

CAPITAL GROUP
„BARLINEK” S.A.

CONSOLIDATED
FINANCIAL REPORT
FOR THE FIRST SIX MONTHS OF 2008

Consolidated financial statement of Barlinek Group for the first six months of 2008

Selected financial data

	thousands PLN			thousands EUR		
	first six months of 2008	2007	first six months of 2007	first six months of 2008	2007	first six months of 2007
I. Net revenues from sales of products, goods and material	251,163	488,361	229,183	72,223	129,306	59,549
II. Profit (loss) on operating activities	24,240	55,643	29,523	6,970	14,733	7,671
III. Gross profit (loss)	23,939	51,757	27,389	6,884	13,704	7,117
IV. Net profit (loss)	39,452	59,167	26,423	11,345	15,666	6,866
V. Net cash flows from operating activities	-56,443	31,740	5,557	-16,230	8,404	1,444
VI. Net cash flows from investment activities	-145,382	-189,699	-88,581	-41,805	-50,228	-23,016
VII. Net cash flows from financial activities	204,699	84,137	89,428	58,862	22,277	23,236
VIII. Total net cash flows	2,874	-73,822	6,404	826	-19,546	1,664
IX. Total assets	1,169,834	869,644	825,230	348,767	242,782	219,138
X. Liabilities and reserves for liabilities	764,079	491,218	457,593	227,798	137,135	121,513
XI. Long term liabilities	422,777	267,741	265,725	126,044	74,746	70,563
XII. Short term liabilities	275,074	213,066	184,463	82,009	59,482	48,984
XIII. Equity	404,952	378,426	367,637	120,730	105,647	97,625
XIV. Share capital	96,780	96,780	96,780	28,853	27,018	25,700
XV. Number of shares	96,780,000	96,780,000	96,780,000	96,780,000	96,780,000	96,780,000
XVI. Profit (loss) per ordinary share (PLN / EUR)	0.41	0.65	0.27	0.12	0.17	0.07
XVII. Diluted earnings (loss) per ordinary share (PLN / EUR)	0.41	0.65	0.27	0.12	0.17	0.07
XVIII. Book value per share (PLN / EUR)	4.18	3.91	3.80	1.25	1.09	1.01
XIX. Diluted book value per share (PLN / EUR)	4.18	3.91	3.80	1.25	1.09	1.01
XX. Declared or paid dividend per share (PLN / EUR)						

Kielce, 22.09.2008

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Consolidated financial statement of Barlinek Group for the first six months of 2008

BALANCE SHEET	Note	30.06.2008	31.12.2007	30.06.2007
ASSETS				
I. Fixed assets		747,014	558,492	469,542
1. Intangible assets	1	754	867	919
2. Tangible fixed assets	2	718,269	531,427	452,528
3. Long-term receivables		0	0	0
3.1. From subsidiaries and affiliates		0	0	0
3.2. From other entities		0	0	0
4. Long-term investments	3	871	862	636
4.1. Real estate		0	0	0
4.2. Intangible assets		0	0	0
4.3. Long-term financial assets		871	862	636
a) in subsidiaries and affiliates		0	0	70
- shares		0	0	70
- granted loans		0	0	0
b) in other entities		871	862	566
- shares		12	12	12
- granted loans		859	850	554
4.4. Other long-term investments		0	0	0
5. Long-term deferred charges and accruals		27,120	25,336	15,459
5.1. Assets from deferred taxes	4	22,255	20,710	10,150
5.2. Other deferred charges and accruals	5	4,865	4,626	5,309
II. Current assets		422,820	311,152	355,688
1. Inventories	6	206,518	130,889	106,205
2. Short-term receivables	7	168,164	152,677	136,861
2.1. From subsidiaries and affiliates		0	0	0
a) for deliveries and services		0	0	0
b) others		0	0	0
2.2. From other entities		168,164	152,677	136,861
a) for deliveries and services		107,970	90,327	85,627
b) from tax, subsidy, customs, social security and other benefits		43,736	50,960	34,387
c) others		16,458	11,390	16,847
3. Short-term investments	8	13,274	9,998	90,368
3.1. Short-term financial assets		13,274	9,998	90,368
a) in subsidiaries and affiliates		0	0	0
b) in other entities		400	72	0
c) cash and other cash assets		12,874	9,926	90,368
3.2. Other short-term investments		0	0	0
4. Short-term deferred charges and accruals	9	34,864	17,588	22,254
Total assets		1,169,834	869,644	825,230
LIABILITIES				
I. Equity capital		404,952	378,426	367,637
1. Share capital	10	96,780	96,780	96,780
2. Own shares for sale (negative value)		0	0	0
3. Reserve capital	11	309,021	250,536	250,574
4. Revaluation reserve capital		0	0	0
5. Other reserve capital		0	0	0
6. Exchange gain (loss) on consolidation		-37,591	-24,703	-5,551
a) currency translation gains		0	0	0
b) currency translation losses		-37,591	-24,703	-5,551
7. Undistributed earnings or uncovered loss of previous periods		-2,710	-3,354	-589
8. Net profit (loss)		39,452	59,167	26,423
II. Minority shareholders capital		803	0	0
III. Reserve capital from consolidation		0	0	0
IV. Liabilities and reserves for liabilities		764,079	491,218	457,593
1. Reserves for liabilities	12	66,221	10,404	7,399
1.1. Reserves for income tax		5,352	2,763	1,684
1.2. Social security reserves		319	286	301
a) long term		257	226	245
b) short term		62	60	56
1.3. Other securities		60,550	7,355	5,414
a) long term		40,303	0	0
b) short term		20,247	7,355	5,414
2. Long term liabilities	13	422,777	267,741	265,725
2.1. To subsidiaries and affiliates		0	0	0
2.2. To other entities		422,777	267,741	265,725
3. Short term liabilities	14	275,074	213,066	184,463
3.1. To subsidiaries and affiliates		0	0	0
a) for deliveries and services		0	0	0
b) others		0	0	0
3.2. To other entities		275,074	213,066	184,463
a) for deliveries and services		61,849	56,947	41,322
b) from tax, subsidy, customs, social security and other benefits		12,594	10,062	9,750
c) others		200,631	146,057	133,391
4. Accruals and deferred income		7	7	6
4.1. Negative goodwill		0	0	0
4.2. Other deferred charges and accruals		7	7	6
a) long term		0	0	0
b) short term		7	7	6
Total liabilities		1,169,834	869,644	825,230

Kielce, 22.09.2008

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Consolidated financial statement of Barlinek Group for the first six months of 2008

PROFIT AND LOSS ACCOUNT	Note	first six months of 2008	2007	first six months of 2007
I. Net revenues from sales of products, goods and materials, including:		251,163	488,361	229,183
- from subsidiaries and affiliates		0	0	0
1. Net revenues from sale of products	16	239,310	462,078	219,014
2. Net revenues from sales of products, goods and materials	17	11,853	26,283	10,168
II. Cost of products, goods and materials sold, including:		165,003	317,979	149,656
- from subsidiaries and affiliates		0	0	0
1. Cost of production	18	155,345	299,282	141,296
2. Cost of goods and materials sold		9,658	18,697	8,360
III. Gross profit (loss) on sales (I-II)		86,160	170,382	79,527
IV. Cost of sales		42,267	75,099	34,031
V. General administrative expenses		19,623	34,924	14,936
VI. Profit (loss) on sales (III-IV-V)		24,270	60,359	30,560
VII. Other operating income	19	1,788	2,043	743
1. Revenue from sale of non-financial fixed assets		101	362	103
2. Subsidies		6	34	0
3. Other operating income		1,681	1,647	640
VIII. Other operating costs	20	1,818	6,759	1,780
1. Cost of non-financial fixed assets sold		145	428	101
2. Revaluation of non-financial fixed assets		0	92	70
3. Other operating costs		1,673	6,239	1,609
IX. Profit (loss) on operating activities (VI+VII-VIII)		24,240	55,643	29,523
X. Financial revenue	21	43,408	27,062	10,921
1. Share dividends, including:		1	1	1
- from subsidiaries and affiliates		0	0	0
2. Interest, including:		137	1,280	804
- from subsidiaries and affiliates		0	0	0
3. Income from sale of investments		1,043	0	0
4. Gain on revaluation of investments		0	0	0
5. Other		42,227	25,781	10,116
XI. Financial expenses	22	43,709	30,948	13,055
1. Interest, including:		10,967	12,217	5,057
- to subsidiaries and affiliates		0	0	0
2. Loss on sale of investments		803	0	0
3. Gain on revaluation of investments		0	0	0
4. Other		31,939	18,731	7,998
XII. Profit (loss) on commercial activity (IX+X-XI+/-XII)		23,939	51,757	27,389
XIII. Gross profit (loss) (XIII)		23,939	51,757	27,389
XIV. Profit on acquisition of a subsidiary		16,580	0	0
XV. Income tax	23	1,067	-7,410	966
a) current		193	278	517
b) deferred		874	-7,688	449
XVI. Other obligatory decrease of gross profit (increased loss)		0	0	0
XVII. Net profit (loss) (XIII+XIV-XV-XVI)	24	39,452	59,167	26,423

