll remuneration)	539	3	-	542
Provisions for retirement severance pays	4	-	-	4
Provisions for unused holidays	53	22	-	75
Provisions for disputed claims	267	-	(71)	196
Provisions for contracted services	75	-	(18)	57
Provisions for valuation allowances for receivables	563	-	(140)	423
Provisions for reimbursement of subsidies	-	10	-	10
Difference between tax and balance-sheet value of non-current assets and intangible assets	-	-	-	-
Tax losses	1,985	-	(247)	1,738
Other	196	-	(127)	69
Total:	3,682	35	(603)	3,114

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

Change in deferred tax liability:	As at Dec 31 st 2006	Impact on Result		As at Mar 31 st 2007
		Increase	Reversal	
Interest on loans	1,564	248	-	1,812
Provisions for subsidies from the State Fund for the Disabled	66	-	(23)	43
Other	109	7	-	116
Total:	1,739	255	(23)	1,971

Changes of the deferred tax asset and liability decreased the Group's net result by PLN 800 thousand.

5.2.3. Provisions for future liabilities

Change in provisions for future liabilities:	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Assigned receivables	133	-	(68)	65
Disputed claims against Group companies	1,403	41	(411)	1,033
Total:	1,536	41	(479)	1,098

5.2.4. Provisions for employee benefits

Change in provisions:	As at Dec 31 st 2006	Increase	Reversal	As at Mar 31 st 2007
Unused holidays	279	518	(401)	396
Awards	1,357	977	(1,092)	1,242
Non-payroll remuneration	49	191	(206)	34
Retirement severance pays	23	-	-	23
Total:	1,708	1,686	(1,699)	1,695

5.2.5. Employee benefits in the form of shares

By March 31st 2007, the Company recognized costs of share-based payments to employees at PLN 1,368 thousand and they related to rights granted to acquire Series A ordinary bearer bonds with the pre-emptive right to subscribe and acquire Series F ordinary bearer shares of Impel SA. The programme for employee benefit based on shares has been described in the supplementary information, note no 16.

6. SEASONAL, CYCLICAL AND OCCASIONAL REVENUE

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

7. SEGMENT REVENUE AND RESULTS

Business segments

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

- a. Facility Management Segment comprises building indoor and outdoor cleaning services and specialized cleaning services for institutional clients. The scope of facility management includes also technical maintenance of property.
- b. Property Security Segment comprises services related to manned and electronic security services, alarm systems, CCTV, fire protection and CIT (cash transport and handling) services
- c. Employees Service Segment comprises employee lease, personnel and payroll services, healthcare services and provision of training for institutional clients.
- d. Distribution Segment comprises catering (food preparation and delivery), rental services, laundry services for institutional clients, organisation of deliveries of materials and goods for resale, and brokerage services in the scope of telecommunications.

The 'Other' Segment includes the integrated supply chain management services and property development activity, run by the Group's companies.

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, the Group is also present in Latvia. In the period January 1st 2007 – March 31st 2007 the revenue generated from the Latvian operations accounted for approximately 1.94% of the total net revenue on the sales of products generated by the Group.

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

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

As of January 1st 2007 the manner of presenting the results in the breakdown into respective business segments was changed to provide the Management Board of the Parent Undertaking with the possibility of better assessment of the results produced in the organisation 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, a number of changes affecting the organisation 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

1. The segment presented in 2006 as 'Cleaning Services' has changed its name to 'Facility Management', and in addition it includes technical property maintenance, which was presented in the 'Other' Segment in the comparable period of 2006. The results of the transferred activity do not considerably affect the result of the Facility Management Segment presented as of 2007. Thus, the Facility Management Segment is comparable with the Cleaning Services Segment presented in 2006.
2. The segment presented in 2006 as 'Security Services' is directly comparable with the 'Security Segment' presented in 2007.
3. The segment presented in 2006 as 'Catering' was transferred as a whole to the 'Distribution Segment', presented as of 2007, which includes the activities related to deliveries of goods for resale and services (including logistics) to the Group's customers (e.g. Rental and Laundry Services, Management of Service Delivery to Facilities and Telecommunications Brokerage Services). These activities were transferred from the 'Other' Segment presented in 2006.

