



Barlinek Capital Group S.A.
Mid-year short form of consolidated financial statement for the nine months ending
on 30 September 2008.

1. Short form of consolidated financial statement

1.1. Selected financial data (thousands)

	thousands PLN		thousands EUR	
	III quarters of 2008 01.01.2008 - 30.09.2008	III quarters of 2007 01.01.2007 - 30.09.2007	III quarters of 2008 01.01.2008 - 30.09.2008	III quarters of 2007 01.01.2007 - 30.09.2007
I. Net revenues from sales of products, goods and material	381 383	352 925	111 362	92 115
II. Profit (loss) on operating activities	27 060	45 961	7 901	11 996
III. Gross profit (loss)	27 014	39 916	7 888	10 418
IV. Net profit (loss)	41 604	38 211	12 148	9 973
V. Net cash flows from operating activities	-60 199	3 641	-17 578	950
VI. Net cash flows from investment activities	-178 355	-127 684	-52 079	-33 326
VII. Net cash flows from financial activities	236 075	83 796	68 933	21 871
VIII. Total net cash flows	-2 479	-40 247	-724	-10 505
IX. Total assets	1 184 968	838 640	347 671	222 009
X. Liabilities and reserves for liabilities	771 487	460 772	226 355	121 978
XI. Long term liabilities	365 237	277 385	107 161	73 431
XII. Short term liabilities	346 273	174 942	101 597	46 312
XIII. Equity capital.	412 594	377 868	121 056	100 031
XIV. Share capital	96 780	96 780	28 395	25 620
XV. Number of shares	96 780 000	96 780 000	96 780 000	96 780 000
XVI. Profit (loss) per ordinary share (PLN / EUR)	0.43	0.39	0.13	0.10
XVII. Diluted earnings (loss) per ordinary share (PLN / EUR)	0.43	0.39	0.13	0.10
XVIII. Book value per share (PLN / EUR)	4.26	3.90	1.25	1.03
XIX. Diluted book value per share (PLN / EUR)	4.26	3.90	1.25	1.03
XX. Declared or paid dividend per share (PLN / EUR)				

1.2. The EURO exchange rates used to convert the "Selected financial data".

For converting balance sheet items in the tables of "Selected financial data" as of 30.09.2008, an average NBP EURO exchange rate effective on that day, i.e. – 1 EUR = 3,4083PLN. Profit and loss of statement item and statement of cash flow shown in tables of "Selected financial data" for 2008 was converted using the exchange rate of 1 EUR = 3,4247 PLN (it's the average from the average NBP exchange rates from the last days of the previous 9 months of 2008).

For converting balance sheet items in the tables of "Selected financial data" as of 30.09.2007, an average NBP EURO exchange rate effective on that day, i.e. – 1 EUR = 3,7775 PLN. Profit and loss of statement item and statement of cash flow shown in tables of "Selected financial data" for 2007 was converted using the exchange rate of 1 EUR = 3,8314 PLN (it's the average from the average NBP exchange rates from the last days of the previous 9 months of 2007).

1.2. Short form of consolidated balance sheet in thousands PLN

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
I. Fixed assets	760 624	747 014	508 751	469 542

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
1. Intangible assets	3 120	754	818	919
2. Tangible fixed assets	727 713	718 269	489 412	452 528
3. Long-term receivables	0	0	0	0
3.1. From subsidiaries and affiliates	0	0	0	0
3.2. From other entities	0	0	0	0
4. Long-term investments	1 257	871	1 027	636
4.1. Real estate	0	0	0	0
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	1 257	871	1 027	636
a) in subsidiaries and affiliates	0	0	106	70
- shares	0	0	106	70
- granted loans	0	0	0	0
b) in other entities	1 257	871	921	566
- shares	12	12	12	12
- granted loans	1 245	859	909	554
4.4. Other long-term investments	0	0	0	0
5. Long-term deferred charges and accruals	28 534	27 120	17 494	15 459
5.1. Assets from deferred taxes	22 180	22 255	10 245	10 150
5.2. Other deferred charges and accruals	6 354	4 865	7 249	5 309
II. Current assets	424 344	422 820	329 889	355 688
1. Inventory	200 493	206 519	109 205	106 205
2. Short-term receivables	173 601	168 164	162 178	136 861
2.1. From subsidiaries and affiliates	0	0	0	0
2.2. From other entities	173 601	168 164	162 178	136 861
3. Short-term investments	8 544	13 274	43 571	90 368
3.1. Short-term financial assets	8 544	13 274	43 571	90 368
a) in subsidiaries and affiliates	0	0	0	0
b) in other entities	439	400	0	0
c) cash and other cash assets	8 105	12 874	43 571	90 368
3.2. Other short-term investments	0	0	0	0
4. Short-term deferred charges and accruals	41 706	34 863	14 935	22 254
Total assets	1 184 968	1 169 834	838 640	825 230
LIABILITIES				
I. Equity capital.	412 594	404 952	377 868	367 637
1. Share capital	96 780	96 780	96 780	96 780
2. Own shares for sale (negative value)	0	0	0	0
3. Reserve capital	309 021	309 021	250 554	250 574
4. Revaluation reserve capital	0	0	0	0
5. Other reserve capital	0	0	0	0
6. Exchange gain (loss) on consolidation	-32 012	-37 591	-7 088	-5 551
a) currency translation gains	0	0	0	0
b) currency translation losses	32 012	37 591	7 088	5 551
7. Undistributed earnings or uncovered loss of previous periods	-2 715	-2 710	-589	-589
8. Net profit (loss)	41 520	39 452	38 211	26 423
II. Minority shareholders capital	887	803	0	0
III. Reserve capital from consolidation	0	0	0	0
IV. Liabilities and reserves for liabilities	771 487	764 079	460 772	457 593
1. Reserves for liabilities	59 977	66 222	8 445	7 399
1.1. Reserves for income tax	4 838	5 352	1 680	1 684
1.2. Social security reserves	319	319	301	301
a) long term	257	257	245	245
b) short term	62	62	56	56

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
1.3. Other securities	54 820	60 550	6 464	5 414
a) long term	40 932	40 303	0	0
b) short term	13 888	20 246	6 464	5 414
2. Long term liabilities	365 237	422 777	277 385	265 725
2.1. To subsidiaries and affiliates	0	0	0	0
2.2. To other entities	365 237	422 777	277 385	265 725
3. Short term liabilities	346 273	275 074	174 942	184 463
3.1. To subsidiaries and affiliates	0	0	0	0
3.2. To other entities	346 273	275 074	174 942	184 463
4. Accruals and deferred income	0	7	0	6
4.1. Negative goodwill	0	0	0	0
4.2. Other deferred charges and accruals	0	7	0	6
a) long term	0	0	0	0
b) short term	0	7	0	6
Total liabilities	1 184 968	1 169 834	838 640	825 230

1.5. Short form of consolidated profit and loss account (thousands PLN)

PROFIT AND LOSS ACCOUNT	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
I. Net revenues from sales of products, goods and materials, including:	130 220	381 383	123 742	352 925
- from subsidiaries and affiliates	0	0	0	0
1. Net revenues from sale of products	124 690	364 000	117 998	337 012
2. Net revenues from sales of products, goods and materials	5 530	17 383	5 744	15 913
II. Cost of products, goods and materials sold, including:	93 707	258 709	80 295	229 951
- from subsidiaries and affiliates	0	0	0	0
1. Cost of production	89 412	244 757	75 355	216 651
2. Cost of goods and materials sold	4 295	13 952	4 940	13 300
III. Gross profit (loss) on sales (I-II)	36 513	122 674	43 447	122 974
IV. Cost of sales	22 393	64 660	13 600	52 983
V. General administrative expenses	9 216	28 839	13 127	22 711
VI. Profit (loss) on sales (III-IV-V)	4 904	29 175	16 720	47 280
VII. Other operating income	2 059	3 847	630	1 373
1. Revenue from sale of non-financial fixed assets	399	500	160	263
2. Subsidies	0	6	0	0
3. Other operating income	1660	3 341	470	1 110
VIII. Other operating costs	4 143	5 962	912	2 692
1. Cost of non-financial fixed assets sold	551	697	113	214
2. Revaluation of non-financial fixed assets	0	0	0	70
3. Other operating costs	3 592	5 265	799	2 408
IX. Profit (loss) on operating activities (VI+VII-VIII)	2 820	27 060	16 438	45 961
X. Financial revenue	30 266	73 674	5 135	16 056
1. Share dividends, including:	0	1	0	1
- from subsidiaries and affiliates	0	0	0	0
2. Interest, including:	32	169	308	1 112
- from subsidiaries and affiliates	0	0	0	0