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Consolidated financial statement of Barlinek Group for the first six months of 2008

CHANGES IN EQUITY	first six months of 2008	2007	first six months of 2007
I. Opening balance of equity	378,426	343,486	343,486
a) changes in adopted accounting principles	0	0	0
b) adjustments of fundamental errors	0	0	0
I.a. Opening balance of equity after adjustments	378,426	343,486	343,486
1. Opening balance of share capital	96,780	96,780	96,780
1.1. Changes in share capital	0	0	0
a) increase (due to)	0	0	0
- issuance of shares	0	0	0
b) decrease (due to)	0	0	0
- redemption of shares	0	0	0
1.2. Closing balance of share capital	96,780	96,780	96,780
2. Opening balance of called up share capital	0	0	0
2.1. Changes in called up share capital	0	0	0
a) increase (due to)	0	0	0
b) decrease (due to)	0	0	0
2.2. Closing balance of called up share capital	0	0	0
3. Opening balance of own shares	0	0	0
3.1. Changes in balance of own shares	0	0	0
a) increase (due to)	0	0	0
b) decrease (due to)	0	0	0
3.2. Closing balance of own shares	0	0	0
4. Opening balance of supplementary capital	250,536	213,884	213,884
4.1. Changes in supplementary capital	58,485	36,652	36,690
a) increase (due to)	58,523	36,690	36,690
- issue of shares above face value	0	0	0
- from profit distribution (statutory)	0	0	0
- from profit distribution (above the statutory minimum value)	58,523	36,690	36,690
b) decrease (due to)	38	38	0
- loss coverage	0	0	0
- other decreases	38	38	0
4.2. Closing balance of supplementary capital	309,021	250,536	250,574
5. Opening balance of revaluation reserve	0	0	0
5.1. Changes in revaluation reserve	0	0	0
a) increase (due to)	0	0	0
- revaluation of financial instruments	0	0	0
- settlement of currency differences	0	0	0
b) decrease (due to)	0	0	0
- sale of tangible fixed assets	0	0	0
5.2. Closing balance of revaluation reserve	0	0	0
6. Opening balance of other reserve capitals	0	0	0
6.1. Changes in other reserve capitals	0	0	0
a) increase (due to)	0	0	0
b) decrease (due to)	0	0	0
6.2. Closing balance of other reserve capitals	0	0	0
7. Exchange gain (loss) on consolidation	-37,591	-24,703	-5,551
8. Opening balance of previous years' profit (loss)	55,813	36,102	36,102
8.1 Opening balance of previous years' profit	59,167	36,102	36,102
a) changes in adopted accounting principles	0	74	0
b) adjustments of fundamental errors	0	-2,840	0
8.2 Opening balance of previous years' profit, after adjustments	59,167	33,336	36,102
a) increase (due to)	0	0	0
- distribution of previous years' profit	0	0	0
b) decrease (due to)	58,523	36,690	36,691
- distribution of previous years' profit	58,523	36,690	36,691
- other decreases	0	0	0
8.3. Closing balance of previous years' profit	644	-3,354	-589
8.4. Opening balance of previous years' loss	3,354	0	0
a) changes in adopted accounting principles	0	0	0
b) adjustments of fundamental errors	0	0	0
8.5. Opening balance of previous years' loss, after adjustments	3,354	0	0
a) increase (due to)	0	0	0
b) decrease (due to)	0	0	0
8.6. Closing balance of previous years' loss	3,354	0	0
8.7. Closing balance of previous years' profit (loss)	-2,710	-3,354	-589
9. Net result	39,452	59,167	26,423
a) net profit	39,452	59,167	26,423
b) net loss	0	0	0
c) write-offs on profit (negative value)	0	0	0
II. Closing balance of equity	404,952	378,426	367,637
III. Equity including proposed profit distribution (loss coverage)	404,952	378,426	367,637

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Consolidated financial statement of Barlinek Group for the first six months of 2008

	first six months of 2008	2007	first six months of 2007
A. Cash flows from operating activities - indirect method			
I. Net profit (loss)	22,871	59,167	26,423
II. Total adjustments	-79,314	-27,427	-20,866
1. Depreciation	22,536	22,379	9,618
2. Exchange gains (losses)	-7,488	14,467	-148
3. Interest and profit sharing (dividend)	9,684	11,473	4,530
4. Profit (loss) on investment activities	44	353	-2
5. Change in provisions	546	6,478	3,471
6. Change in inventory	-60,025	-26,907	-2,223
7. Change in receivables	-9,124	-54,278	-38,462
8. Change in short-term liabilities excluding credits and loan	-6,042	38,692	14,857
9. Change in prepayments and accruals	-19,060	-15,366	-10,155
10. Other adjustments	-10,385	-24,718	-2,352
III. Net cash flows from operating activities (I+II)	-56,443	31,740	5,557
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
I. Inflows	102	363	104
1. Disposal of intangible and tangible fixed assets	101	362	103
2. Disposal of investments in real property and in intangible assets	0	0	0
3. From financial assets, including:	1	1	1
a) in subsidiaries and affiliates	0	0	0
- sale of financial assets	0	0	0
- dividend and profit sharing	0	0	0
- repayment of long-term loans	0	0	0
- interest	0	0	0
- other inflows from financial assets	0	0	0
b) in other entities	1	1	1
- sale of financial assets	0	0	0
- dividend and profit sharing	1	1	1
- repayment of long-term loans	0	0	0
- interest	0	0	0
- other inflows from financial assets	0	0	0
4. Other inflows from investment activities	0	0	0
II. Outflows	145,484	190,062	88,685
1. Acquisition of intangible and tangible fixed assets	58,003	189,617	88,515
2. Investments in real property and in intangible assets	0	0	0
3. For financial assets, including:	300	445	170
a) in subsidiaries and affiliates	0	0	70
- acquisition of financial assets	0	0	70
- granted long-term loans	0	0	0
b) in other entities	300	445	100
- acquisition of financial assets	0	0	0
- granted long-term loans	300	445	100
- granted short-term loans	0	0	0
4. Dividends and other profit sharing paid out to minority shareholders	0	0	0
5. Expenditure to acquire Barlinek Romania S.A.	87,181	0	0
III. Net cash flows from operating activities (I-II)	-145,382	-189,699	-88,581
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
I. Inflows	236,098	166,977	122,676
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	0	0
2. Credits and loans	236,098	166,977	122,676
3. Issuance of debt securities	0	0	0
4. Other inflows from financial activities	0	0	0
II. Outflows	31,399	82,840	33,248
1. Purchase of own shares	0	0	0
2. Dividends and other payments to shareholders	0	0	0
3. Profit distribution liabilities other than profit distribution payments to shareholders	0	0	0
4. Repayment of credits and loans	21,235	68,552	27,092
5. Redemption of debt securities	0	0	0
6. Payment of other financial liabilities	0	0	0
7. Payment of liabilities arising from financial leases	1,349	2,515	1,517
8. Interest	8,815	11,773	4,639
9. Other outflows from financial activities	0	0	0
III. Net cash flows from investment activities (I-II)	204,699	84,137	89,428
D. Total net cash flows (A.III+/-B.III+/-C.III)	2,874	-73,822	6,404
E. Balance sheet change in cash:	2,948	-73,890	6,552
- change in cash due to exchange differences	74	-68	148
F. Cash opening balance	9,926	83,816	83,816
G. Closing balance of cash, including:	12,874	9,926	90,368
- of limited disposability			

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**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

data in thousands of
PLN

NOTE 1A

INTANGIBLE ASSETS	first six months of 2008	2007	first six months of 2007
a) cost of completed development work	0	0	0
b) goodwill	0	0	0
c) acquired concessions, patents, license and other assets, including:	754	867	919
- computer software	733	846	861
d) other intangible assets	0	0	0
total intangible assets:	754	867	919
- including undetermined period of use	0	0	0

NOTE 1B

CHANGES IN INTANGIBLE ASSETS (BY TYPE)				
	acquired concessions, patents, license and other assets, including:		other intangible assets	total intangible assets:
	-	software for computers		
a) gross value of intangible assets at the beginning of period	2,213	2,189	0	2,213
b) increase (due to)	155	155	0	155
- purchase	138	138	0	138
- transfers	0	0	0	0
- purchase of a subsidiary	17	17	0	17
c) deductions (due to)	0	0	0	0
- liquidation	0	0	0	0
d) gross value of intangible assets at the end of period	2,368	2,344	0	2,368
e) accumulated depreciation at the beginning of period	1,346	1,343	0	1,346
f) depreciation for the period (due to)	267	267	0	267
- write-offs	267	267	0	267
- liquidation	0	0	0	0
g) accumulated depreciation at the end of period	1,613	1,610	0	1,613
h) write-offs due to permanent loss of value at the beginning of period	0	0	0	0
- increase	0	0	0	0
- deduction	0	0	0	0
h) write-offs due to permanent loss of value at the end of the period	0	0	0	0
j) adjustments on conversion in foreign subsidiaries	-1	-1	0	-1
j) net value at the end of the period	754	733	0	754

NOTE 1C

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) proprietary	754	867	919
b) used based on tenancy or lease agreement, including:	0	0	0
Intangible assets, total	754	867	919

The Company has ownership rights to all intangible assets in its possession. There are no items with undetermined period of use.