4. The segment presented in 2006 as 'Other' included the segments which as of 2007 have been separated into 'Employees Service' and 'Other', taking into consideration the transfer of some activities to the Distribution Segment , as described in item 3.

The description of the Group's organisation can be found in section I herein, including the specification of business profiles of the companies forming respective Segments (Business Units).

Due to the change in the presentation format for the following Segments:

- a) Employees Service
- b) Distribution
- c) Other,

the Group does not have appropriately aggregated comparable data for Q1 2006 since there are no financial records in the breakdown into Segments (Business Units), the new division of which has been introduced in 2007.

For the above reason the Group makes use of IAS 14 paragraph 76.

Consolidated profit and loss account in the breakdown into business segments for the period from January 1st 2007 to March 31st 2007

BUSINESS SEGMENT	FACILITY MANAGEMENT	SECURITY	EMPLOYEES SERVICE	DISTRIBUTION	OTHER	TOTAL SEGMENTS	ELIMINATIONS	AFTER ELIMINATIONS
P&L Account for period ended	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007	Mar 31 st 2007
Sales to external customers	89,527	79,813	19, 982	20,334	1,750	211,405		211,405
Inter-segmental sales	1,162	946	3,097	3,476	9,389	18,070		18,070
Total sales revenue	90,688	80,759	23,079	23,810	11,139	229,475	(18,070)	211,405
Segment results including subsidies, net of all charges to the corporation	4,153	978	(906)	354	(123)	4,456	-	4,456
<i>Result on discontinued operations</i>	-	-	-	-	-	-	-	-
<i>Result on continued operations</i>	4,153	978	(906)	354	(123)	4,456	-	4,456
Unallocated Group costs						(4,462)	-	(4,462)
Operating profit/(loss)						(6)	105	99
<i>Profit (loss) from discontinued operations</i>								-
<i>Profit (loss) from continued operations</i>								99
Financial income								1,535
Financial expenses								(672)
Pre-tax profit/(loss)								962
<i>Pre-tax profit (loss) from discontinued operations</i>								-
<i>Pre-tax profit (loss) from continued operations</i>								962
Corporate income tax								(170)
Profit/(loss) attributable to minority interests								330
Net profit (loss)								462
<i>Net profit (loss) from discontinued operations</i>								-
<i>Net profit (loss) from continued operations</i>								462

Consolidated profit and loss account in the breakdown into business segments for the period from January 1st 2006 to March 31st 2006

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

8. EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE, NOT DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q1 2007, WHICH COULD, HOWEVER, HAVE A MATERIAL BEARING ON THESE FINANCIAL STATEMENTS

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

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

On January 3rd 2007 Impel Cleaning sp. z o.o. acquired 100 shares of SaneChem Service sp. z o.o., having its seat in Łomianki, of the value at par of PLN 500 each, which accounts for 100% of the company's share capital. The price for the above shares amounted to PLN 4,500 thousand. The initial settlement of the merger was carried out on a temporary basis because the cost of merger was determined as an estimate. The cost of merging the business entities includes additional cost directly related to the merger in the amount of PLN 45 thousand.

