

THE POLISH SECURITIES AND EXCHANGE COMMISSION

SA-RS 2004 Consolidated Annual Report

Pursuant to § 57 section 1 item 1 of the Regulation by the Council of Ministers of 16th October 2001 Dz. U. No. 139, item 1569 as amended
(for issuers of securities in the manufacturing, construction, trade or service businesses)

for the financial year 2004 covering the period 1 January 2004 – 31 December 2004
and for the previous financial year 2003 covering the period

date of submission 2005-04-20

SELECTED FINANCIAL FIGURES	PLN '000	EUR '000
	2004	2004
I. Net revenues from sales of products, goods and materials	546 653	120 989
II. Operating profit (loss)	52 895	11 707
III. Gross profit (loss)	53 403	11 820
IV. Net profit (loss)	42 686	9 448
V. Net cash flow from operations	2 692	596
VI. Net cash flow from investments	-64 373	-14 247
VII. Net cash flow on financial activity	54 659	12 098
VIII. Total net cash flow	-7 022	-1 554
IX. Total assets	311 709	76 418
X. Liabilities and provisions for liabilities	119 696	29 344
XI. Long-term payables	2 306	565
XII. Short-term payables	114 163	27 988
XIII. Shareholders' equity	192 013	47 074
XIV. Share capital	3 407	835
XV. Number of shares	1 703 500	1 703 500
XVI. Profit (loss) per ordinary share (in PLN / EURO)	25.06	5.55
Diluted profit (loss) per ordinary share (in PLN / EURO)		
XVII. Book value per share - BVPS (in PLN / EUR)	11.72	27.63
Diluted book value per share (in PLN/EURO)		
Dividend per share – declared or paid (in PLN/EURO)		

CONSOLIDATED BALANCE SHEET	Notes	PLN '000
		2004
ASSETS		
I. Fixed assets		137 172
1. Intangible assets, including:	4,7613E+14	13 644
Goodwill		
Goodwill of subsidiaries	1,1606E+15	
2. Tangible fixed assets	1,58285E+14	116 605
3. Long-term receivables	1,50E+30	473
Due from related parties		
3.1. Due from other entities		473
4. Long-term investments	1,01277E+15	894
Real estate		
Intangible assets		
4.1. Long-term financial assets		894
a) in related parties, including:		611
- shares in subsidiaries valued in accordance with the equity method		611
- shares in non-consolidated subsidiaries or jointly-controlled entities		
b) in other entities		283
Other long-term investments		
5. Long-term prepaid expenses	8,66041E+14	5 556
5.1. Deferred income tax assets		3 892
5.2. Other prepaid expenses		1 664
II. Current assets		174 537
1. Inventory	1,66681E+15	131 783
2. Short-term receivables	5,3857925928886 1E+29	24 671
2.1. Due from related parties		40
2.2. Due from other entities		24 631
3. Short-term investments	3,51976E+11	15 629
3.1. Short-term financial assets		15 629
In related parties		
a) In other entities		78
b) cash and cash equivalents		15 551
Other short-term investments		
4. Short-term prepaid expenses	1,39862E+13	2 454

Total assets		311 709
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LIABILITIES			
I. Shareholders' equity			192 013
1. Share capital	6,45773E+13		3 407
Unpaid share capital (negative value)			
Treasury shares (negative value)	9,29857E+13		
2. Reserve capital	2,50814E+13		152 496
Revaluation capital	5,85621E+14		
3. Other capital reserves	1,2306E+15		1
4. FX rate discrepancies (conversion of subsidiaries)			-218
a) positive FX rate discrepancies			1 095
b) negative FX rate discrepancies			1 313
5. Profit (loss) from previous years			-6 359
6. Net profit (loss)			42 686
Write-off from net profit during the financial year (negative value)	1,5153E+15		
Minority capital	1,14526E+15		
Negative goodwill of subsidiaries	1,54957E+14		
II. Liabilities and provisions for liabilities			119 696
1. Provisions for liabilities	9,43019E+14		2 819
1.1. Provision for deferred income tax			1 783
1.2. Provision for retirement benefits and similar benefits			379
a) long-term			379
short-term			
1.3. Other provisions			657
long-term			
a) short-term			657
2. Long-term payables	2,93459E+14		2 306
Due to related parties			
2.1. Due to other entities			2 306
3. Short-term payables	5,91512E+14		114 163
3.1. Due to related parties			1 609
3.2. Due to other entities			112 347
3.3. Special funds			207
4. Accruals and deferred income	2,15962E+13		408
Negative goodwill			
4.1. Other accruals and deferred income			408
a) long-term			165
b) short-term			243
Total liabilities			311 709