PROFIT AND LOSS ACCOUNT	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
3. Income from sale of investments	-16	1 027	0	0
4. Gain on revaluation of investments	0	0	0	0
5. Others	30 250	72 477	4 827	14 943
XI. Financial costs	30 011	73 720	9 046	22 101
1. Interest, including:	8 247	19 214	3 071	8 129
- to subsidiaries and affiliates	0	0	0	0
2. Loss on sale of investments	224	1 027	0	0
3. Gain on revaluation of investments	0	0	0	0
4. Others	21 540	53 479	5 975	13 972
XII. Profit (loss) on sale of shares in subsidiaries and affiliates	0	0	0	0
XIII. Profit (loss) on commercial activity (IX+X-XI+/-XII)	3 075	27 014	12 527	39 916
XIV. Write off of goodwill on consolidation	0	0	0	0
XV. Write off of reserve capital on consolidation	0	0	0	0
XVI. Gross profit (loss) (XIII-XIV-XV)	3 075	27 014	12 527	39 916
XVII. Profit on acquisition of a subsidiary	0	16 581	0	0
XVIII. Income tax	923	1 991	739	1 705
a) current	1 374	1 567	838	1 355
b) deferred	-451	424	-99	350
XIX. Other obligatory decrease of gross profit (increased loss)	0	0	0	0
XX. Net profit (loss) (XVI-XVII-XVIII+/-XX+/-XXI)	2 152	41 604	11 788	38 211
Profit (loss) due to holding entity	2 068	41 520	0	0
Profit (loss) due to minority shareholders	84	84	0	0

1.5. Short form of statement of changes in consolidated equity (thousands PLN)

CHANGES IN EQUITY	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
I. Opening balance of equity	378 426	378 426	343 486	343 486
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	0	0	0	0
I.a. Opening balance of equity after adjustments	378 426	378 426	343 486	343 486
1. Opening balance of share capital	96 780	96 780	96 780	96 780
1.1. Changes in share capital	0	0	0	0
a) increase (due to)	0	0	0	0
- issuance of shares	0	0	0	0
b) decrease (due to)	0	0	0	0
- redemption of shares	0	0	0	0
1.2. Closing balance of share capital	96 780	96 780	96 780	96 780
2. Opening balance of called up share capital	0	0	0	0
2.1. Changes in called up share capital	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0

CHANGES IN EQUITY	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
2.2. Closing balance of called up share capital	0	0	0	0
3. Opening balance of own shares	0	0	0	0
3.1. Changes in balance of own shares	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
3.2. Closing balance of own shares	0	0	0	0
4. Opening balance of supplementary capital	309 021	250 536	250 574	213 884
4.1. Changes in supplementary capital	0	58 485	-20	36 670
a) increase (due to)	0	58 523	0	36 690
- issue of shares above face value	0	0	0	0
- from profit distribution (statutory)	0	0	0	0
- from profit distribution (above the statutory minimum value)	0	58 523	0	36 690
b) decrease (due to)	0	38	20	20
- loss coverage	0	0	0	0
- other decreases	0	38	20	20
4.2. Closing balance of supplementary capital	309 021	309 021	250 554	250 554
5. Opening balance of revaluation reserve	0	0	0	0
5.1. Changes in revaluation reserve	0	0	0	0
a) increase (due to)	0	0	0	0
- revaluation of financial instruments	0	0	0	0
b) decrease (due to)	0	0	0	0
- sale of tangible fixed assets	0	0	0	0
5.2. Closing balance of revaluation reserve	0	0	0	0
6. Opening balance of other reserve capitals	0	0	0	0
6.1. Changes in other reserve capitals	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
6.2. Closing balance of other reserve capitals	0	0	0	0
7. Exchange gain (loss) on consolidation	-32 012	-32 012	-7 088	-7 088
8. Opening balance of previous years' profit (loss)	36 742	55 813	25 834	36 101
8.1 Opening balance of previous years' profit	39 452	59 168	25 834	36 101
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	0	0	0	0
8.2 Opening balance of previous years' profit, after adjustments	39 452	59 168	25 834	36 101
a) increase (due to)	0	0	0	0
- distribution of previous years' profit	0	0	0	0
b) decrease (due to)	0	58 523	0	36 690
- distribution of previous years' profit	0	58 523	0	36 690
- other decreases	0	0	0	0
8.3. Closing balance of previous years' profit	39 452	645	25 834	-589
8.4. Opening balance of previous years' loss	2 710	3 355	0	0
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	0	0	0	0
8.5. Opening balance of previous years' loss, after adjustments	2 710	3 355	0	0

CHANGES IN EQUITY	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
a) increase (due to)	5	5	0	0
b) decrease (due to)	0	0	0	0
8.6. Closing balance of previous years' loss	2 715	3 360	0	0
8.7. Closing balance of previous years' profit (loss)	36 737	-2 715	25 834	-589
9. Net profit	2 068	41 520	11 788	38 211
a) net profit	2 068	41 520	11 788	38 211
b) net loss	0	0	0	0
c) write-offs on profit (negative value)	0	0	0	0
II. Closing balance of equity (BZ)	412 594	412 594	377 868	377 868
III. Equity including proposed profit distribution (loss coverage)	412 594	412 594	377 868	377 868

1.6. Short form of consolidated cash flow statement (thousands PLN)

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
A. Cash flows from operating activities - indirect method				
I. Net profit (loss)	2 068	24 939	11 788	38 211
II. Total adjustments	-5 826	-85 138	-13 704	-34 570
1. Profit (loss) of minority shareholders	0	0	0	0
2. Net profit (loss) share of subsidiaries and affiliates consolidated by property law method	0	0	0	0
3. Amortisation and depreciation, including:	15 811	38 347	4 340	13 958
- Write off of goodwill on consolidation or Write off of reserve capital on consolidation	0	0	0	0
4. Exchange gains (losses)	-10 712	-18 199	146	-2
5. Interest and profit sharing (dividend)	8 879	18 563	2 688	7 218
6. Profit (loss) on investment activities	153	197	-47	-49
7. Change in provisions	-6 244	-5 698	1 045	4 517
8. Change in inventory	6 025	-54 000	-3 001	-5 224
9. Change in receivables	-5 437	-14 561	-25 316	-63 779
10. Change in short-term liabilities excluding credits and loans	-12 265	-18 306	2 750	17 607
11. Change in prepayments and accruals	-8 263	-27 323	5 278	-4 877
12. Other adjustments	6 227	-4 158	-1 587	-3 939
III. Net cash flows from operating activities (I+/-II)	-3 758	-60 199	-1 916	3 641
B. CASH FLOWS FROM INVESTMENT ACTIVITIES				
I. Inflows	399	501	160	264
1. Disposal of intangible and tangible fixed assets	399	500	160	263
2. Disposal of investments in real property and in intangible assets	0	0	0	0