The following assets, liabilities and contingent liabilities of SaneChem Service sp. z o.o. were measured at fair value as at the acquisition date:

ASSETS	Jan 3 rd 2007 PLN'000	EQUITY AND LIABILITIES	Jan 3 rd 2007 PLN'000
I. Non-current assets:	1,206	I. Equity, including:	1,564
1. Intangible assets	13	1. Share capital	50
2. Property, plant and equipment	969	2. Reserve funds	119
3. Non-current investments	-	3. Revaluation capital	-
4. Deferred tax asset	224	4. Retained profit (deficit) brought forward	1,425
II. Current assets:	3,736	5. Current profit (deficit)	(30)
1. Inventories	167	II. Non-current liabilities	436
2. Current receivables	2,579	III. Current liabilities	2,942
3. Current investments (cash)	961	IV. Deferred income	-
8. Prepayments and accrued income	29		
Total assets I+II	4,942	Total liabilities – I+II+III+IV	4,942

As of the takeover date and until the balance-sheet date, SaneChem Service sp. z o.o. generated the following results included in the financial result of the Impel Group:

	For the period from (date the control was taken over) Jan 3rd 2007 to Mar 31st 2007
Revenue	4,195
Expenses	(4,207)
Corporate income tax	1
Profit (loss)	(11)

Following the merger, the goodwill of PLN 2,981 thousand was recognized through inclusion – in the total acquisition price – of increased value of non-current assets, market importance of the company's brand, and benefits drawn from consolidation of the specific market of security services. Due to the lack of external valuations of individual items, goodwill containing the above-mentioned asset value was recognised. In the future, the goodwill will be tested for impairment. The value of the company's shares was assessed using the discounted cash flows analysis.

10. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS AFTER THE END OF THE 2006 FINANCIAL

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 2006 and until March 31st 2007:

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 st 2006	Value of liabilities by virtue of guarantees and sureties issued for the benefit of other entities as at Mar 31 st 2007
Impel SA		
participation in a tender, agreement performance bond	5,752	4,205
	2,983	2,601
commitment under the guarantees issued for the benefit of Impel Security Provider sp. z o.o.	118	118
commitment under the guarantees issued for the benefit of Impel Security Polska sp. z o.o.	10	10
commitment under the guarantees issued for the benefit of BD Faktor sp. z o.o.	15	15
commitment under the guarantees issued for the benefit of GP Bis sp. z o.o.	1,503	1,503
surety issued for Mega Com sp. z o.o. (1)	300	300
Total	10,681	8,752
Impel Security Polska sp. z o.o.		
participation in a tender, agreement performance bond	3,849	3,683
participation in a tender, agreement performance bond	1,875	1,248
commitment under the guarantees issued for the benefit of Impel Security Technologies sp. z o.o.	82	-
agreement performance bond	3,000	-
	5,000	-
Total	13,806	4,931
Impel Catering sp. z o.o.		
tender guarantees, agreement performance bond	3,055	3,042
Total	3,055	3,042
Impel Rental sp. z o.o.		
tender guarantees, agreement performance bond	66	54
surety issued for Feld Press	100	-
Total	166	54
Impel Cleaning sp. z o.o.		
tender guarantees, agreement performance bond	8,411	8,240
agreement performance bond	10	10
agreement performance bond	10	10
Total	8,431	8,260
Impel HR Service sp. z o.o.		
agreement performance bond	300	300
tender guarantees, agreement performance bond	100	-
Total	400	300
Impel Security Technologies sp. z o.o.		
tender guarantees, agreement performance bond	118	75

Total	118	75
DC System sp. z o.o.		
tender guarantees, agreement performance bond	113	131
Total	113	131
Promedis sp. z o.o.		
tender guarantees, agreement performance bond	276	303
Total	276	303
GP Bis sp. z o.o.		
tender guarantees, agreement performance bond	58	139
Total	58	139
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 bond	-	13
Total	-	13
TOTAL	39,604	28,500

(1) on March 22nd March 2007 a clarification letter was sent; in progress

11. 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 March 31st 2007, are presented in the table below.