NOTE 2A

TANGIBLE FIXED ASSETS	first six months of 2008	2007	first six months of 2007
a) fixed assets, including:	571,394	433,303	253,843
- land	17,755	3,857	2,452
- buildings, commercial premises and civil engineering facilities	180,177	150,256	66,134
- equipment and machinery	342,463	259,329	168,286
- means of transport	27,293	16,812	15,221
- other fixed assets	3,706	3,049	1,750
b) fixed assets under construction	146,875	98,124	198,685
Tangible fixed assets, total	718,269	531,427	452,528

NOTE 2B

CHANGES IN FIXED ASSETS (BY TYPE)						
	- land	- buildings, commercial premises and civil engineering facilities	- equipment and machinery	- means of transport	- other fixed assets	Fixed assets, total
	a) gross value of fixed assets at the beginning of period	4,246	162,715	309,133	24,114	4,237
b) increase (due to)	14,080	34,527	101,536	15,043	1,073	166,259
- purchase	0	2,843	19,726	3,525	392	26,486
- transfers	0	0	0	0	0	0
- purchase of a subsidiary	14,080	31,684	81,810	11,518	681	139,773
c) deductions (due to)	0	28	2,518	333	21	2,900
- sales	0	28	0	280	17	325
- liquidation	0	0	2,518	53	4	2,575
- allocation for sale	0	0	0	0	0	0
d) gross value of fixed assets at the end of period	18,326	197,214	408,151	38,824	5,289	667,804
e) accumulated depreciation at the beginning of period	175	11,772	49,286	7,172	1,162	69,567
f) depreciation for the period (due to)	15	2,576	14,553	4,084	366	21,594
- charges	15	2,584	14,852	4,302	371	22,124
- deductions due to sale, write-off	0	8	299	218	5	530
- allocation for sale	0	0	0	0	0	0
g) accumulated depreciation at the end of period	190	14,348	63,839	11,256	1,528	91,161
h) write-offs due to permanent loss of value at the beginning of period	0	0	0	0	0	0
- increase	0	0	0	0	0	0
- deduction	0	0	0	0	0	0
h) write-offs due to permanent loss of value at the end of the period	0	0	0	0	0	0
j) adjustments on conversion in foreign subsidiaries	-381	-2,689	-1,849	-275	-55	-5,249
k) net value of fixed assets at the end of period	17,755	180,177	342,463	27,293	3,706	571,394

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 2C

BALANCED FIXED ASSETS (OWNERSHIP STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) proprietary	564,323	426,559	248,206
b) used based on tenancy or lease agreement, including:	7,071	6,744	5,637
- leasing	7,071	6,744	5,637
Balanced fixed assets, total	571,394	433,303	253,843

Barlinek S.A. has 25% share in two items of means of transport.

The company bears direct costs relating to use of these means of transport and contributes to general costs of use commensurate to its ownership share.

Value of securities established on fixed assets due to concluded credit and loan agreements:

- assets encumbered with registered pledge to the benefit of BOŚ S.A.:	9 817 000 PLN
- assets encumbered with registered pledge to the benefit of WFOŚ:	1 125 000 PLN
- assets encumbered with registered pledge to the benefit of Pekao S.A.:	85 625 000 PLN
- assets encumbered with registered pledge to the benefit of PKO BP S.A.:	37 690 000 PLN
- assets appropriated by PKO BP S.A.:	32 625 000 PLN
- assets encumbered with mortgage to the benefit of PKO BP S.A.:	85 720 000 PLN
- assets encumbered with mortgage to the benefit of PeKaO S.A.:	20 000 000 PLN
- assets encumbered with mortgage to the benefit of EBOR S.A.:	38 925 000 EUR
- assets encumbered with registered pledge to the benefit of EBOR	38 925 000 EUR
The amount of liabilities due to acquisition of fixed assets is:	7 008 000 PLN

The value of depreciation for first six months 2008 is shown in note 2B item f (charges)

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 3A

LONG-TERM FINANCIAL ASSETS	first six months of 2008	2007	first six months of 2007
a) in subsidiaries	0	0	70
- shares	0	0	70
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	0	0	0
b) in other entities	871	862	566
- shares	12	12	12
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	859	850	554
Other long-term financial assets	0	0	0
Long-term financial assets, total	871	862	636

NOTE 3B

CHANGES IN LONG-TERM FINANCIAL ASSETS (BY TYPE)	first six months of 2008	2007	first six months of 2007
a) opening balance	862	454	454
b) increase	9	408	182
- shares	0	0	70
- loans	9	408	112
c) decrease	0	0	0
- shares	0	0	0
- loans	0	0	0
d) closing balance	871	862	636

NOTE 3C

LIST OF SUBSIDIARIES	first six months of 2008	2007	first six months of 2007
a) name of subsidiary with indication of legal form		"Barlinek Inwestycje" Sp. z o.o.	
b) registered office		Barlinek	
c) core business activity		PKD 2010	
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		30.06.2004 r.	
g) value of shares at the price of purchase	216,108	216,108	216,108
h) value adjustments (total)	0	0	0
i) share balance value	216,108	216,108	216,108
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	100%

a) name of subsidiary with indication of legal form		"Barlinek Innowacje" Sp. z o.o.	
b) registered office		Barlinek	
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		02.06.2005 r.	
g) value of shares at the price of purchase	50	50	50
h) value adjustments (total)	0	0	0
i) share balance value	50	50	50
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	100%

a) name of subsidiary with indication of legal form		"Barlinek Luxembourg" S.A.R.L.	
b) registered office		Luxembourg	
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		13.06.2006	
g) value of shares at the price of purchase	56	56	56
h) value adjustments (total)	0	0	0
i) share balance value	56	56	56
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	100%

a) name of subsidiary with indication of legal form		"Barlinek Cyprus" Limited	
b) registered office		Nikozja	
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		21.09.2006	
g) value of shares at the price of purchase	7	7	7
h) value adjustments (total)	0	0	0
i) share balance value	0	0	0
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	100%

Shareholders of Barlinek Cyprus Limited are Barlinek Spółka Akcyjna with 0.05% of shares and Barlinek Luxembourg S.A.R.L. with 99.95% of shares.

a) name of subsidiary with indication of legal form		"Barlinek Invest" Sp. z o.o.	
b) registered office		Vinnycya, Ukraine	
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		21.12.2005 r.	
g) value of shares at the price of purchase	38,204	40,697	33,967
h) value adjustments (total)	0	0	0
i) share balance value	0	0	0
j) percent of owned share capital	97.32%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	97.32%	100%	100%

On the 20.10.2006 the shares in Barlinek Invest Sp. z o.o. were taken over by Barlinek Cyprus Limited.

a) name of subsidiary with indication of legal form		"Barlinek Ukraina" Sp. z o.o.	
b) registered office		Vinnycya, Ukraine	
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)		subsidiary	
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method		complete method	
f) date of gaining control / joint control / considerable influence		21.09.2006	
g) value of shares at the price of purchase	1,975	1,975	1,975
h) value adjustments (total)	0	0	0
i) share balance value	1,975	1,975	1,975
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	100%

On the 13.04.2006 the shares in Barlinek Ukraina Sp. z o.o. were taken over by Barlinek Invest Sp. z o.o.

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 3C continued

LIST OF SUBSIDIARIES	first six months of	2007	first six months of
a) name of subsidiary with indication of legal form	"Barlinek Deutschland" GmbH		
b) registered office	Daun - Germany		
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)	subsidiary		
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method	complete method		
f) date of gaining control / joint control / considerable influence	18.10.2007r.		
g) value of shares at the price of purchase	110	110	0
h) value adjustments (total)	0	0	0
i) share balance value	110	110	0
j) percent of owned share capital	100%	100%	0%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	0%

a) name of subsidiary with indication of legal form	"BCDF Ltd"		
b) registered office	Nikozya-Cyprus		
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)	subsidiary		
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method	complete method		
f) date of gaining control / joint control / considerable influence	18.01.2008		
g) value of shares at the price of purchase	13	0	0
h) value adjustments (total)	0	0	0
i) share balance value	13	0	0
j) percent of owned share capital	100%	0%	0%
k) share of total voting rights in General Shareholders' Meeting	100%	0%	0%

a) name of subsidiary with indication of legal form	"Barlinek Romania" S.A.		
b) registered office	Bacau-Romania		
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)	subsidiary		
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method	complete method		
f) date of gaining control / joint control / considerable influence	31.01.2008		
g) value of shares at the price of purchase	81.471	0	0
h) value adjustments (total)	0	0	0
i) share balance value	84.465	0	0
j) percent of owned share capital	99.90%	0%	0%
k) share of total voting rights in General Shareholders' Meeting	99.90%	0%	0%

a) name of subsidiary with indication of legal form	"Barlinek Rus Trade"		
b) registered office	Moscow - Russian Federation		
c) core business activity			
d) type of affiliation (subsidiary, joint subsidiary, affiliated company, indication of direct and indirect affiliation)	subsidiary		
e) method of consolidation / valuation by property law method or indication that company is not subject to consolidation / valuation by property law method	complete method		
f) date of gaining control / joint control / considerable influence	15.04.2008		
g) value of shares at the price of purchase	30	0	0
h) value adjustments (total)	0	0	0
i) share balance value	30	0	0
j) percent of owned share capital	100%	0%	0%
k) share of total voting rights in General Shareholders' Meeting	100%	0%	0%