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
3. From financial assets, including:	0	1	0	1
a) in subsidiaries and affiliates	0	0	0	0
- sale of financial assets	0	0	0	0
- dividend and profit sharing	0	0	0	0
- repayment of long-term loans	0	0	0	0
- interest	0	0	0	0
- other inflows from financial assets	0	0	0	0
b) in other entities	0	1	0	1
- sale of financial assets	0	0	0	0
- dividend and profit sharing	0	1	0	1
- repayment of long-term loans	0	0	0	0
- interest	0	0	0	0
- other inflows from financial assets	0	0	0	0
4. Other inflows from investment activities	0	0	0	0
II. Outflows	33 372	178 856	39 263	127 948
1. Acquisition of intangible and tangible fixed assets	32 972	90 975	38 882	127 397
2. Investments in real property and in intangible assets	0	0	0	0
3. For financial assets, including:	400	700	381	551
a) in subsidiaries and affiliates	0	0	36	106
- acquisition of financial assets	0	0	36	106
- granted loans	0	0	0	0
b) in other entities	400	700	345	445
- acquisition of financial assets	0	0	0	0
- granted loans	400	700	345	445
4. Dividends and other profit sharing paid out to minority shareholders	0	0	0	0
5. Other outflows from investment activities	0	87 181	0	0
III. Net cash flows from operating activities (I-II)	-32 973	-178 355	-39 103	-127 684
C. CASH FLOWS FROM FINANCIAL ACTIVITIES				
I. Inflows	46 600	282 698	48 137	170 813
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	0	0	0
2. Credits and loans	46 600	282 698	48 137	170 813
3. Issuance of debt securities	0	0	0	0
4. Other inflows from financial activities	0	0	0	0
II. Outflows	15 223	46 623	53 769	87 017
1. Purchase of own shares	0	0	0	0
2. Dividends and other payments to shareholders	0	0	0	0
3. Profit distribution liabilities other than profit distribution payments to shareholders	0	0	0	0
4. Repayment of credits and loans	6 966	28 201	51 179	78 271
5. Redemption of debt securities	0	0	0	0
6. Payment of other financial liabilities	0	0	0	0
7. Payment of liabilities arising from financial leases	740	2 089	370	1 887

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
8. Interest.	7 517	16 333	2 220	6 859
9. Other outflows from financial activities	0	0	0	0
III. Net cash flows from investment activities (I-II)	31 377	236 075	-5 632	83 796
D. Total net cash flows (A.III+/-B.III+/-C.III)	-5 354	-2 479	-46 651	-40 247
E. Balance sheet change in cash, including:	-4 769	-1 821	-46 797	-40 245
- change in cash due to exchange differences	585	658	-146	2
F. Cash opening balance	12 874	9 926	90 368	83 816
G. Closing balance of cash (F+/-D), including	8 105	8 105	43 571	43 571
- of limited disposability				

2. Mid-year individual financial statement Barlinek S.A.

2.1. Selected financial data (thousands)

	thousands PLN		thousands EUR	
	III quarters of 2008 01.01.2008 - 30.09.2008	III quarters of 2007 01.01.2007 - 30.09.2007	III quarters of 2008 01.01.2008 - 30.09.2008	III quarters of 2007 01.01.2007 - 30.09.2007
I. Net revenues from sales of products, goods and material	323 797	314 788	94 547	82 161
II. Profit (loss) on operating activities	652	5 701	190	1 488
III. Gross profit (loss)	519	7 448	152	1 944
IV. Net profit (loss)	89	5 770	26	1 506
V. Net cash flows from operating activities	-21 977	-450	-6 417	-117
VI. Net cash flows from investment activities	-124 559	6 004	-36 371	1 567
VII. Net cash flows from financial activities	146 579	-61 305	42 800	-16 001
VIII. Total net cash flows	43	-55 751	13	-14 551
IX. Total assets	633 059	449 491	185 740	118 992
X. Liabilities and reserves for liabilities	347 295	160 884	101 897	42 590
XI. Long term liabilities	73 827	30 063	21 661	7 958
XII. Short term liabilities	258 185	123 795	75 752	32 772
XIII. Equity capital.	285 764	288 607	83 844	76 402
XIV. Share capital	96 780	96 780	28 395	25 620
XV. Number of shares	96 780 000	96 780 000	28 259 226	96 780 000
XVI. Profit (loss) per ordinary share (PLN / EUR)	0.00	0.06	0.00	0.02
XVII. Diluted earnings (loss) per ordinary share (PLN / EUR)	0.00	0.06	0.00	0.02
XVIII. Book value per share (PLN / EUR)	2.95	2.98	1.00	0.79
XIX. Diluted book value per share (PLN / EUR)	2.95	2.98	1.00	0.79
XX. Declared or paid dividend per share (PLN / EUR)				

2.2. The EURO exchange rates used to convert the "Selected financial data".

For converting balance sheet items in the tables of "Selected financial data" as of 30.09.2008, an average NBP EURO exchange rate effective on that day, i.e. – 1 EUR = 3,4083 PLN. Profit and loss of statement item and statement of cash flow shown in tables of "Selected financial data" for 2008 was converted using the exchange rate of 1 EUR = 3,4247 PLN (it's the average from the average NBP exchange rates from the last days of the previous 9 months of 2008).

For converting balance sheet items in the tables of "Selected financial data" as of 30.09.2007, an average NBP EURO exchange rate effective on that day, i.e. – 1 EUR = 3,7775 PLN. Profit and loss of statement item and statement of cash flow shown in tables of "Selected financial data" for 2007 was converted using the exchange rate of 1 EUR = 3,8314 PLN (it's the average from the average NBP exchange rates from the last days of the previous 9 months of 2007).

2.3 Mid-year individual balance sheet of Barlinek S.A. (thousands PLN)

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
I. Fixed assets	400 657	390 170	284 390	271 329
1. Intangible assets	2 676	291	458	540
2. Tangible fixed assets	13 611	13 014	9 063	9 418
3. Long-term receivables	0	0	0	0
3.1. From subsidiaries and affiliates	0	0	0	0
3.2. From other entities	0	0	0	0
4. Long-term investments	374 705	368 626	266 933	255 520
4.1. Real estate	0	0	0	0

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	374 705	368 626	266 933	255 520
a) in subsidiaries and affiliates	374 067	368 026	266 271	255 135
- shares	297 913	297 913	216 395	216 284
- granted loans	76 154	70 113	49 876	38 851
b) in other entities	638	600	662	385
- shares	12	12	12	12
- granted loans	626	588	650	373
4.4. Other long-term investments	0	0	0	0
5. Long-term deferred charges and accruals	9 665	8 239	7 936	5 851
5.1. Assets from deferred taxes	4 499	4 604	1 990	1 895
5.2. Other deferred charges and accruals	5 166	3 635	5 946	3 956
II. Current assets	232 123	217 554	164 501	186 428
1. Inventory	5 684	6 676	3 702	3 576
2. Short-term receivables	178 293	166 453	113 725	106 417
2.1. From subsidiaries and affiliates	60 495	49 470	3 411	14 023
2.2. From other entities	117 798	116 983	110 314	92 394
3. Short-term investments	19 453	17 725	26 335	48 690
3.1. Short-term financial assets	19 453	17 725	26 335	48 690
a) in subsidiaries and affiliates	16 091	14 024	3 346	13 747
b) in other entities	439	400	0	0
c) cash and other cash assets	2 923	3 301	22 989	34 943
3.2. Other short-term investments	0	0	0	0
4. Short-term deferred charges and accruals	28 693	26 700	20 739	27 745
III. Fixed assets appointed for sale.	279	279	600	781
Total assets	633 059	608 003	449 491	458 538
LIABILITIES				
I. Equity capital.	285 764	287 286	288 607	285 994
1. Share capital	96 780	96 780	96 780	96 780
2. Own shares for sale (negative value)	0	0	0	0
3. Reserve capital	188 435	188 435	185 666	185 666
4. Revaluation reserve capital	0	0	0	0
5. Other reserve capital	0	0	0	0
7. Undistributed earnings or uncovered loss of previous periods	460	465	391	391
8. Net profit (loss)	89	1 606	5 770	3 157
IV. Liabilities and reserves for liabilities	347 295	320 717	160 884	172 544
1. Reserves for liabilities	15 283	12 963	7 026	6 610
1.1. Reserves for income tax	4 734	5 273	1 680	1 684
1.2. Social security reserves	70	70	68	68
a) long term	14	14	12	12
b) short term	56	56	56	56
1.3. Other securities	10 479	7 620	5 278	4 858
a) long term	0	0	0	0
b) short term	10 479	7 620	5 278	4 858
2. Long term liabilities	73 827	101 267	30 063	35 739
2.1. To subsidiaries and affiliates	0	0	0	0
2.2. To other entities	73 827	101 267	30 063	35 739
3. Short term liabilities	258 185	206 487	123 795	130 195
3.1. To subsidiaries and affiliates	64 608	75 378	51 370	27 376
3.2. To other entities	193 577	131 109	72 425	102 819
4. Accruals and deferred income	0	0	0	0
4.1. Negative goodwill	0	0	0	0
4.2. Other deferred charges and accruals	0	0	0	0