Sureties

PLN'000

Undertaking for which the surety/guarantee was issued	Object of surety	Expiry date	Financial terms (remuneration for Impel SA)	Amount of surety in nominal terms	Amount of surety in real terms as at Mar 31 st 2007	Surety/guarantee issued by
Impel Security Polska sp. z o.o. (100% subsidiary undertaking of Impel SA)	bank loan from Kredyt Bank SA	Jun 29 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	10,400	3,050 (current account credit line)	Impel SA
	bank loan from ING	Jul 5 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	1,000	1,000 (current account credit line)	
	bank loan from PeKaO SA	Jul 5 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	4,000	2,225 (current account credit line)	
	guarantee facility from ING	Jul 5 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	2,000	1,248	
	guarantee facility from Kredyt Bank SA	Jun 30 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	4,500	3,682	
	guarantee facility from Impel SA	Sep 15 th 2006	Quarterly fee of 0.5% of the guarantee amount	10	10	
	lease of vehicles	indefinite	Quarterly fee of 0.5% of the collateral amount	2,000	0	

	operating lease from VW Leasing	individual agreements expire on different dates, from Jun 11 2007 to Oct 11 2009	Quarterly fee of 0.5% of the secured lease amount	7,078	5,841	
	TOTAL			30,988	17,056	
Impel Cleaning sp. z o.o. (100% subsidiary undertaking of Impel SA)	bank loan from Kredyt Bank SA	Jun 29 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	3,000	0 (current account credit line)	Impel SA
	bank loan from ING	Jul 5 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	500	140	
	bank loan from PKO BP	Dec 31 st 2009	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	7,500	7,277	
	bank loan from PeKaO SA	Feb 8 th 2008	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	10,000	8,240	
	guarantee facility from Kredyt Bank SA	Jun 30 th 2007	Quarterly fee of 0.5% of the amount drawn down as at beginning of quarter	10,000	8,240	
	operating lease from VW Leasing	individual agreements expire on different dates, from Jun 11 2007 to Oct 11 2009	Quarterly fee of 0.5% of the secured lease amount	15,656	13,507	
	TOTAL			42,656	37,404	

Guarantees – as at March 31st 2007

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

PLN'000

Guarantee	Subject of the guarantee	Guaranteed amount	Real value of liability duly guaranteed in whole or in part	Guarantee period
Impel SA				
KB SA - guarantee facility	participation in a tender, agreement performance bond	7,000	4,205	Jun 30 th 2010
BPH SA - guarantees issued on behalf of GP Bis sp. z o.o. as part of the guarantee facility	agreement performance bond	8,000	1,503	Jun 30 th 2007
BPH SA - guarantees issued on behalf of BD Faktor sp. z o.o. as part of the guarantee facility	agreement performance bond		15	Sep 27 th 2007
BPH SA - guarantees issued on behalf of Impel Security Polska Sp. z o.o. as part of the guarantee facility	agreement performance bond		10	Sep 30 th 2007
BPH SA - guarantees issued on behalf of Impel Security Provider Sp. z o.o. as part of the guarantee facility	agreement performance bond		118	Jun 20 th 2008
BPH SA - guarantee facility as part of the current account loan	participation in a tender, agreement performance bond		2,601	Jun 30 th 2010

TOTAL		15,000	8,452	
Impel Security Polska sp. z o.o.				
KB SA - guarantee facility	participation in a tender, agreement performance bond	4,500	3,683	Jun 30 th 2010
ING Bank Śląski SA – guarantee facility	participation in a tender, agreement performance bond	2,000	1,248	Jan 8 th 2008
TOTAL		6,500	4,931	
Impel Catering sp. z o.o.				
Towarzystwo Ubezpieczeń i Reasekuracji CIGNA STU SA	insurance guarantees for payment of bid security	500	0	Mar 8 th 2008
KB SA - guarantee facility	participation in a tender, agreement performance bond	4,000	3,042	Jun 30 th 2010
TOTAL		4,500	3,042	
Impel Rental sp. z o.o.				
KB SA - guarantee facility	participation in a tender, agreement performance bond	100	54	Jun 30 th 2010
TOTAL		100	54	
Impel Cleaning sp. z o.o.				
KB SA - guarantee facility	participation in a tender, agreement performance bond	10,000	8,240	Jun 30 th 2010
TOTAL		10,000	8,240	
Impel HR Service Sp. z o.o.				
KB SA – guarantee outside the guarantee facility	agreement performance bond	300	300	Jan 8 th 2008
KB SA - guarantee facility	participation in a tender, agreement performance bond	100	0	Jun 30 th 2010
TOTAL		400	300	
Impel Security Technologies Sp. z o.o.				
KB SA - guarantee facility	participation in a tender, agreement performance bond	600	75	Jun 30 th 2010
TOTAL		600	75	
DC System Sp. z o.o.				
PEKAO SA – guarantee facility	participation in a tender, agreement performance bond	500	0	Oct 11 th 2010
KB SA - guarantee facility	participation in a tender, agreement performance bond	500	131	Jun 30 th 2010
TOTAL		1,000	131	
Promedis Sp. z o.o.				
KB SA - guarantee facility	participation in a tender, agreement performance bond	700	303	Jun 30 th 2010
TOTAL		700	303	
GP BIS Sp. z o.o.				