NOTE 3D

SHARES in other entities	first six months of	2007	first six months of
a) name of subsidiary with indication of legal form	Gospodarczy Bank Spółdzielczy		
b) registered office	Barlinek		
c) core business activity	banking		
d) share balance value	12	12	12
e) equity capital of a company, including:	21.860	21.860	17.290
- share capital	5.222	5.222	5.222
f) percent of owned share capital	0.23%	0.23%	0.23%
g) share of total voting rights in General Shareholders' Meeting	0.23%	0.23%	0.23%
h) value of issuer shares not paid in	0	0	0
i) dividends received or due for the last financial year	1	1	0

NOTE 3E

SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE)	first six months of	2007	first six months of
a) in Polish currency	12	12	12
b) in foreign currency (by currency and after conversion to PLN)	0	0	0
Securities, shares and other long-term financial assets, total	12	12	12

NOTE 3F

GRANTED LONG-TERM LOANS (CURRENCY STRUCTURE)	first six months of	2007	first six months of
a) in Polish currency	859	850	554
b) in foreign currency (by currency and after conversion to PLN)	0	0	0
granted long-term loans, total	859	850	554

NOTE 4

CHANGES IN ASSETS FROM DEFERRED TAXES	first six months of	2007	first six months of
1. Opening balance of assets from deferred taxes, including:	20.710	9.717	9.717
a) reflected in financial result	19.348	9.700	9.700
b) reflected in equity capital	1.362	17	17
c) reflected in goodwill or negative goodwill	0	0	0
2. Increases	2.454	19.330	515
a) reflected in financial result due to negative transient differences (due to)	2.454	1.575	515
- deferred cost	812	603	350
- currency translation differences	1.638	971	164
- severance payments	4	1	1
- gratuity	0	0	0
b) reflected in financial result due to unused tax relief	0	12.370	0
b) reflected in financial result due to loss on taxes (due to)	0	4.023	0
d) reflected in equity capital due to loss on taxes (due to)	0	1.362	0
e) reflected in goodwill or negative transient differences (due to)	0	0	0
3. Decreases	909	8.337	82
a) reflected in financial result due to negative transient differences (due to)	805	82	82
- deferred cost	381	46	46
- currency translation differences	420	0	0
- severance payments	4	0	0
- gratuity	0	36	36
b) reflected in financial result due to unused tax relief	0	8.255	0
c) reflected in equity capital due to negative transient differences (due to)	0	0	0
- decrease of reserves according to evaluation by an Actuary	0	0	0
d) reflected in equity capital due to loss on taxes (due to)	0	0	0
e) adjustments on conversion in foreign subsidiaries	104	0	0
4. Total closing balance of assets from deferred taxes, including:	22.255	20.710	10.150
a) reflected in financial result	20.893	19.348	10.133
b) reflected in equity capital	1.362	1.362	17
c) reflected in goodwill or negative goodwill	0	0	0

NOTE 5

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

OTHER LONG-TERM DEFERRED CHARGES AND ACCRUALS	first six months of 2008	2007	first six months of 2007
a) deferred expenditure, including:	4,865	4,626	5,309
- interest part leasing	204	1,164	185
- organised	1,132	136	1,229
- expenditure relating to patents	240	283	235
- insurance	31	53	32
- licence fee	3,258	2,990	3,628
b) other deferred charges and accruals	0	0	0
Other deferred charges and accruals, total	4,865	4,626	5,309

NOTE 6

INVENTORIES	first six months of 2008	2007	first six months of 2007
a) materials	51,588	40,707	28,284
b) semi-finished products and work in progress	55,590	38,665	29,074
c) finished products	95,797	47,968	45,536
d) merchandise	3,543	3,549	3,311
Inventories, total	206,518	130,889	106,205

NOTE 7A

SHORT-TERM RECEIVABLES	first six months of 2008	2007	first six months of 2007
a) from subsidiaries and affiliates	0	0	0
- for goods and services, maturing within:	0	0	0
- up to 12 months	0	0	0
- more than 12 months	0	0	0
- other	0	0	0
- claimed at court	0	0	0
b) receivables from other entities	168,164	152,677	136,861
- for goods and services, maturing within:	107,970	90,327	85,627
- up to 12 months	107,970	90,327	85,627
- more than 12 months	0	0	0
- from tax, subsidy, customs, social security and other benefits	43,736	50,960	34,387
- other	13,870	7,115	2,897
- prepayments	2,518	4,215	13,836
- receivables from social activities	70	60	114
- claimed at court	0	0	0
Net short-term receivables, total	168,164	152,677	136,861
c) allowance for uncollectible accounts	5,309	5,478	5,690
Gross short-term receivables, total	173,473	158,155	142,551

NOTE 7B

CHANGES IN SHORT-TERM ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	first six months of 2008	2007	first six months of 2007
a) closing balance	5,478	5,709	5,709
a) increase (due to)	0	91	70
- creation	0	91	70
b) decrease (due to)	169	322	89
- use	0	0	0
- dissolution	169	322	89
Closing balance of short-term allowance for uncollectible accounts	5,309	5,478	5,690

NOTE 7C

SHORT-TERM RECEIVABLES (CURRENCY STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) in Polish currency	80,560	64,626	66,592
b) in foreign currency (by currency and after conversion to PLN)	92,913	88,051	75,959
b1. unit/currency EURO	9,256	7,936	7,757
thousands PLN	31,000	28,439	29,235
b2. unit/currency USD	2,291	3,239	2,143
thousands PLN	4,855	7,888	6,006
b3. unit/currency GBP	896	724	571
thousands PLN	3,787	3,523	3,196
b4. unit/currency SEK	25,714	19,067	15,463
thousands PLN	9,139	7,255	6,297
b5. unit/currency NOK	4,256	3,273	4,169
thousands PLN	1,787	1,472	1,973
b6. unit/currency UAH	80,883	81,821	52,593
thousands PLN	37,707	39,389	29,252
b7. unit/currency RON	3,758	0	0
thousands PLN	3,453	0	0
b8. unit/currency RUB	12,333	0	0
thousands PLN	1,185	0	0
b9. other currencies in thousands PLN	0	85	0
Short-term receivables, total	173,473	152,677	142,551

NOTE 7D

GROSS RECEIVABLES FROM GOODS AND SERVICES - MATURING AFTER DATE OF BALANCE SHEET:	first six months of 2008	2007	first six months of 2007
a) up to 1 month	47,151	36,246	36,071
b) 1 to 3 months	45,243	38,077	37,531
c) 3 to 6 months	1,475	2,684	2,161
d) 6 months to 1 year	0	0	0
e) more than 1 year	0	0	0
f) overdue receivables	19,410	18,798	15,554
Receivables from goods and services, total (gross)	113,279	95,805	91,317
g) allowance for uncollectible accounts from goods and services.	5,309	5,478	5,690
Receivables from goods and services, total (net)	107,970	90,327	85,627

NOTE 7E

OVERDUE RECEIVABLES FROM GOODS AND SERVICES (GROSS) - CATEGORISED BY OVERDUE PERIOD:	first six months of 2008	2007	first six months of 2007
a) up to 1 month	11,658	10,589	8,022
b) 1 to 3 months	1,838	1,952	903
c) 3 to 6 months	485	193	719
d) 6 months to 1 year	35	36	218
e) more than 1 year	5,394	6,028	5,692
Overdue receivables from goods and services, total (gross)	19,410	18,798	15,554
f) allowance for uncollectible accounts from goods and services, overdue	5,690	5,690	5,690
Overdue receivables from goods and services, total (net)	13,720	13,108	9,864

NOTE 7F

OVERDUE RECEIVABLES AND UNDER JUDICIAL PROCEEDINGS	first six months of 2008	2007	first six months of 2007
Long-term receivables	0	0	0
- no allowance for uncollectible accounts	0	0	0
- not claimed at court	0	0	0
short-term receivables	13,720	13,108	9,864
- no allowance for uncollectible accounts	13,720	13,108	9,864
- not claimed at court	0	0	0

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 8A

SHORT-TERM FINANCIAL ASSETS	first six months of 2008	2007	first six months of 2007
a) in subsidiaries	0	0	0
- shares	0	0	0
- receivables from dividends and other profit sharing	0	0	0
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	0	0	0
- other short-term financial assets	0	0	0
b) in holding entity	0	0	0
- shares	0	0	0
- receivables from dividends and other profit sharing	0	0	0
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	0	0	0
- other short-term financial assets	0	0	0
c) in other entities	400	72	0
- shares	0	0	0
- receivables from dividends and other profit sharing	0	0	0
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	400	72	0
- other short-term financial assets	0	0	0
d) cash and other cash assets	12,874	9,926	90,368
- cash in hand and at bank	12,864	9,740	87,147
- other cash	10	186	3,221
- other pecuniary assets	0	0	0
Short-term financial assets, total	13,274	9,998	90,368