Book value			192 013
Number of shares			1 703 500
Book value per share - BVPS (in PLN)	1,14156E+15		112.72
Diluted number of shares			
Diluted book value per share (in PLN)	1,14156E+15		

OFF-BALANCE SHEET ITEMS	Notes	PLN '000 .	
		2004	
Contingent receivables	7,7823E+13		
Due from related parties			
- guaranties received			
Due from other entities			
- guaranties received			
1. Contingent liabilities	7,7823E+13		22 927
1.1. Due to related parties			18 053
- granted guarantees			18 053
1.2. Due to other entities			4 874
- granted guarantees			4 512
- bank guarantees issued upon the request of the issuer to secure payables o other entities			362
Other			
Total off-balance sheet items			22 927

CONSOLIDATED PROFIT AND LOSS ACCOUNT	Notes	PLN '000 .
		2004
I. Net revenues from sales of products, goods and materials, including:		546 653
- from related parties		86
1. Net revenues from sales of products	9,88102E+13	3 285
2. Net revenues from sales of goods and materials	1,22354E+14	543 368
II. Costs of products, goods and materials sold, including:		251 325
to related parties		
Manufacturing costs of products sold	4,55729E+13	
1. Value of goods and materials sold		251 325
III. Gross profit (loss) on sales		295 328
IV. Costs of sales	4,55729E+13	204 896
V. General administrative expenses	4,55729E+13	34 378
VI. Profit (loss) on sales		56 054
VII. Other operating revenues		7 332
1. Profit from the disposal of non-financial fixed assets		375
2. Subsidies		702
3. Other operating revenues	6,93978E+13	6 255
VIII. Other operating expenses		10 491
1. Loss from the disposal of non-financial fixed assets		331
2. Revaluation of non-financial assets		5 147
3. Other operating expenses	1,45664E+14	5 013
IX. Operating profit (loss)		52 895
X. Financial revenues	1,17247E+14	5 976
Dividends and share in profits, including:		
due from related parties		
1. Interest, including:		702
due from related parties		
Profit from the disposal of investments		
Revaluation of investments		
2. Other		5 274
XI. Financial expenses	1,37681E+14	5 468
1. Interest, including:		4 687
due to related parties		
Loss from the disposal of investments		
Revaluation of investments		
2. Other		781
Profit (loss) from partial or total sales of shares in subsidiaries	1,48102E+14	
XII. Profit (loss) on business operations		53 403
Extraordinary events		
Extraordinary profits	7,43255E+14	
Extraordinary losses	1,35835E+14	
Write-down of goodwill of subsidiaries		
Write-down of negative goodwill of subsidiaries		
XIII. Gross profit (loss)		53 403
XIV. Income tax	3,13248E+12	10 717
a) current		11 272
b) deferred		-555
Other compulsory reductions of profit (increase of loss)	6,98064E+12	
Share in net profits (losses) of subsidiaries valued in accordance with the equity method		
Minority profits (losses)		
XV. Net profit (loss)	1,12633E+14	42 686
Annualised net profit (loss)		42 686
Weighed average number of ordinary shares		1 703 500
Profit (loss) per ordinary share (in PLN)	2,02753E+13	25.06
Weighed average diluted number of ordinary shares		
Diluted profit (loss) per ordinary share (in PLN)	2,02753E+13	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY	PLN '000 .	
	2004	
I. Shareholders' equity – opening balance	151 083	
a) changes in adopted accounting principles (policy)		
corrections of fundamental errors		
I.a. Shareholders' equity – opening balance, adjusted to comparative data	151 083	
1. Opening balance share capital	3 407	
Changes in share capital		
increase		
issue of shares		
decrease		
redemption of shares		
1.1. Closing balance share capital	3 407	
Opening balance unpaid share capital		
Changes in unpaid share capital		
increase		
decrease		
Closing balance unpaid share capital		
Opening balance treasury shares		
Changes in treasury shares		
increase		
decrease		
Closing balance treasury shares		
2. Opening balance reserve capital	118 152	
2.1. Changes in reserve capital	34 344	
a) increase	34 344	
shares issue above share nominal value		
- distribution of profit (statutory)	64	
- distribution of profit (above the minimum statutory value)	34 280	
decrease		
offset of loss		
2.2. Closing balance reserve capital	152 496	
Opening balance revaluation capital		
Changes in revaluation capital		
increase		
decrease		
disposal of fixed assets		
Closing balance revaluation capital		
3. Other capital reserves - opening balance	0	
3.1. Changes in other capital reserves	1	
a) increase	1	
- distribution of profit (statutory)	1	
decrease		
3.2. Other capital reserves - closing balance	1	
4. FX rate discrepancies (conversion of subsidiaries)	-218	
5. Opening balance profit (loss) from previous years	29 524	
5.1. Opening balance profit from previous years	36 933	
changes in adopted accounting principles (policy)		
corrections of fundamental errors		
5.2. Opening balance profit from previous years adjusted to comparative data	36 933	
a) increase	80	
distribution of profit from previous years		
- consolidation adjustment related to previous years	80	
b) decrease	34 491	
- distribution of profit from previous years	34 491	