BALANCE	30.09.2008	30.06.2008	30.09.2007	30.06.2007
a) long term	0	0	0	0
b) short term	0	0	0	0
Total liabilities	633 059	608 003	449 491	458 538

2.5 Mid-year individual profit and loss account of Barlinek S.A. (thousands PLN)

PROFIT AND LOSS ACCOUNT	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
I. Net revenues from sales of products, goods and materials, including:	107 036	323 797	112 673	314 788
- from subsidiaries and affiliates	2 371	6 165	1 282	2 384
1. Net revenues from sale of products	221	1 021	725	2 647
2. Net revenues from sales of products, goods and materials	106 815	322 776	111 948	312 141
II. Cost of products, goods and materials sold, including:	92 204	275 023	95 530	268 883
- from subsidiaries and affiliates	2 338	5 572	976	1 773
1. Cost of production	130	287	390	709
2. Cost of goods and materials sold	92 074	274 736	95 140	268 174
III. Gross profit (loss) on sales (I-II)	14 832	48 774	17 143	45 905
IV. Cost of sales	12 859	36 438	6 964	30 008
V. General administrative expenses	3 731	11 403	6 747	9 274
VI. Profit (loss) on sales (III-IV-V)	-1 758	933	3 432	6 623
VII. Other operating income	330	3 000	609	12 821
1. Revenue from sale of non-financial fixed assets	206	332	545	12 272
2. Subsidies	0	6	0	0
3. Other operating income	124	2 662	64	549
VIII. Other operating costs	186	3 281	1 128	13 743
1. Cost of non-financial fixed assets sold	193	443	536	12 129
2. Revaluation of non-financial fixed assets	0	0	0	70
3. Other operating costs	-7	2 838	592	1 544
IX. Profit (loss) on operating activities (VI+VII-VIII)	-1 614	652	2 913	5 701
X. Financial revenue	5 951	46 259	5 630	20 978
1. Share dividends, including:	0	1	0	1
- from subsidiaries and affiliates	0	0	0	0
2. Interest, including:	2 258	5 761	1 639	5 070
- from subsidiaries and affiliates	2 241	5 653	1 340	3 985
3. Income from sale of investments	0	0	0	0
4. Gain on revaluation of investments	0	0	0	0
5. Others	3 693	40 497	3 991	15 907
XI. Financial costs	6 289	46 392	5 218	19 231
1. Interest, including:	3 469	9 761	1 480	4 765
- to subsidiaries and affiliates	0	0	0	0
2. Loss on sale of investments	0	0	0	0
3. Gain on revaluation of investments	0	0	0	0
4. Others	2 820	36 631	3 738	14 466

PROFIT AND LOSS ACCOUNT	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
XII. Profit (loss) on commercial activities (IX+X-XI)	-1 952	519	3 325	7 448
XIII. Gross profit (loss) (XII)	-1 952	519	3 325	7 448
XIV. Income tax	-434	430	712	1 678
a) current	0	0	811	1 328
b) deferred	-434	430	-99	350
XV. Other obligatory decrease of gross profit (increased loss)	0	0	0	0
XVI. Net profit (loss) (XIII-XIV-XV)	-1 518	89	2 613	5 770

2.5 Changes in equity of Barlinek S.A. (thousands)

CHANGES IN EQUITY	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
I. Opening balance of equity	285 680	285 680	282 837	282 837
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	0	0	0	0
I.a. Opening balance of equity after adjustments	285 680	285 680	282 837	282 837
1. Opening balance of share capital	96 780	96 780	96 780	96 780
1.1. Changes in share capital	0	0	0	0
a) increase (due to)	0	0	0	0
- issuance of shares	0	0	0	0
b) decrease (due to)	0	0	0	0
- redemption of shares	0	0	0	0
1.2. Closing balance of share capital	96 780	96 780	96 780	96 780
2. Opening balance of called up share capital	0	0	0	0
2.1. Changes in called up share capital	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
2.2. Closing balance of called up share capital	0	0	0	0
3. Opening balance of own shares	0	0	0	0
3.1. Changes in balance of own shares	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
3.2. Closing balance of own shares	0	0	0	0
4. Opening balance of supplementary capital	188 435	185 666	185 666	193 991
4.1. Changes in supplementary capital	0	2 769	0	-8 325
a) increase (due to)	0	2 769	0	0
- issue of shares above face value	0	0	0	0
- from profit distribution (statutory)	0	0	0	0
- from profit distribution (above the statutory minimum value)	0	2 769	0	0
b) decrease (due to)	0	0	0	8 325
- loss coverage	0	0	0	8 325
4.2. Closing balance of supplementary capital	188 435	188 435	185 666	185 666

CHANGES IN EQUITY	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
5. Opening balance of revaluation reserve	0	0	0	0
5.1. Changes in revaluation reserve	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
- sale of tangible fixed assets	0	0	0	0
5.2. Closing balance of revaluation reserve	0	0	0	0
6. Opening balance of other reserve capitals	0	0	0	0
6.1. Changes in other reserve capitals	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
6.2. Closing balance of other reserve capitals	0	0	0	0
7. Exchange gain (loss) on consolidation	0	0	0	0
8. Opening balance of previous years' profit (loss)	4 835	3 229	3 548	-7 934
8.1 Opening balance of previous years' profit	4 840	3 234	3 548	391
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	-5	-5	0	0
8.2 Opening balance of previous years' profit, after adjustments	4 835	3 229	3 548	391
a) increase (due to)	0	0	0	0
- distribution of previous years' profit	0	0	0	0
b) decrease (due to)	2 769	2 769	0	0
- distribution of previous years' profit	2 769	2 769	0	0
8.3. Closing balance of previous years' profit	2 066	460	3 548	391
8.4. Opening balance of previous years' loss	0	0	0	8 325
a) changes in adopted accounting principles	0	0	0	0
b) adjustments of fundamental errors	0	0	0	0
8.5. Opening balance of previous years' loss, after adjustments	0	0	0	8 325
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	8 325
8.6. Closing balance of previous years' loss	0	0	0	0
8.7. Closing balance of previous years' profit (loss)	2 066	460	3 548	391
9. Net profit	-1 517	89	2 613	5 770
a) net profit	0	89	2 613	5 770
b) net loss	1 517	0	0	0
c) write-offs on profit (negative value)	0	0	0	0
II. Closing balance of equity (BZ)	285 764	285 764	288 607	288 607
III. Equity including proposed profit distribution (loss coverage)	285 764	285 764	288 607	288 607

2.6 Mid-year individual financial statement of cash flow of S.A. (thousands PLN)

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
A. Cash flows from operating activities - indirect method				