NOTE 8B

CASH AND OTHER CASH ASSETS (CURRENCY STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) in Polish currency	2,019	1,529	2,998
b) in foreign currency (by currency and after conversion to PLN)	11,255	8,469	87,370
b1. unit/currency EURO	1,744	1,626	15,275
thousands PLN	6,037	5,817	57,707
b2. unit/currency USD	322	138	6,340
thousands PLN	695	336	17,885
b3. unit/currency GBP	11	110	570
thousands PLN	48	538	3,194
b4. unit/currency SEK	0	523	8,117
thousands PLN	0	199	3,305
b5. unit/currency NOK	131	213	4,287
thousands PLN	55	96	2,029
b6. unit/currency UAH	0	2,550	5,844
thousands PLN	0	1,228	3,250
b7. unit/currency RUB	22,491	2,561	0
thousands PLN	2,038	255	0
b9. unit/currency RON	2,592	0	0
thousands PLN	2,382	0	0
b9. other currencies in thousands PLN	0	0	0
cash and other cash assets, total	13,274	9,998	90,368

NOTE 9

SHORT-TERM DEFERRED CHARGES AND ACCRUALS	first six months of 2008	2007	first six months of 2007
a) deferred expenditure, including:	34,864	17,588	22,254
- insurance	918	326	495
- lease payments	298	275	289
- organised	131	131	131
- advertising	0	0	11
- tools	1,088	1,051	883
- licence fee	2,918	2,585	708
- electricity	984	852	762
- computer software	10	222	30
- publishing of prospectus	93	0	0
- start-up of W3/3 department	0	0	48
- repairs	172	0	464
- expenditure relating to patents	108	105	69
- cost of future periods	8,716	411	33
- advance payments	672	291	163
- other	806	151	247
- packaging	625	315	0
- product samples and sample cards	1,857	0	0
- VAT on EU deliveries and export	15,468	10,873	17,921
b) other deferred charges and accruals	0	0	0
Short-term deferred charges and accruals, total	34,864	17,588	22,254

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 10

SHARE CAPITAL (STRUCTURE)

Series / issue	type of shares	Type of preference	type of right restriction	number of shares	Value of series / issuance by nominal value	Method of paying the capital	Registration date	Right to the dividend (from a date)
A	bearer	non-preference	none	100,000	100,000	cash	25.06.1996	01.01.1996
B	bearer	non-preference	none	4,700,000	4,700,000	cash	22.09.1999	01.01.2000
C	registered / bearer	non-preference	none	1 310 / 1 198 690	1,200,000	contribution	22.09.1999	01.01.2000
D	bearer	non-preference	none	4,000,000	4,000,000	cash	11.05.2000	01.01.2000
E	bearer	non-preference	none	12,500,000	12,500,000	cash	05.01.2001	01.01.2001
F	bearer	non-preference	none	4,000,000	4,000,000	cash	19.02.2002	01.01.2002
G	bearer	non-preference	none	3,500,000	3,500,000	cash	07.05.2002	01.01.2002
H	bearer	non-preference	none	20,000,000	20,000,000	cash	06.10.2003	01.01.2003
I	bearer	non-preference	none	30,000,000	30,000,000	cash	29.11.2004	01.01.2004
J	bearer	non-preference	none	8,000,000	8,000,000	cash	11.10.2005	01.01.2005
K	bearer	non-preference	none	8,780,000	8,780,000	cash	25.09.2007	01.01.2007
Total number of shares				96,780,000				
Share capital, total					96,780,000			
Nominal value of one share = 1.00 PLN								

NOTE 11

RESERVE CAPITAL	first six months of 2008	2007	first six months of 2007
a) from sale of shares above their nominal value.	138,247	138,247	138,247
b) other	170,774	112,289	112,327
Reserve capital, total	309,021	250,536	250,574

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 12A

CHANGES IN RESERVES FROM DEFERRED TAXES	first six months of 2008	2007	first six months of 2007
1. Opening balance of reserve from deferred taxes, including:	2,780	802	802
a) reflected in financial result	2,763	740	740
b) reflected in equity capital	17	62	62
c) reflected in goodwill or negative goodwill	0	0	0
2. Increases	2,702	2,074	889
a) reflected in financial result due to positive transient differences (due to)	2,702	2,057	889
- difference in balance sheet and tax value of fixed assets	94	0	18
- difference in tax and balance sheet approach to leasing	33	0	0
- interest on loan	588	1,422	365
- currency translation differences	1,922	635	506
- other	65	17	0
b) reflected in equity capital due to positive transient differences (due to)	0	17	0
- difference in balance sheet and tax value of fixed assets	0	0	0
c) reflected in goodwill or positive transient differences (due to)	0	113	0
3. Decreases	130	113	7
a) reflected in financial result due to positive transient differences (due to)	130	71	7
- difference in balance sheet and tax value of fixed assets	51	0	0
- currency translation differences	72	42	0
- difference in tax and balance sheet approach to leasing	7	0	7
b) reflected in equity capital due to positive transient differences (due to)	0	0	0
c) reflected in goodwill or positive transient differences (due to)	0	0	0
4. Closing balance of reserve from deferred taxes, total:	5,352	2,763	1,684
a) reflected in financial result	1,622	2,746	1,622
b) reflected in equity capital	3,730	17	62
c) reflected in goodwill or negative goodwill	0	0	0

NOTE 12B

CHANGES IN LONG-TERM SOCIAL SECURITY RESERVES	first six months of 2008	2007	first six months of 2007
a) opening balance	226	243	243
b) increase (due to)	31	0	5
- retirement packages	31	0	5
- conversion of reserve from short-term to long-term	0	0	0
c) use (due to)	0	0	0
d) dissolution (due to)	0	17	3
- retirement packages	0	0	0
- conversion of reserve from long-term to short-term	0	3	3
- decrease in employment	0	14	0
e) closing balance	257	226	245

NOTE 12C

CHANGES IN SHORT-TERM SOCIAL SECURITY RESERVES	first six months of 2008	2007	first six months of 2007
a) opening balance	60	50	50
b) increase (due to)	2	10	6
- conversion of reserve from long-term to short-term	0	10	6
- retirement packages	2	0	0
c) use (due to)	0	0	0
d) dissolution (due to)	0	0	0
- decrease in employment	0	0	0
e) closing balance	62	60	56

NOTE 12D

CHANGES IN OTHER LONG-TERM RESERVES	first six months of 2008	2007	first six months of 2007
a) opening balance	0	0	0
b) increase (due to)	40,303	0	0
- takeover of a subsidiary	40,303	0	0
c) use (due to)	0	0	0
d) dissolution (due to)	0	0	0
e) closing balance	40,303	0	0

NOTE 12E

CHANGES IN OTHER SHORT-TERM RESERVES	first six months of 2008	2007	first six months of 2007
a) opening balance	7,355	2,832	2,832
b) increase (due to)	19,546	7,355	5,408
- examining of balance sheet	92	96	63
- bonuses	4,199	3,055	3,680
- environmental fees	52	0	95
- transport of completed products	290	0	437
- repairs	1,603	0	0
- reserve for future costs	2,657	4,204	1,133
- takeover of a subsidiary	10,653	0	0
c) use (due to)	3,149	2,760	2,760
- examining of balance sheet	94	91	91
- bonuses	3,055	2,480	2,480
- employee gratuity	0	189	189
d) dissolution (due to)	3,505	72	66
- reserve for court and other fees	3,505	72	66
e) closing balance	20,247	7,355	5,414

NOTE 13A

Long term liabilities	first six months of 2008	2007	first six months of 2007
a) to subsidiaries and affiliates	0	0	0
- credits and loans	0	0	0
- issuance of debt securities	0	0	0
- other financial liabilities	0	0	0
- other	0	0	0
b) to holding entity	0	0	0
- credits and loans	0	0	0
- issuance of debt securities	0	0	0
- other financial liabilities	0	0	0
- other	0	0	0
c) to other entities	422,777	267,741	265,725
- credits and loans	419,356	264,708	262,373
- issuance of debt securities	0	0	0
- other financial liabilities	0	0	0
- financial lease agreements	3,421	3,033	3,352
- other	0	0	0
Long-term liabilities, total	422,777	267,741	265,725

NOTE 13B

LONG-TERM LIABILITIES MATURING AFTER DATE OF BALANCE SHEET	first six months of 2008	2007	first six months of 2007
a) 1 to 3 years	236,705	115,363	109,453
b) 3 to 5 years	186,072	28,898	22,591
c) more than 5 years	0	123,480	133,681
Long-term liabilities, total	422,777	267,741	265,725