KB SA - guarantee facility	participation in a tender, agreement performance bond	800	139	Jun 30 th 2010
TOTAL		800	139	
SaneChem Service Sp. z o. o.				
Raiffeisen Bank Polska SA – guarantee outside the guarantee facility	payment bond	13	13	
TOTAL		13	13	

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.

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

On March 1st 2007 G-P Bis Sp. z o.o. (100% subsidiary undertaking of by Impel Cleaning Sp. z o.o., wholly owned by Impel SA) sold to Open Property Management Sp. z o.o. (100% subsidiary undertaking of Impel SA) an organised part of an enterprise, separated in terms of its organisation and finance, focusing on facility management services, for the amount of PLN 3,400,000.

During the reviewed period apart from the above mentioned there were no other non-typical transactions concluded by related undertakings within the Impel Group, which exceeded the PLN-equivalent of EUR 500,000.

13. 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 2007 the Management Board of Impel SA did not publish any forecasts for Impel SA financial results or the Group's consolidated financial results.

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

The following factors will have a bearing on the Group's financial performance in the next quarter of 2006:

- further equity investments of proceeds from the issue of the Company shares, made to expand the Group's operations,
- expenditure on the implementation of IT systems,
- effects of the initiated property development business, connected with the activities of BNM Impel SA Spółka Jawna,
- commencement of property development business projects on the basis of the land (Land Bank) owned by the Group and its related companies,
- possible further changes in the level of government's subsidies granted to employers of the disabled,
- increased cost of labour.

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

In Q1 2007 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

16. 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

Property development business in the Group

In Q1 2007 and by the day of drawing up this report the Impel Group continued its activities in the property development segment.

1. Design works regarding the property located in ul. Ślężna in Wrocław, intended for the construction of a housing estate, are in progress. The housing estate will include about 400 flats. September 2009 is the planned completion date for this investment. BNM Impel SA spółka jawna, owned in equal parts by two shareholders, Impel SA and BNM 3 sp. z o.o., is the Investor for the whole project.
2. Design works regarding the construction of an office building in Wrocław, with the area of about 20 thousand m² were started. The completion date for this investment is set as the end of 2009.
3. Following the preparatory work carried out in Q4 2006 the design works started for the property development investment situated in the centre of Wrocław, where the Impel Group owns 6.7 ha in a 15 ha plot (the remaining part of the plot belongs to a related company, Asset Invest in Poland SA). This project includes blocks of flats as well as commercial and social facilities for prospective inhabitants. It will be possible to erect 3,000 flats in this area.
4. An architectural concept is under preparation for a housing estate composed of detached houses in the location close to Wrocław. The estate will be erected on the property of 13.13 ha and it will comprise about 90 detached houses.
5. Impel Real Estate sp. z o.o. acquired real estate having the area of 0.77 ha in the centre of Wrocław for the intended housing development.
6. IPD Południe sp. z o.o., the Issuer's subsidiary undertaking as defined by the contract concluded on April 29th 2007, acquired perpetual usufruct right concerning the land of 1.788 m², located in the centre of Wrocław, for the price of PLN 3,950 thousand. Perpetual usufruct right concerning this land was recognised in the company's books of accounts as investment property.
7. At the beginning of May 2007 subsidiary undertakings of Impel SA acquired the right to the land located in the southern part of Wrocław. Impel Real Estate sp. z o.o. purchased a part of this land for the price of PLN 6,950 thousand and recognised this transaction as investment in its books of accounts, BNM Impel SA s.j. purchased the remaining part of the subject of the contract for the price of PLN 3,950 thousand, classified in its books of accounts as part of inventory.