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
I. Net profit (loss)	-1 518	89	2 613	5 770
II. Total adjustments	-25 013	-22 066	10 877	-6 220
1. Amortisation and depreciation, including:	792	2 138	652	1 940
2. Exchange gains (losses)	-1 515	-1 364	249	1 417
3. Interest and profit sharing (dividend)	1 013	3 780	108	368
4. Profit (loss) on investment activities	-13	-57	-10	-143
5. Change in provisions	2 320	5 127	417	3 351
6. Change in inventory	991	-1 162	-127	1 215
7. Change in receivables	-11 839	-31 335	-7 308	-45 023
8. Change in fixed assets to be sold	0	217	182	10 914
9. Change in short-term liabilities excluding credits and loan	-13 814	14 219	22 634	38 495
10. Change in prepayments and accruals	-3 420	-14 747	4 922	-8 187
11. Other adjustments	472	1 118	-10 842	-10 567
III. Net cash flows from operating activities (I+/-II)	-26 531	-21 977	13 490	-450
B. CASH FLOWS FROM INVESTMENT ACTIVITIES				
I. Inflows	206	284	23 430	28 894
1. Disposal of intangible and tangible fixed assets	206	283	11 277	12 272
2. Disposal of investments in real property and in intangible assets	0	0	0	0
3. From financial assets, including:	0	1	12 153	16 622
a) in subsidiaries and affiliates	0	0	12 153	16 621
- sale of financial assets	0	0	0	0
- dividend and profit sharing	0	0	0	0
- repayment of long-term loans	0	0	10 891	14 624
- interest	0	0	1 262	1 997
- other inflows from financial assets	0	0	0	0
b) in other entities	0	1	0	1
- sale of financial assets	0	0	0	0
- dividend and profit sharing	0	1	0	1
- repayment of long-term loans	0	0	0	0
- interest	0	0	0	0
- other inflows from financial assets	0	0	0	0
4. Other inflows from investment activities	0	0	0	0
II. Outflows	7 340	124 843	12 443	22 890
1. Acquisition of intangible and tangible fixed assets	4 295	8 210	578	2 204
2. Investments in real property and in intangible assets	0	0	0	0
3. For financial assets, including:	3 045	116 633	11 865	20 686
a) in subsidiaries and affiliates	2 985	116 273	11 595	20 316
- acquisition of financial assets	0	81 514	111	181
- granted loans	2 985	34 759	11 484	20 135

CASH FLOW	III quarter of 2008 01.07.2008 - 30.09.2008	III quarters of 2008 01.01.2008 - 30.09.2008	III quarter of 2007 01.07.2007 - 30.09.2007	III quarters of 2007 01.01.2007 - 30.09.2007
b) in other entities	60	360	270	370
- acquisition of financial assets	0	0	0	0
- granted loans	60	360	270	370
4. Dividends and other profit sharing paid out to minority shareholders	0	0	0	0
5. Other outflows from investment activities	0	0	0	0
III. Net cash flows from operating activities (I-II)	-7 134	-124 559	10 987	6 004
C. CASH FLOWS FROM FINANCIAL ACTIVITIES				
I. Inflows	41 545	174 271	0	0
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	0	0	0
2. Credits and loans	41 545	174 271	0	0
3. Issuance of debt securities	0	0	0	0
4. Other inflows from financial activities	0	0	0	0
II. Outflows	8 288	27 692	36 220	61 305
1. Purchase of own shares	0	0	0	0
2. Dividends and other payments to shareholders	0	0	0	0
3. Profit distribution liabilities other than profit distribution payments to shareholders	0	0	0	0
4. Repayment of credits and loans	3 766	17 318	34 928	55 882
5. Redemption of debt securities	0	0	0	0
6. Payment of other financial liabilities	0	0	0	0
7. Payment of liabilities arising from financial leases	344	894	69	1 035
8. Interest.	4 178	9 480	1 223	4 388
9. Other outflows from financial activities	0	0	0	0
III. Net cash flows from investment activities (I-II)	33 257	146 579	-36 220	-61 305
D. Total net cash flows (A.III+/-B.III+/-C.III)	-408	43	-11 743	-55 751
E. Balance sheet change in cash, including:	-379	138	-11 954	-55 736
- change in cash due to exchange differences	29	97	-211	15
F. Cash opening balance	3 301	2 784	34 943	78 725
G. Closing balance of cash (F+/-D), including	2 922	2 922	22 989	22 989
- of limited disposability				

3. Supplementary information to short form of mid-year consolidated financial statement for III quarter of 2008.

3.1. Fundamental information.

The Barlinek S.A. Capital Group includes the following companies:

- Barlinek S.A. with registered offices in Kielce – holding company,
- Barlinek Inwestycje Sp. z o.o. with registered offices in Barlinek,
- Barlinek Innowacje Sp. z o.o. with registered offices in Barlinek,
- Barlinek Ukraina Sp. z o.o. with registered offices in Vinnytsya – Ukraine,
- Barlinek Invest Sp. z o.o. with registered offices in Vinnytsya – Ukraine,
- Barlinek Luxemburg S.A.R.L. with registered offices in Luxemburg,
- Barlinek Cyprus Limited with registered offices in Nicosia – Cyprus,
- Barlinek Norge AS with registered offices in Kongsberg – Norway,

- Barlinek RUS with registered offices in D. Szulma, Russia,
- Barlinek Deutschland GmbH with registered offices in Daun – Germany.
- S.C. Barlinek Romania S.A. (formerly S.C. Diana Forest S.A.) with registered offices in Bacau, Romania,
- BCDF Limited with registered offices in Nicosia – Cyprus,
- Barlinek RUS TRADE with registered offices in Moscow, Russia.

Holding company, Barlinek, a joint stock company with registered offices in Kielce, Aleja Solidarności 36, 25-323 Kielce, registered in the District Court in Kielce, X Commercial Division of the National Court Register under number KRS 0000018891 The company's core business is other wholesale: PKD 5190 Z.

Financial report as of 30.09.2008 has been prepared at the assumption that the business is to continue operating in the foreseeable future. There is a lack of circumstances, which could pose a threat to continue carrying on business.

Consolidated financial statement of Barlinek S.A. Group includes data for quarter ending on 30th September 2008 and contains comparable data for the same period of previous year.

Barlinek S.A. is an ultimate holding company and is independent of other companies.

The individual financial statements of the Grupa Barlinek S.A. subsidiary companies, form the basis of this financial statement.

Compliance statement.

The hereby consolidated financial statement has been prepared in compliance with the International Financial Reporting Standards ("IFRS") and IFRS, which are applicable in the EU. IFRS include standards and interpretations approved by the International Accounting Standards Board ("IASB") and by the International Financial Reporting Interpretations Committee ("IFRIC").

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but have not been passed as law:

IFRS 7 Financial instruments: disclosure of information

The application of the new standard or its interpretation will not have a significant impact on the policy used by the Company.

3.2. Principles adopted for preparation of the report

DESCRIPTION OF ADOPTED ACCOUNTING PRINCIPLES, INCLUDING VALUATION OF ASSETS AND LIABILITIES, REVENUE AND COSTS, DETERMINATION OF FINANCIAL RESULT AND THE METHOD OF PREPARATION OF FINANCIAL STATEMENT AND COMPARABLE DATA.

1. Accounting principles.

Tangible fixed assets and intangible assets.

Tangible assets, tangible assets under construction as well as intangible assets are valued according to the purchase price or the cost of manufacturing less cumulated depreciation and all updated write-offs due to the loss of value.

Exchange rate variances in relation to liabilities in a foreign currency, which are associated with the purchase or manufacturing of tangible and intangible assets, refer to the profit and loss statement.

External financing costs are utilised as a portion of the purchase price or the cost of manufacturing subject to an alternative approach presented in IAS 23.

At the time of purchase, tangible assets will be segregated into component parts with a material value, to which a specific useful life can be applied.