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 13C

LONG-TERM LIABILITIES (CURRENCY STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) in Polish currency	244,115	144,261	132,044
b) in foreign currency (by currency and after conversion to PLN)	178,662	123,480	133,681
b1. unit/currency EURO	48,790	34,571	35,359
thousands PLN	178,662	123,480	133,681
b2. other currencies in thousands PLN	0	0	0
Long-term liabilities, total	422,777	267,741	265,725

NOTE 13D

LONG-TERM LIABILITIES FROM FROM CREDITS AND LOANS							
Name of subsidiary with indication of legal form, registered office	amount of credit / loan according to an agreement		amount of credit / loan remaining to be repaid		interest and conditions	Repayment deadline	Securities
	PLN/EUR	currency	PLN/EUR	currency			
PEKAO SA	75,000,000	PLN	9,987,000	PLN	WIBOR + mark-up	31.12.2009	Registered pledge on machines and appliances with accounting value of 75.915.239.05 PLN including the assignment of rights from insurance policy on these machines and appliances, authorisation to access bank accounts in PEKAO S.A.
PEKAO SA	6,000,000	PLN	2,000,989	PLN	WIBOR + mark-up	31.07.2011	registered pledge on the raw material manipulation line with accounting value of 9.709.924 PLN including the assignment of rights from insurance policy on this machine, and authorisation to access bank accounts in PLN EUR, USD kept in the bank PEKAO S.A.
PEKAO SA	24,900,000	PLN	23,304,902	PLN	WIBOR + mark-up	30.09.2009	Guarantee issued by Barlinek Inwestycje Sp. z o.o. according to civil law, authorisation to access bank accounts in currencies PLN, EUR i USD kept in the bank PEKAO S.A.
Bank Ochrony Środowiska SA	1,370,925	PLN	9,371	PLN	rediscount rate of bill of exchange*0,4	26.12.2010	Registered pledge on a machine with an accounting value of 292.275.53 PLN - Schroeder brand double ended tenoning machine and dedusting installation on the machine at the value of 1.770.000 PLN including assignment of rights from the insurance policy on these machines, authorisation to access bank accounts kept in the bank BOŚ S.A. and CITI BANK Handlowy S.A.
PKOBP	19,313,009	EURO	19,313,009	EURO	EURIBOR + mark-up	30.01.2011	To be established - layered on all acquired sharers of Diana Forest S.A. (currently Barlinek Romania S.A.) with registered offices in Romania, a clause to deduct money from bank accounts kept in the bank PKO BP S.A.
PKO BP SA	80,000,000	PLN	45,000,000	PLN	WIBOR + mark-up	31.12.2011	mortgage 85.720.000.00 PLN, surety on fixed assets 32.625.434, appropriation of fixed assets 32.625.434, bank bill of exchange
PKO BP SA	60,000,000	PLN	45,249,214	PLN	WIBOR + mark-up	26.11.2009	blank bill of exchange
PeKaO SA	35,000,000	PLN	27,796,458	PLN	WIBOR + mark-up	31.12.2012	mortgage for an amount up to a cap of 20.000.000.00, guarantee of Barlinek S.A., authorisations to access bank accounts kept in PEKAO S.A., to be established - pledge on pellets production line
PeKaO SA	15,000,000	PLN	15,000,000	PLN	WIBOR + mark-up	30.09.2009	Guarantee of Barlinka S.A, authorisation to access bank accounts kept in the bank PEKAO S.A
PKO BP SA	8,500,000	EURO	6,414,000	EURO	EURIBOR + mark-up	28.02.2013	blank bill of exchange, to be established - pledge on machines and appliances financed by credit
EBOiR	35,810,000	EURO	35,810,000	EURO	EUROLIBOR + mark-up	08.12.2015	Pledge on bank accounts; transfer of liabilities resulting from insurance policies; mortgage on buildings located in Vinnyca (Ukraine), whose ownership is a registered in communal registry of the city of Vinnyca (Ukraine) at the number 861 to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR; Mortgage on land plot located in Vinnyca (Ukraine) registered in the land Registry under the number 051010000.01.059.0022 to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR;
EBOiR	6,565,816	EURO	6,565,816	EURO	EUROLIBOR + mark-up	08.12.2013	Mortgage encumbering the rights of Barlinek Invest Sp. z o.o. with registered offices in Vinnyca due to sublease agreement concerning the fixed property with an area of 5.7835 ha located at Czechowa 7 Street in Vinnyca concluded between Barlinek Ukraina Sp. z o.o. and Barlinek Invest Sp. z o.o. to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR; mortgage on fixed property located in Vinnyca (Ukraine); equipment, machines, appliances, furniture, electronic equipment) that is property of Barlinek Ukraina Sp. z o.o. with registered offices in Vinnyca established to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR;

Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008

NOTE 14A

SHORT TERM LIABILITIES	first six months of 2008	2007	first six months of 2007
a) to subsidiaries	0	0	0
- credits and loans	0	0	0
- issuance of debt securities	0	0	0
- dividends	0	0	0
- other financial liabilities	0	0	0
- for goods and services, maturing within:	0	0	0
- up to 12 months	0	0	0
- more than 12 months	0	0	0
- received advance payments for deliveries	0	0	0
- liabilities on bills of exchange	0	0	0
- other	0	0	0
b) to holding entity	0	0	0
- credits and loans, including:	0	0	0
- issuance of debt securities	0	0	0
- dividends	0	0	0
- other financial liabilities	0	0	0
- for goods and services, maturing within:	0	0	0
- up to 12 months	0	0	0
- more than 12 months	0	0	0
- received advance payments for deliveries	0	0	0
- liabilities on bills of exchange	0	0	0
- other	0	0	0
c) to other entities	275,074	213,066	184,463
- credits and loans	179,543	123,609	109,141
- issuance of debt securities	0	0	0
- dividends	0	0	0
- other financial liabilities	3,065	2,673	2,467
- for goods and services, maturing within:	61,849	56,947	41,322
- up to 12 months	61,849	56,947	41,322
- more than 12 months	0	0	0
- received advance payments for deliveries	763	166	102
- liabilities on bills of exchange	0	242	0
- from tax, customs, social security and other benefits	12,954	10,062	9,750
- from remuneration	6,577	4,201	3,227
- other	9,264	15,124	17,954
- liabilities from social activities	1,059	42	500
Short-term liabilities, total	275,074	213,066	184,463

NOTE 14B

SHORT-TERM LIABILITIES (CURRENCY STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) in Polish currency	227,602	151,579	173,017
b) in foreign currency (by currency and after conversion to PLN)	47,472	61,487	11,446
b1. unit/currency EURO	8,327	6,874	1,208
thousands PLN	20,726	24,781	4,545
b2. unit/currency USD	1,156	173	73
thousands PLN	2,451	422	210
b3. unit/currency GBP	3	0	5
thousands PLN	11	0	29
b4. unit/currency SEK	1,752	931	238
thousands PLN	623	354	97
b4. unit/currency NOK	1,631	819	25
thousands PLN	684	369	12
b6. unit/currency UAH	33,895	17,105	11,730
thousands PLN	15,802	0	0
b7. unit/currency RUB	890	0	0
thousands PLN	81	35,533	6,524
b8. unit/currency RON	7,708	0	0
thousands PLN	7,082	0	0
b9. other currencies in thousands PLN	12	28	29
Short-term liabilities, total	275,074	213,066	184,463

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 14C

SHORT-TERM LIABILITIES FROM CREDITS AND LOANS

Name of entity; registered office	amount of credit / loan according to an agreement		amount of credit / loan remaining to be repaid		interest and conditions	Repayment deadline	Securities
	PLN/SEK/EUR	currency	PLN/SEK/EUR	currency			
BZ WBK SA	68,000,000	PLN	66,406,004	PLN	WIBOR + mark-up	30.04.2009	Guarantee issued by Barlinek Inwestycje Sp. z o.o. according to civil law, authorisation to access bank accounts kept in the bank BZWBK S.A.
BZ WBK SA	61,902,082	SEK	59,711,897	SEK	LIBOR + mark-up	30.04.2009	Guarantee issued by Barlinek Inwestycje Sp. z o.o. according to civil law, authorisation to access bank accounts kept in the bank BZWBK S.A.
PKOBP	19,313,009	EUR	856,615	PLN	EURIBOR 1M +0.84 p.p	31.01.2011	To be established - layered on all acquired sharers of Diana Forest S.A. (currently Barlinek Romania S.A.) with registered offices in Romania, a clause to deduct money from bank accounts kept in the bank PKO BP S.A.
PEKAO SA	75,000,000	PLN	20,004,000	PLN	WIBOR + mark-up	31.12.2009	Registered pledge on machines and appliances with accounting value of 75.915.239.05 PLN including the assignment of rights from insurance policy on these machines and appliances, authorisation to access bank accounts in PEKAO S.A.
PEKAO SA	6,000,000	PLN	1,212,000	PLN	WIBOR + mark-up	31.07.2011	registered pledge on the raw material manipulation line with accounting value of 9.709.924 PLN including the assignment of rights from insurance policy on this machine, and authorisation to access bank accounts in PLN EUR, USD kept in the bank PEKAO S.A .
Bank Ochrony Środowiska SA	1,370,925	PLN	219,423	PLN	rediscount rate of bill of exchange*0,4	26.12.2010	registered prege on a machine with an accounting value of 292.275.53 PLN - Schroeder brand double ended tenoning machine and dedusting installation on the machine at the value of 1.770.000 PLN including assignment of rights from the insurance policy on these machines, authorisation to access bank accounts kept in the bank BOŚ S.A. and CITI BANK Handlowy S.A.
Bank Ochrony Środowiska SA	3,000,000	PLN	576,878	PLN	rediscount rate of bill of exchange*0,5	26.04.2009	Assignment of payables from the company Quercus Adamus Kopytko spółka jawna, 31-213 Kraków ul. Bursztynowa 18, due from sales of products of Barlinek S.A., registered pledge on tenoning machine at the value of 993 thousands PLN and biofuel production installation at the value of 2.517.5 thousands PLN and authorisation to access bank accounts kept in the bank BOŚ S.A. and CITI BANK Handlowy S.A.