On May 10th 2007 the Management Board of Impel SA was notified of a property valuation adjustment made to Impel SA's order by Cushman & Wakefield Polska Sp. z o.o. of Warsaw with regard to the value of real estate owned by the Impel Group.

The property's fair value was estimated at PLN 270.8 million and concerns the land of 30.02 ha in total area, located in Wrocław as well as in Sadków near Wrocław and Serock near Warsaw.

The fair value of the above-mentioned property, in its part owned in 2006, disclosed in the consolidated financial statements, is PLN 77.3 million (the fair value of this land totals PLN 243.5 million). The fair value of the land purchased in 2007 amounts to PLN 27.3 million.

Termination of agreements on provision of services by the Impel Group Companies

Due to dynamically changing conditions of service provision, including a stable increase in employee pay, which exclude the possibility of fulfilling by the Impel Group its obligations resulting from the contracts entered into by Impel Cleaning sp. z o.o. and Impel Security Polska sp. z o.o. (100% subsidiary undertakings of the Issuer) the following unprofitable contracts were terminated:

1. On April 26th 2007 **Impel Cleaning Sp. z o. o.** gave notice of termination to Powszechna Kasa Oszczędności Bank Polski SA (PKO BP SA), regarding the contract the subject of which was the provision of comprehensive cleaning services in the branch offices of PKO BP SA. The services were rendered in more than 800 branch offices of PKO BP SA located in 7 cities and their surrounding areas throughout Poland, i.e. in Bydgoszcz, Gdańsk, Katowice, Kraków, Łódź, Warszawa, and Wrocław.
Termination of the contract will be effective as of the end of July 2007. As at the date of giving notice of termination the contract was classified as significant (contract concluded for an indefinite period) due to its monthly net value of about PLN 850 thousand.
2. On April 27th 2007 **Impel Security Polska Sp. z o. o.** gave notice of termination regarding all contracts concluded with Telekomunikacja Polska SA. The contracts were terminated as of April 30th 2007, effective at the end of July 2007.
The subject of the terminated contracts included people and property security services and cash and valuables transport services provided for the branches of Telekomunikacja Polska SA in the Central, Eastern, Western and Northern Regions.
As at the date of giving notice of termination the contracts were classified as significant (contracts concluded for an indefinite period) due to their joint monthly net value of about PLN 1 million.

It is the intention of both Impel Cleaning Sp. z o.o. and Impel Security Polska Sp. z o.o. to renegotiate these contracts in the way providing for the current economic conditions and enabling the companies to continue cooperation to the satisfaction of both parties.

Taking into consideration the growing expectations with regard to the level of pay and the resultant decreasing margins, accompanied by no increase in the price for provided services, no adverse impact of termination of the above contracts is expected for the results of Impel SA, Impel Cleaning Sp. z o.o., Impel Security Polska sp. z o.o. or the consolidated results of the Impel Group.

Centralised purchasing in the Impel Group

On January 1st 2007 the implementation of a new management system for the Impel Group's structure was commenced. Six business units were created: BU-1 Facility Management, BU-2 Security, BU-3 Employees Service, BU-4 Distribution, BU-5 Property Development and BU-6 Management of Service Delivery, with the standardised management models. By 2007 all functions except for purchasing were centralised or centrally coordinated.