The depreciation of tangible fixed assets and intangible assets is calculated using the straight line method in order to spread out their initial value, reduced by the end value – provided that it is of significant value – throughout its useful life. Depreciation write-offs shall begin on the first month following the month, in which the depreciable asset began its useful life and finalised in the month, when the asset is removed from the balance sheet or when it has been assigned to assets, which are to be sold. The depreciation method as well as end

value and useful life of the tangible assets is verified as of each balance sheet date and if required a correction, which will affect the current or future accounting period is made.

Tangible assets, which are under construction are not subject to depreciation until they are finalised and appointed to commence its useful life as a tangible asset.

The Company uses the following yearly depreciation rates in reference to the fundamental tangible asset groups:

- perpetual usufruct right to the land: 2%
- buildings, commercial premises and civil engineering facilities: 4% – 5%
- equipment and machinery: 5% - 50%
- vehicles: 10% - 20%
- other tangible assets: 8.5% - 10%

The yearly depreciation rates regarding intangible assets are as follows:

- software: 20% - 50%.

Fixed assets appointed for sale.

In the case, when a fixed asset is available for sale in its current condition with a consideration for commonly accepted conditions for the sale of this type of asset and its sale as per sale plans, is very likely to take place within one year, the Company classifies such asset as appointed for sale. The value of such asset presented in the Company's financial statement is the lower of the following two: Balance sheet value and fair market value reduced by the cost of sale.

IFRS 5 "Fixed assets appointed for sale" applies to yearly accounting periods, starting 1 January 2005.

Financial instruments.

Financial instruments are divided into the following categories:

- financial assets held until due,
- financial assets valued by their fair market price by a financial result.
- loans and payables.
- financial assets available for sale.

Financial assets held until due are investments with a defined or possible to define payment structure and an established due date, which the Company is able to hold in their possession until that time. Financial assets held until due are valued by a depreciated cost using the effective interest rate method.

Due to short-term price fluctuations, financial instruments acquired for profit generating purposes are classified as financial instruments valued by their fair market value through a financial result. Financial instruments valued by the fair price through a financial result are valued by the fair market price taking into account their market value as of the balance sheet date. Changes to the fair market value of these financial instruments are accounted for as income or financial cost.

Loans and payables are recognised according to the depreciated cost.

All other financial assets are financial assets, which are available for sale. Financial assets, which are available for sale are recognised as per fair market value with the transaction cost not included, taking into account their market value as of the balance sheet date. In the event of a lack of share market quotations on an active market and the inability to reliably define their fair price using alternative methods, the financial assets available for sale are valued as per purchase price less their value depreciating write-offs.

The positive and negative differences between the fair value and the purchase price, less the deferred tax applied to assets available for sale (if a market price has been established on an active regulated market or its fair value can be established in another reliable manner), are transferred to reserve capital by an updated valuation. A reduction in the value of assets available for sale as a result of a loss of value is accounted for in the profit and loss statement as a financial cost.

Financial assets held until due are classified as long-term assets, provided that their due date exceeds 12 months from the balance sheet date.

Financial assets valued by fair market price by a financial result are included in turnover assets, provided that the Board intends to utilise them within 12 months from the balance sheet date.

Inventory.

Goods and materials reserves are valued as per purchase price, but not higher than their net sale price. The Company keeps a quality/quantity goods and materials inventory register and the value of outgoing is valued as per average prices, i.e. prices set as an average amount on the scale of purchase prices.

Ready as well as semi-finished products are valued as per actual costs of manufacture, not higher than net selling prices. The costs of manufacture include costs, which remain in a direct relationship with a given product and a substantiated part of costs directly associated with the manufacture of that product (based on standard manufacturing capabilities). Although, they do not include external financing costs. The ready and semi-finished products quantity/quality inventory register is kept according to fixed prices based on a planned cost of manufacture and the inventory in the manufacturing progress is valued by the cost of direct materials and by a portion of the departmental costs.

The value of inventory is reduced by depreciation write-offs created in the event that the possible to obtain net sale price (constituting a net price, reduced by a discount, rebate and the cost of sale) is lower than the purchase price or the cost of manufacture individually established for each inventory assortment.

Receivables from goods and services and other receivables.

Receivables from goods and services are entered and presented as per initially invoiced amount, taking depreciation write-offs into account.

Long-term receivables are valued as per corrected purchase price (depreciated cost) using the effective interest rate method, reduced by loss of value write-offs.

An update entry is created, when objective evidence shows that the Company will not collect all of the receivables, which payable on the initial receivables terms. Bad debts are written off as other operating costs at the time they are deemed unrecoverable.

Cash and equivalents.

Cash and short-term investments presented in the balance sheet include cash in bank accounts and in the cash register as well as short-term investments with an initial maturity date of not more than three months.

Accrued costs/expenses (assets).

Deferred expenditures are entered in the amount of expenses associated with costs, which refer to future reporting periods.

The settlement of deferred expenditures takes place respectively to the amount of passed time. The time and manner of settlement is substantiated by the character of the settled expenses whilst observing careful valuation principles.

Equity capital.

Equity capital is shown in the amount defined in the Company's in the articles of incorporation at the court registry.

Reserve capital is created in accordance with the Company's articles of incorporation based on net profit, on the basis of the resolutions of the shareholders general meeting and the surplus from the sale of shares above their nominal value.

The updated valued capital includes amounts, which arose as a result of an updated tangible assets and long-term financial assets valuation, for which a market price register is kept. It also includes an amount of exchange rate variations, which came about as a result of securing the payment of currency liabilities associated with the execution of an investment project, since the time of settling the investment project.

Reserves.

Reserves are created in the event that following past events a probable, possible to be reliably estimated liability arises, which in the future has a high probability to cause an inflow of profit generating assets. The amount of created reserves shall be verified as of the balance sheet date in order to correct it in reference to the amount of estimates according to best knowledge on the date the financial statement is prepared. In the event that the change in the value of money is significant at the time, the amount of reserves is established by discounting the expected future cash flow in line with current value using the gross discount rate, which reflects current market estimations concerning the value of money at the time and any possible risk associated with the given liability.

Potential liabilities, the execution of which is dependent on certain events taking place, which are out of the Company's control, are entered as contingent liabilities.

Employment benefits.

As per remuneration system obligatory in the Company, the employees are entitled to retirement packages, which constitute a program of defined benefits when their employment ceases. Retirement packages are issued as a once-off payment at the time of retirement. The amount of benefits is dependent on the period of employment and the employee's remuneration. The reserve created as per current value concerning the above future payments are to be adjusted to periods, to which these costs refer to. The current value of these liabilities shall be defined by an independent Actuary, at the same time the accrued liabilities are equal to the discounted payments, which will be made in the future, taking employment turnover into consideration as well as the anticipated salary growth indicator.

Interest bearing bank loans, borrowings and debentures.

On initial recognition all bank loans, borrowings and debentures are formulated according to their acquisition price corresponding with fair value of the received cash reduced by costs related to acquiring the loan.

After initial recognition debentures, bank loans and borrowings subject to interest are priced according to depreciated cost with the use of the effective interest rate method, if the disparity has substantial impact on the Company's financial situation picture.

On defining the depreciated costs related to the acquisition of the loan as well as discounts and premiums obtained on settlement of the liability are taken into consideration.

Profits and losses are included in the profit and loss account on removal of the liability from the balance sheet and as a result of write-down calculation.

Credit and loan liabilities are classified as long-term or short-term based on the liability settlement date to balance date resulting from the contract.

Liabilities from supplies and services.

Liabilities from supplies and services are presented according to originally invoiced values. If the impact of time value of money is substantial, the liabilities' value is defined by discounting the forecast future cash flow do the current value. Gross discount rate reflecting current market time value of money evaluation is used. If a discounting method had been used, the increase of liabilities resulting from the passing of time is presented as financial costs.

Leasing.