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 14C continued

SHORT-TERM LIABILITIES FROM CREDITS AND LOANS							
Name of entity; registered office	amount of credit / loan according to an agreement		amount of credit / loan remaining to be repaid		interest and conditions	Repayment deadline	Securities
	PLN/SEK/EUR	currency	PLN/SEK/EUR	currency			
Bank Ochrony Środowiska SA	3,000,000	PLN	580,950	PLN	rediscount rate of bill of exchange*0,5	26.04.2009	Assignment of payables from the company Quercus Adamus Kopytko spółka jawna 31-213 Kraków ul.Bursztynowa 18 due from sales of products of Barlinek S.A., registered pledge on a machine with an accounting value of 943763.64 PLN, double ended tenoring machine and a chipping machine with a value of 3.3 mln PLN including the assignment of rights from insurance policy on these machines and appliances, authorisation to access bank accounts in BOS S.A and CITI BANK Handlowy S.A
WFOŚ	1,125,000	PLN	61,030	PLN	rediscount rate of bill of exchange * 0,5; not less then 3,70%	31.03.2009	Pledge on chamber dryer; bill of exchange at the value of 1.6 mln PLN
PKO BP SA	80,000,000	PLN	15,000,000	PLN	WIBOR + mark-up	31.12.2011	Mortgage 85.720 thousands PLN, registered pledge 37.690 thousands PLN, appropriation of assets 32.625 thousands PLN, blank bill of exchange
PeKaO SA	35,000,000	PLN	1,158,186	PLN	WIBOR + mark-up	31.12.2012	Mortgage for an amount up to a cap of 20.000.000.00, guarantee of Barlinek S.A., authorisations to access bank accounts kept in PEKAO S.A
PKO BP SA	8,500,000	EURO	531,250	EURO	EURIBOR + mark-up	28.02.2013	blank bill of exchange, to be established - pledge on machines and appliances financed by credit
ABN AMRO	8,000,000	EURO	7,868,288	EURO	EURIBOR + mark-up	30.06.2009	Guarantee of Barlinek S.A.
MAGELLAN pożyczka	7,000,000	PLN	5,050,093	PLN	do 30.04.2008 - 6,53%; od 01.05.2008 - 6,82%; od 01.06.2008 - 6,97%	31.07.2008	none
Nordea Bank AS	2,000,000	NOK	1,310,608	NOK	Nordea Banking Rate	2015-10-08	Guarantee of Barlinek S.A
EBOIR	6,049,150	EUR	6,049,150	EUR	EUROLIBOR mark-up +	08.12.2008	Pledge on bank accounts; transfer of liabilities resulting from insurance policies; mortgage on buildings located in Vinnyca (Ukraine), whose ownership is a registered in communal registry of the city of Vinnyca (Ukraine) at the number 861 to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR; Mortgage on land plot located in Vinnyca (Ukraine) registered in the land Registry under the number 0510100000.01.059.0022 to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR; Mortgage encumbering the rights of Barlinek Invest Sp. z o.o. with registered offices in Vinnyca due to sublease agreement concerning the fixed property with an area of 5.7835 ha located at Czechowa 7 Street in Vinnyca concluded between Barlinek Ukraina Sp. z o.o. and Barlinek Invest Sp. z o.o. to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR; mortgage on fixed property located in Vinnyca (Ukraine); Pledge on the move property (office equipment, machines, appliances, furniture, electronic equipment) that is property of Barlinek Ukraina Sp. z o.o. with registered offices in Vinnyca established to the benefit of European Bank for Reconstruction and Development (EBRD) securing an amount of 38.924.966 EUR;

NOTE 15

BOOK VALUE OF SHARES	first six months of 2008	2007	first six months of 2007
book value	404,952	378,426	367,637
number of shares (in pcs)	96,780,000	96,780,000	96,780,000
book value per share (PLN)	4.18	3.91	3.80
diluted number of shares (in pcs)	96,780,000	96,780,000	96,780,000
diluted book value per share (PLN)	4.18	3.91	3.80

NOTE 16A

NET REVENUES FROM SALE OF PRODUCTS	first six months of 2008	2007	first six months of 2007
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	236,336	456,125	216,171
- other sales	2,974	5,953	2,843
Net revenues from sale of products, total	239,310	462,078	219,014

NOTE 16B

NET REVENUES FROM SALE OF PRODUCTS (TERRITORIAL STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) country	85,958	156,932	74,338
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	83,399	151,536	71,816
- other sales	2,559	5,396	2,522
b) export	153,352	305,146	144,676
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	152,937	304,589	144,355
- other sales	415	557	321
Net revenues from sale of products, total	239,310	462,078	219,014
including from subsidiaries and affiliates	0	0	0

NOTE 17A

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS	first six months of 2008	2007	first six months of 2007
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	10,129	16,874	8,367
- sale of materials	1,724	9,409	1,802
Net revenues from sales of products, goods and materials, total	11,853	26,283	10,169

Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008

NOTE 17B

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS (TERRITORIAL STRUCTURE)	first six months of 2008	2007	first six months of 2007
a) country	9,442	19,255	8,277
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	7,739	13,619	6,756
- sale of materials	1,703	5,636	1,521
b) export	2,411	7,028	1,892
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	2,390	3,255	1,611
- sale of materials	21	3,773	281
Net revenues from sales of products, goods and materials, total	11,853	26,283	10,169
including from subsidiaries and affiliates	0	0	0

NOTE 18

COSTS BY TYPE	first six months of 2008	2007	first six months of 2007
a) depreciation and amortisation	22,536	22,379	9,618
b) use of materials and energy	147,566	226,537	93,912
c) third party services	40,576	60,656	30,832
d) taxes and fees	2,375	3,803	1,836
e) salaries	43,564	64,519	29,475
f) social security and other benefits	10,819	16,581	7,608
g) other costs by type	13,141	27,366	7,933
Costs by type, total	280,577	421,641	181,214

NOTE 19

OTHER OPERATING INCOME	first six months of 2008	2007	first six months of 2007
a) write-off of allowance for uncollectible accounts	0	0	0
b) other, including:	1,788	2,043	743
- revenue from sale of fixed assets	101	362	103
- received subsidies	6	34	0
- damages	134	905	148
- surplus in current assets	60	225	123
- release of reserves	1,255	329	278
- imposed contractual penalties	10	0	0
- other	222	188	91
Other operating income, total	1,788	2,043	743

NOTE 20

OTHER OPERATING COSTS	first six months of 2008	2007	first six months of 2007
a) allowance for receivables	0	92	70
b) other, including:	1,818	6,667	1,710
- net value of fixed assets sold	145	428	101
- net value of liquidated fixed assets	0	287	0
- grants	58	644	148
- damages and shortages in current assets	0	1,506	552
- liquidation of items of current assets	9	119	0
- paid fines	8	4	0
- licence fee	379	329	0
- employee gratuity	0	321	321
- reserve for future costs	958	2,056	333
- court and debt collector fees	5	108	0
- cost of recovery from damages	107	75	0
- damages in transport	76	224	25
- other	73	566	230
Other operating cost, total	1,818	6,759	1,780

NOTE 21

FINANCIAL REVENUE FROM INTEREST AND OTHER	first six months of 2008	2007	first six months of 2007
a) dividend and profit sharing	1	1	1
b) from loans granted	37	35	12
c) other interest	100	1,245	792
d) income from sale of investments	1,043	0	0
e) other financial revenues	14	118	21
f) currency translation differences	42,213	25,663	10,095
Financial revenue from interest and other, total	43,408	27,062	10,921

NOTE 22

FINANCIAL COSTS FROM INTEREST AND OTHER	first six months of 2008	2007	first six months of 2007
a) from credits and loans	10,236	11,514	4,544
b) other interest	731	703	513
c) other financial cost	34	42	46
d) currency translation differences	32,708	18,689	7,952
Financial cost from interest and other, total	43,709	30,948	13,055