5.3. Closing balance profit from previous years	2 522	
5.4. Opening balance loss from previous years	7 409	
changes in adopted accounting principles (policy)		
a) corrections of fundamental errors	310	
5.5. Opening balance loss from previous years adjusted to comparative data	7 719	
a) increase	1 307	
transfer of loss from previous years to be offset		
- write-off of goodwill as at acquisition date	22	
- consolidation adjustment related to previous years	1 285	
b) decrease	145	
- distribution of profit from previous years	145	
5.6. Closing balance loss from previous years	8 881	
5.7. Closing balance profit (loss) from previous years	-6 359	
6. Net result	42 686	
a) net profit	47 164	
b) net loss	4 478	
write-offs from profit		
II. Closing balance shareholders' equity	192 013	
III. Shareholders' equity adjusted by proposed distribution of profit (offset of loss)	192 013	

CONSOLIDATED CASH FLOW STATEMENT	PLN '000	
	2004	
A. Cash flow from operations		
(direct method)		
Inflows		
Sales		
Other operating inflows		
Outflows		
Deliveries and services		
Net salaries		
Social security, health insurance and other benefits		
Taxes and fees due under the public law		
Other operating outflows		
Net cash flow from operations (I-II) – direct method		
(indirect method)		
I. Net profit (loss)	42 686	
II. Total adjustments	-39 994	
Minority profits (losses)		
Share in net profits (losses) or subsidiaries valued in accordance with the equity method		
1. Amortization and depreciation, including:	19 160	
write-off of goodwill or negative goodwill of subsidiaries		
2. FX rate discrepancies (profits) losses	-4 037	
3. Interest and share in profits (dividends)	4 164	
4. Profit (loss) from investments	2 522	
5. Change in provisions	1 424	
6. Change in inventory	-41 585	
7. Change in receivables	-1 986	
8. Change in short-term payables, excluding credits and loans	-11 476	
9. Change in prepaid expenses, accruals and deferred income	-7 371	
10. Other adjustments	-809	
III. Net cash flow from operations (I+/-II) – indirect method	2 692	
B. Cash flow from investments		
I. Inflows	960	
1. Disposal of intangible assets and tangible fixed assets	564	
Disposal of investments into real estate and intangible assets		
2. From financial assets, including:	40	
a) in related parties	4	
- disposal of financial assets	4	
dividends and share in profits		
repayment of long-term loans granted		
interest		
other inflows from financial assets		
b) in other entities	36	
disposal of financial assets		
dividends and share in profits		
repayment of long-term loans granted		

- interest	36	
other inflows from financial assets		
3. Other inflows from investments	356	
II. Outflows	65 333	
1. Acquisition of intangible assets and tangible fixed assets	64 795	
Investments into real estate and intangible assets		
2. On financial assets, including:	105	
a) in related parties	86	
- acquisition of financial assets	86	
long-term loans granted		
b) in other entities	19	
acquisition of financial assets		
- long-term loans granted	19	
Dividends and other share in profits paid to the minority		
3. Other investment outflows	433	
III. Net cash flow from investments (I-II)	-64 373	
C. Cash flow from financial activity		
I. Inflows	61 857	
Net inflows from the issue of shares and other equity instruments and additional payments to capital		
1. Credits and loans	58 237	
Issue of debt securities		
2. Other financial inflows	3 620	
II. Outflows	7 198	
Acquisition of treasury shares		
Dividends and other payments to shareholders		
Outflows related to the distribution of profit other than payments to owners		
1. Repayment of credits and loans	2 915	
Redemption of debt securities		
Other financial payables		
2. Payments due under financial lease agreements	9	
3. interest	3 968	
4. Other financial outflows	306	
III. Net cash flow from financial activity (I-II)	54 659	
D. Total net cash flow (A.III+/-B.III+/-C.III)	-7 022	
E. Total cash flow balance, including:	-7 022	
- change in cash due to FX rate discrepancies	-392	
F. Opening cash balance	22 573	
G. Closing cash balance (F+/-D), including:	15 551	
- restricted cash	222	