Financial lease contracts which transfer all risks and benefits resulting from the ownership of the object of lease to the Company are presented in the balance sheet of the lease commencement day as the lower of the two following values: fair value of a fixed asset which is the object of lease or the current value of the minimal lease rent. The lease rent is divided into financial costs and reduction of the lease liability balance in a way that enables obtaining a fixed interest rate from the remaining liability. Financial costs are included directly into the profit and loss account.

Fixed assets used by virtue of financial lease are depreciated by the assessed period of fixed asset usage.

Lease contracts according to which the lessor keeps the whole risk and all benefits from ownership of the object of lease are considered operating lease contracts. Operating lease rent is presented as loss in the profit and loss account with the use of straight line method throughout the entire lease period.

Income.

Income is presented as a value, at which it is possible for the Company to gain economic profits related to a given transaction and in circumstances in which the income value can be reliably assessed. Income is recognised after subtraction of VAT and rebates. Also the criteria listed below concern income presentation.

Sales of goods and products

Products and goods income is presented if substantial risk and benefits from the ownership of the products and goods have been passed to the purchaser and the income value can be reliably assessed.

Interest.

Interest income is presented successively as it grows (with consideration of the effective interest rate method, which defines the discount rate for future cash income during the estimated financial instruments usage period) in relation to the balanced net value of a given element of the financial assets.

Dividends.

Dividends due are counted into the financial income for the day of passing of the Company's resolution on profit division, unless the resolution provides another day of the right to the dividend.

Subsidies.

If there is a justified certainty that a subsidy will be won and that all requirements related to it will be met, subsidies are presented by their fair value.

If a subsidy is related to a cost item, it is presented as income proportionally to costs which the subsidy is supposed to compensate. If a subsidy is related to an element of the assets, its fair value is presented in the future income account, and then, gradually, by equal annual write-offs, added to the profit and loss account throughout the estimated period of usage of an element of assets related to it.

Cost recognition.

The costs are recognised in an amount, which is probable that the profits of the Company will be reduced by, and which can be reliably estimated.

The Company keeps a costs register calculation-wise and type-wise.

The costs of sold goods, products and materials include costs directly associated with the purchase of sold goods and materials or the manufacture of sold products. The cost of sales cover the overall costs directly associated with the execution of the selling process. The costs of general management include costs associated with managing the Company and administration costs.

Income tax

Current income tax liabilities from legal persons are calculated according to Polish tax regulations.

For financial reporting purposes, an income tax reserve is created using the balance sheet liabilities method in reference to all transitional differences occurring on the balance sheet day between the taxable value of assets and liabilities and their balance sheet value shown in the financial statement.

Reserve of deferred tax is expressed in relation to all positive transitional differences with the exclusion in the following situations:

- when reserve of deferred tax arises as a result of initial recognition of business value or initial recognition of the asset or liability during transaction not constituting a connection of business entities at the time of it taking place, which does not affect the gross profit, nor the taxable income or taxable loss, as well as
- in a case of transitional positive differences which arise as a result of investments into subsidiary or associated companies and the share in joint ventures – with the exception of cases when the transitional due dates are reversed and are subject to investor's audit and when it's probable that in the foreseeable future the transitional differences will not be reversed.

Deferred tax assets are included in all negative transitional differences in such probable amounts, that taxable income will be reached which will allow to use the abovementioned differences, losses and exemptions in taxable income with the exemption of situation:

- When deferred tax assets concerning negative transitional differences are created as a result of initial entry of the asset or liability at the time of the transaction, which does not constitute the joining of the business entities and at the time of it taking place, they do not have any control over the gross financial result nor over the taxable income or loss as well as
- in the event of negative transitional differences as a result of investments into subsidiary or affiliated entities as well as shares in joint ventures, the deferred tax asset is entered into the balance sheet only in the amount that is probable in the foreseeable future that the abovementioned transitional differences will reverse and such an income will be achieved, which will allow to deduct the negative transitional differences.

The balance sheet value of the deferred tax asset is verified as of each balance sheet date and is subject to a respective reduction by the amount, which reflects the unachievable taxable income thought to be probable, which would allow to a partial or full utilisation of the asset concerning the deferred income tax.

The deferred income tax reserve and assets are entered into the balance sheet in compensated values, if such compensation entitlement exists.

The deferred income tax assets and reserves for deferred tax are valued using tax rates, which as per assumptions will be effective at the time, when the asset or reserve will be utilised, adopting tax rates as the basis (and tax legislation) effective as of the balance sheet date or such rates (tax legislation), which is known to be effective in the future on the balance sheet date.

Income tax, which refers to the items entered directly into equity capital is entered into equity capital and not in the profit and loss statement.

2. Rules of consolidation

- After preparing consolidated financial statement, following organisational procedures were implemented:
 - ⇒ holding company defined the composition and structure of the Capital Group as of 30th September 2008.
 - ⇒ all associated entities are subject to be included in the consolidated financial statement by a complete method,
 - ⇒ subsidiary entity consolidated by full method made mutual transaction agreements of reporting period and mutual settlements with holding company of the balance sheet day.
- After preparing financial consolidated report, the following essential procedures were implemented:
 - ⇒ data of subsidiary entity was summarised in a consolidated financial statement by a complete method, which is based on summing up all respective items in the report of that entity with the report of the holding company and to apply appropriate consolidating exclusions and corrections.
 - ⇒ consolidated corrections included:
 - exclusion of turnover from operations made in a given report period between affiliated entity covered by full consolidation,
 - exclusion of mutual payables and liabilities of every title,
 - exclusion from consolidated assets of the value of shares in subsidiary entity.
- PLN represents the functional currency. Consolidated financial statement is prepared in thousands PLN.
- Individual financial statements of Barlinek S.A. and Barlinek Inwestycje Sp. z o.o., were made pursuant to International Reporting Standards accepted by UE. Whereas individual reports of remaining subsidiary companies, i.e. Barlinek Innowacje Sp. z o.o., Barlinek Ukraina Sp. z o.o., Barlinek Invest Sp. z o.o., Barlinek Luxembourg S.A.R.L, Barlinek Cyprus Limited, Barlinek RUS, Barlinek Norge AS, Barlinek Deutschland GmbH, S.C. Barlinek Romania S.A., BCDF Limited and Barlinek RUS TRADE were transformed pursuant to International Reporting Standards for the purposes of preparing a consolidated financial statement for III quarter of 2008.

3.3. Securities

As of 30.09.2008, Barlinek S.A. holding Company is in possession of currency agreements, which secure future payables based on products and good transactions/sales. Currency agreements are used for the purpose of limiting currency risk. As of the 30.09.2008, the fair market value of current contracts equals to 2.414 thousands PLN.

3.4 A concise description of the issuer's achievements or setbacks during the period, to which the statement refers to, with a list of the most significant events associated with them.

On the 3rd September 2008 the Issuer received a agreement entered into by and between the Issuer, Barlinek S.A. with registered offices in Kielce (the Seller) and ENERGOKRAK Sp. z o.o. with registered offices in Cracow (the Purchaser) concluded by circulation on the 20th August, 2008 for supply of biomass to the EDF power group, represented in Poland by the Purchaser. The Purchaser belongs to EDF Group (Electricite de France), whose principal business in Poland is purchasing of coal and biomass to meet the needs of the Group's power generation units.

The subject of the contract is sale of biomass in the form of pellets produced by the Seller's systems. The Biomass price in the first year of contractual period was calculated based on biomass price and cost of transportation to individual recipient facilities of the Purchaser. During successive year the agreement is in effect, the biomass price will be agree upon base on an algorithm set forth in the contract. Volume of deliveries envisaged in the agreement guarantees that the Seller will dispose some 40% of pellets produced by the Barlinek Group annually.

On the 11 September 2008 management board of Barlinek SA informed about the change to issue price of L-series shares as a result of adjustment to investment plans. Company Management originally intended to use the resources raised from the issuance of shares to build a plywood factory in Russia, continue development of the multi-layer board factory in Romania and purchase an ERP class integrated IT system.