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

NOTE 23A

Current income tax	first six months of 2008	2007	first six months of 2007
1. Gross profit (loss) (consolidated)	23,939	51,757	27,389
2. Consolidated adjustments	-6,154	-5,712	3,735
3. Difference between gross profit (loss) and income tax base (by title)	-16,770	-56,952	-28,404
a. income that pursuant to law is not taxable, including	33,068	16,429	8,931
- release of reserves	2,164	230	223
- uncollected interest	3,441	5,122	2,564
- unrealised unrealized currency translation gains/losses	16,004	3,746	3,564
- revaluation of financial instruments	11,450	7,319	2,575
- other	9	12	5
b. costs and losses that by law are not categorised as tax deductible expenses, including	43,441	28,372	18,867
- grants	58	248	148
- surplus of balance depreciation over tax depreciation	1,410	3,410	1,442
- contributions to PFRON	519	942	470
- unrealised unrealized currency translation gains/losses	15,737	9,131	4,685
- unpaid interest	937	1	307
- unpaid remuneration and benefits	7,116	7,018	6,078
- advertising and company representation	1,006	770	272
- fees due to operating lease	180	308	146
- allowance for receivables	0	157	76
- reserves for costs	8,530	5,519	5,003
- non-deductible VAT	0	0	0
- third party debt collection costs	0	90	0
- membership fees	23	73	0
- revaluation of financial instruments	7,219	0	0
- other	706	705	240
c. positive adjustments by cost from previous years	13,465	10,664	7,146
- surplus of tax depreciation over balance depreciation	0	0	0
- previous year costs realised in current period	10,328	8,580	5,967
- operating lease	1,280	2,069	1,101
- product samples and sample cards	1,857	0	0
- other	0	15	78
d. Other taxable income increases (decreases) by tax law	700	1,874	700
- interest paid	700	1,874	700
e. Other differences between gross profit and taxable income, including	14,378	60,105	31,894
- loss of previous periods	3,110	3,110	3,110
- non-taxable income from activities in special economic zone	11,268	56,995	28,784
4. Income tax base	1,015	517	2,720
5. Income tax at the rate of	193	278	517
6. Increases, waivers, exemptions, deductions and reductions of tax	0	0	0
7. Current income tax included in tax declaration for the period, including:	193	278	517
- indicated in profit and loss account	193	278	517
- relating to items increasing or decreasing equity capital	0	0	0
- relating to items increasing or decreasing goodwill and negative goodwill	0	0	0
- note	0	0	0

NOTE 23B

DEFERRED INCOME TAX, INDICATED IN PROFIT AND LOSS ACCOUNT	first six months of 2008	2007	first six months of 2007
- increase (decrease) due to occurrence of transient differences	874	449	449
- increase (decrease) due to write-off of fixed assets due to deferred income tax or inability to use reserve for deferred income tax	0	-8,137	0
Deferred income tax, total	874	-7,688	449

NOTE 24

NET PROFIT (LOSS)	first six months of 2008	2007	first six months of 2007
a. Net profit (loss) of holding entity	1,806	2,769	3,157
b. Net profit (loss) of subsidiaries	14,216	37,710	20,473
c. Profit on acquisition of a subsidiary	16,580	0	0
d. consolidated adjustments	7,050	18,688	2,793
Net profit (loss), total	39,452	59,167	26,423

NOTE 25

BOOK VALUE OF SHARES	first six months of 2008	2007	first six months of 2007
net profit (loss)	39,452	59,167	26,423
number of shares (in pcs)	96,780,000	96,780,000	96,780,000
profit (loss) per ordinary share	0.41	0.61	0.27
diluted number of shares (in pcs)	96,780,000	96,780,000	96,780,000
diluted profit (loss) per ordinary share	0.41	0.61	0.27

NOTE 26A

Remuneration of Members of the Board

Remuneration of Paweł Wrona, the President of the Management Board, pursuant to employment contract as of the 30.06.2008 was 389,994.69 zł. The President of the Management Board does not receive any additional remuneration for the functions performed.

The remuneration of the Member of the Board, Mrs Wioleta as of the 30.06.2008 was 36,000.00 PLN. Mrs Wioleta Bartosz also received remuneration in the amount of 168,984.10 PLN for corporate tax advisory services for Barlinek S.A. Member of the Management Board does not receive any additional remuneration for the functions performed.

Remuneration of Marek Janke, the Member of the Management Board, pursuant to employment contract as of the 30.06.2008 was 200,863.30 zł. Member of the Management Board does not receive any additional remuneration for the functions performed.

Member of the Board Pan Ryszard Pyrek did not receive in the first six months of 2008 any remuneration pursuant to an employment contract and due to position held. Ryszard Pyrek also holds a position of Chairman of the Board in a subsidiary Barlinek Inwestycje Sp. z o.o. He does not receive any remuneration for the position held but only remuneration pursuant to an employment contract, which in the first six months of 2008 was 207,183.77 PLN.

NOTE 26B

Remuneration of Members of the Supervisory Council

Mariusz Gromek, holding a position of the Chairman of the Supervisory Council in the first six months of 2008 received remuneration for the functions performed in the amount of 42,000.00 PLN.

Mariusz Waniolka, holding a position of Member of the Supervisory Council, in the first six months of 2008 received remuneration for the functions performed in the amount of 30,000.00 PLN.

Rafał Kwiatkowski, holding a position of Member of the Supervisory Council, in the first six months of 2008 received remuneration for the functions performed in the amount of 24,000.00 PLN.

Kamil Latos, holding a position of Member of the Supervisory Council, in the first six months of 2008 received remuneration for the functions performed in the amount of 24,000.00 PLN.

Grzegorz Mironiński, holding a position of Member of the Supervisory Council, in the first six months of 2008 received remuneration for the functions performed in the amount of 24,000.00 PLN.

NOTE 26C

Value of all unpaid advance payments, credits, loans, guarantees, surety or other agreements which create obligations for performance to the benefit of the Company.

During the period covered by the financial report the company did not grant any loans, credits, guarantees, surety and did not conclude any agreements of similar nature with Members of the Board, Members of the Supervisory Council and their spouses, relatives, second-degree kinsmen, adoptees, adopting persons and their relatives.

**Additional information concerning the adopted accounting policy and other
clarifying information concerning Financial Report of Barlinek S.A. Capital Group for the first six months of 2008**

UNPAID LOANS	first six months of 2008	2007	first six months of 2007
Paweł Wrona	383	371	311
Wioleta Bartosz	271	262	180
Marek Janke	207	102	

Non-balance liabilities of Barlinek S.A.
as of the 30.06.2006

Agreement number	Poręczenie	Bank	Amount
Investment credit agreement No 36929 dated 06.11.2006 for Barlinek Invest Sp. z o.o.	guarantee	EBOR	48,424,966.00 EUR
Credit Agreement dated 15.11.2007 for Barlinek Norge A.S.	guarantee	Nordea Bank AS	2,000,000.00 NOK
Credit Agreement No 13/CKK/2007 dated 18.06.2007 for Barlinek Inwestycje Sp. z o.o.	guarantee according to civil law	PEKAO S.A.	16,500,000.00 PLN
Investment Credit Agreement No 19/CKK/2007 dated 06.08.2007 for Barlinek Inwestycje Sp. z o.o.	guarantee according to civil law	PEKAO S.A.	38,500,000.00 PLN
Investment Credit Agreement No 33/2008 dated 16.06.2008 for Barlinek Inwestycje Sp. z o.o.	guarantee according to civil law	ABN AMRO BANK (Polska) S.A.	9,600,000.00 EUR
Guarantee, the beneficiary is Lasy Państwowe dated 07.01.2008 for Barlinek Inwestycje Sp. z o.o.	guarantee according to civil law	BRE Bank S.A.	15,000,000.00 PLN

Clarifications for cash flow for the period from 01.01.2008 to 30.06.2008.

With reference to acquisition of company Barlinek Romania S.A. (formerly S.C. DIANA FOREST S.A.) on the 31.01.2008 adjustments due to acquisition of a subsidiary were made to the cash flow report for the first six months of 2008. These adjustments are presented in the table below.

	Cash flow before the	Adjustment due to	Przepływy pieniężne
<i>A. Cash flows from operating activities, including:</i>	5,951	-62,394	-56,443
1. Net profit (loss)	39,452	-16,581	22,871
2. Change in provisions	55,816	-55,270	546
3. Change in inventory	-75,629	15,604	-60,025
4. Change in receivables	-15,486	6,362	-9,124
5. Change in short-term liabilities excluding credits and loan	6,467	-12,509	-6,042
<i>B. Cash flows from operating activities, including:</i>	-207,776	62,394	-145,382
1. Acquisition of intangible and tangible fixed assets	207,578	149,575	58,003
2. Acquisition of a subsidiary	0	-87,181	87,181
<i>C. Cash flows from financial activities, including:</i>	204,699	0	204,699
<i>D. Total net cash flows</i>	2,874	0	2,874
<i>E. Balance sheet change in cash:</i>	2,948	0	2,948
<i>F. Cash opening balance</i>	9,926	0	9,926
<i>G. Closing balance of cash</i>	12,874	0	12,874

Kielce, 22.09.2008

Drawn up by

The Board