The purchasing function was the area where the decision-making competence belonged to respective presidents of subsidiary undertakings, and the purchasing departments were dispersed and, apart from few exceptions, did not have any common policy for supplier management. Therefore, there were numerous and differing models for purchasing processes, quality requirements standards and specifications for purchased materials and services.

The project of centralising purchases was commenced in February 2007. The project was phased into auditing of the purchasing function and designing of the target model for purchasing organisation. The first phase consisted in examining to what extent the purchasing potential of the Impel Group is utilised in 11 aspects of the purchasing function – starting with the organisational structure, through supplier management and to employees' competence. The Presidents of the Impel Group's key companies and the Directors of other functions cooperating with the purchasing function were involved in the activities of the second phase. During this phase the Impel Group's purchasing strategy concept was developed as well as the organisational structure of the central Purchasing Office, maps of purchasing processes and the preliminary standardised classification of purchases into assortment

groups. An estimate was made for the level of savings possible to obtain as a result of implementing this new model.

Granting of rights to acquire bonds under the Incentive Scheme

On January 18th 2007, implementing the Incentive Scheme for 2006 (the third year of a three-year Scheme) the rights were granted to acquire 193,666 ordinary bearer Series A bonds with a par value of PLN 0.10 per bond (145,333 bonds from the basic pool, and 48,333 bonds from the additional pool), with the pre-emptive right to subscribe for and acquire 193,666 Series F ordinary bearer shares of Impel SA.

The allocation was conditional on (as stipulated in the Impel SA Incentive Scheme Rules) the execution of the more than 10% increase in the Company's average share price quoted at the last 50 stock exchange sessions of 2006 relative to that quoted at the last 50 stock exchange sessions of 2005. Such condition was fulfilled as the increase of 59.61% was recorded.

The entitled persons participating in the scheme had the pre-emptive right to subscribe for and acquire Series F ordinary bearer shares for the price of PLN 13 per share. Each bond carried the right to subscribe for and acquire one share. The right expires on April 23rd 2009, i.e. the last day of the 54th month following the issue of the bonds.

According to the Impel SA Incentive Scheme Rules, Series F shares acquired in exercise of the pre-emptive right cannot be disposed of before January 19th 2008 (applicable to the rights granted for 2006), i.e. before the expiry of twelve months from the date when it became possible for the trustee to issue the proposal to acquire the bonds.

UniCredit CA IB Polska SA acts as the trustee of the bonds

Acquisition of shares of HR for Business Sp. z o.o.

On April 18th 2007 Impel SA acquired shares of HR for Business Sp. z o.o., having its seat in Wrocław. 1,000 shares of the value at par of PLN 50 each and the total value at par of PLN 50,000 acquired by the Issuer are all equal and indivisible and constitute 100% of the share capital of HR for Business Sp. z o.o. The purchase price for the abovementioned shares was PLN 50 per share, which in total amounted to PLN 50,000. The acquired shares, classified as a long-term investment, were financed with own resources of Impel SA. HR for Business Sp. z o.o. provides consulting services in the scope of configuration and implementation of integrated IT systems.

Implementation of the Integrated IT System in the Impel Group

The implementation of the integrated IT system is of crucial importance for the Impel Group, enabling it to pass on to the highest level of organisation management, based on the process approach, supported with an IT system. For the Group it will be a radical change in the quality of management, ensuring the current monitoring of all processes and events.

The responsibility for implementing the system will rest with HR for Business Sp. z o.o., which entered into an agreement with SAP and purchased a licence for implementing the system.

The following projects will be carried out as part of the implementation of the Integrated IT System:

1. HR – 'hard' and 'soft' human resources and temporary work,
2. ERP – the main part of the system comprising finance, accounting, controlling, invoicing and billing, purchasing, logistics, production, and provision of services,
3. CRM – Customer Relations Management in the area of presales activities, selling process, and after-sales services,
4. Middleware – integration of processes and the resultant system integration,
5. Contact Center – incoming and outgoing customer communication management,
6. Arisa implementation – modelling business processes handled by the integrated system and outside the system.

The advantages of implementing the integrated IT system in the Impel Group 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 for specific work and annexes.

The complete configuration of the system is expected at the end of 2008.

Preliminary agreement on the conditions for acquiring corporate rights in Griffin Sp. z o.o.

On April 5th 2007 Impel Cleaning Sp. z o.o. (wholly owned subsidiary undertaking of the Issuer) signed a preliminary agreement with natural persons on acquisition of corporate rights in Griffin Sp. z o.o., having its seat in Kiev in Ukraine. The subject of the agreement includes the conditions and the time limit for acquiring by Impel Cleaning Sp. z o. o. 61% of shares in the share capital of Griffin Sp. z o.o., with the possibility of purchasing the remaining 39% of shares in the future. The final agreement should be concluded by the end of July 2007 at the latest.

Concurrently, on April 5th 2007, the above-mentioned parties signed a preliminary agreement on management of Griffin Sp. z o.o., the subject of which includes the conditions of management of Griffin Sp. z o.o., distribution of competence between the management bodies, and the procedure for taking decisions by them.

Griffin Sp. z o.o. renders cleaning services, sells cleaning machines, equipment, agents, and materials, and provides consulting in the scope of cleaning services. The company offers its services throughout Ukraine. The Company's average annual turnover totals PLN 4 million.

Use of funds obtained from share issue

As at the date of this report out of PLN 158.6 million obtained from share issue, in the part intended for sector acquisitions the amount of PLN 14 million was still available.

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

As at March 31st 2007 and as at the date of these financial statements, the share capital of Impel SA amounted to 75,192,310 and was divided into 15,038,462 shares with a par value of PLN 5.00 per share.

To the best of the Company's knowledge and as presented in the table below, in the period from the publication of the previous quarterly report i.e. from March 1st 2007 to May 15th 2007 (release of this report), **there were no changes in the ownership of significant blocks of shares in Impel SA:**

Shareholder	Number of shares	% of share capital	Number of votes	% of total vote
Grzegorz Dzik	5,037,907	33.50%	7,887,907	39.36%
Józef Biegaj	3,800,555	25.27%	5,950,555	29.70%
Merrill Lynch Investment Managers Group Limited (1)	1,171,701	7.79%	1,171,701	5.85%
Pioneer Pekao Investment Management SA acting on behalf of Pioneer Pekao TFI SA(2)	1,074,422	7.14%	1,074,422	5.36%

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

(2) according to the information received by the Company on September 20th 2004

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

To the best of the Company's knowledge, in the period from the publication of the previous quarterly report, i.e. from March 1st 2007 to May 15th (release of this report), **Management Board and Supervisory Board Members did not enter into any transactions involving Impel SA shares.**

	Number of shares as at the date of publication of Q4 2006 report (1)	Acquisition	Disposal	Number of shares as at the date of publication of Q1 2007 report 2007 (2)
Management Board				
Grzegorz Dzik	5,037,907	no change	no change	5,037,907
Józef Biegaj	3,800,555	no change	no change	3,800,555
Edward Laufer	-	-	-	-
Wojciech Rembikowski	1,343	no change	no change	1,343
Henryk Wojciechowski	993	no change	no change	993
Supervisory Board				
Krzysztof Oblój	-	-	-	-
Piotr Pawłowski	-	-	-	-
Sylwester Cacek	-	-	-	-
Andrzej Malinowski	-	-	-	-
Mariusz Matlakiewicz	-	-	-	-

(1) data as at March 1st 2007

(2) data as at May 15th 2007

IV. SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Name	Position	Signature
May 15 2007	Grzegorz Dzik	President of the Management Board	
May 15 2007	Józef Biegaj	Vice-president of the Management Board	
May 15 2007	Edward Laufer	Vice-president of the Management Board	
May 15 2007	Alina Rudnicka-Wałęsa	Head of the Accounting and Taxes Centre/ Chief Accountant Impel SA	