Based on the specialist analyses available, and on its own reports, Management is convinced that it would not be expedient commence construction of the plywood factory, whose total cost may be assessed at around

400m PLN. The investment risk connected with the project is too great. Should the assumed economic parameters not be achieved, it would adversely affect the Company's results and the shareholders would not receive the appropriate degree of return from the capital invested. During the coming months, Company Management will carefully monitor the macro-economic context of the project – paying particular attention to the construction sector. In the event of it becoming certain that external conditions do not constitute an above-average threat to the successful completion of the construction and operation of the plant and the sale of products, Management will return to the realisation of the suspended project. Management is convinced that the present fluctuations on the financial market are short-term in nature, and that Russia will remain a very attractive area for investment. Management believes in the long term presence of Barlinek on the Russian market, which is a natural field of expansion for the Company.

The assets raised from the issue of L series shares will be allocated by the Company for the modernization of the plant in Romania and increasing production capacity to over 1.6m m² of floorboards per annum. The remainder of the assets raised will be allocated to the introduction of the integrated ERP class system.

3.5. A description of factors and events, particularly of untypical nature, which affect the financial result significantly .

The following external factors, independent of the Company, affected the result achieved by the Issuer in the III quarter of 2008:

- appreciation of Polish Zloty,
- increase of interest rates,
- increase of cost of electricity.
- continued weakening of economic prosperity on West European markets,

and the following internal factors subject to the Issuer's control affected the results:

- extending of the repair and maintenance period,
- scaling down of production output,
- restructuring of operations of Barlinek Romania.

A positive factor is current weakening of the Polish currency, and if this situation persists, it will be positively reflected in the results for the IV quarter.

3.6 Clarifications referring to seasons or cycles in the issuer's business during the presented period.

There are no seasons or cycles, which affect the Issuer's business.

3.7 Information concerning the issue, purchase and payment for debt and equity securities.

There were no issues of debt and equity securities in the Issuer's business during the presented period.

On the 18 August 2008 the Issuer informed of submitting the L-series shares Issuance Prospectus to the Financial Inspection Commission.

3.8 Information concerning executed (or announced) dividend payout, jointly and calculated per share, divided into ordinary and preference shares.

There was no dividend payout nor was there any announcements as such.

3.9 A list of events, which took place following the date, on which the summarised quarterly financial statement was prepared and not included in that report, which could significantly affect Issuer's future financial results.

In the Issuer's opinion, there were no other events, following the date on which the III quarter 2008 financial statement was prepared, which could significantly affect Barlinek S.A. Group's future financial results.

3.10 Information concerning changes to contingent obligations or contingent assets, which may have taken place since the end of last financial year.

The company has no contingent obligations or contingent assets.

3.11 List of the effects of changes to the structure of the business entity, including business entities consolidation, take over or sale of the capital group's entities, long-term investments, division, restructure and ceasing business operations.

There were no significant changes in the capital group's or business entity's structure for the three months period ending 30 September 2008.

3.12 The position of the Board concerning the possibility of meeting the previously released, current year's profit forecasts early, in the light of results presented in the quarterly statement in relation to forecasted profits.

The Board has not released a 2008 profit forecast.

3.13 List of the shareholders, which either directly or indirectly own in excess of 5% of the overall number of votes through subsidiary companies at the issuer's general meeting as of the date of passing the quarterly report together with the number of shares owned by those entities, their percentage share in the capital, number of votes at the annual general meeting as well as a list of the changes to the ownership structure of significant issuer's share packages during the period since the last quarterly report was passed.

Details	As of 14.08.2008 (The date of passing the periodical report for II quarter 2008)		As of 14.11.2008 (The date of passing the periodical report for III quarter 2008)	
	Number of shares and votes at the AGM	% share in the share capital and % share in the overall number of votes at the AGM	Number of shares and votes at the AGM	% share in the share capital and % share in the overall number of votes at the AGM
Michał Sołowow – directly	49.820.000	51.48 %	49.820.000	51.48 %
Michał Sołowow – directly through Barco capital Investment Limited	16.000.000	16.53 %	16.000.000	16.53 %
Michał Sołowow – directly or indirectly through Barco capital Investment Limited	65.820.000	68.01 %	65.820.000	68.01 %
ING Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	4.846.329 ¹⁾	5.01 %	4.576.776 ²⁾	4.73 %

¹⁾ As per report received by the Company on 17 January 2008. (RB nr 2/2008)

²⁾ As per report received by the Company on 6 October 2008. (RB nr 37/2008)

3.14. A statement of changes in the ownership of the Issuer's shares or right to them (options) by issuer's management and persons in supervisory positions as per issuer's information up to the time of passing the previous quarterly report.

As per Issuer's knowledge, the status of shares ownership or the right to them (options) by persons in supervisory or management positions in the Issuer's business up until when the previous quarterly report was passed is as follows:

item	Name	Number of owned shares (as of 14.11.2008)	Change in personal assets in the period 14.08.2008r. – 14.11.2008r.
1.	Paweł Wrona – President of the Management Board	911	0
2.	Ryszard Pyrek – Member of the Management Board	9.000	0
3.	Wioleta Bartosz – Member of the Management Board	0	0

4.	Marek Janke – Member of the Management Board	11.937	0
----	--	--------	---

Persons supervising the Issuer and not possessing shares of the Issuer or authorisation to them (options).

3.15 List any legal proceedings before a court, authority respective for arbitration proceedings or a public administration authority.

There are no proceedings before a court of law, authority respective for arbitration proceedings or a public administration authority, the value of which exceeds 10% of the Issuer's own capital equity, neither in the case of the Issuer nor the Issuer's subsidiary companies.

3.16 Information concerning the Issuer or its subsidiary companies entering a single or several transactions with affiliated entities, if the value of those transactions (total value of all transactions entered into since the beginning of the financial year) exceeds a PLN equivalent to Euro 500,000 – if these are no ordinary or routine transactions, entered into on market terms between affiliated entities and their nature and terms are a result of an ongoing business operated by the issuer or the issuer's subsidiary company.

There were no such transactions during the III quarter of this year.

All transactions made between the Issuer and affiliated entities are transacted on market terms.

3.17 Information concerning a loan warranty or guarantee issued by the Issuer or the Issuer's subsidiary company – overall to a single entity or their subsidiary company, if the total value of the existing warranties or guaranty constitutes in excess of 10% of the Issuer's own capital equity.

During the III quarter of 2008, Barlinek S.A. or its subsidiary entities have not acted as guarantors on a loan or borrowings and have not issued a guarantee, which would constitute in excess of 10% of the Company's own capital equity.

3.18 Other information, which in the Issuer's opinion is important to assess its human resources, property, finances, financial result and their changes as well as information, which is crucial in the assessment of the Issuer's ability to fulfil their obligations.

Barlinek S.A. Capital Group's financial resources put them in a position to fulfil their financial obligations in entirety.

3.19. List of the factors, which in the Issuer's opinion will affect the results achieved by them in view of the next quarter or longer.

In analysing the factors, which will affect the Issuer's financial results in the view of not less than the next quarter, the following should be considered:

- external influences:

1. a slow-down in the national economy growth,
2. world markets economic situation,
3. the apartment construction sector situation,
4. the situation on financial world markets,
5. the variance of currency exchange rates in Poland, the Ukraine and Romania,
6. possible interest rate rises,
7. the rise of inflation in Poland, which is associated with the rise of manufacturing costs,
8. high inflation rate rise in Ukraine

- internal influences:

1. the expansion of the Barlinek Group product range,
2. expansion of the product sales network,

3. completed investments and modernisations (an increase of manufacturing capacity, better utilisation of materials and raw materials, new goods and products),

3.20. Information regarding revenue and financial results in reference to particular industry or geographical sectors:

Barlinek S.A. Group is a leading producer of wooden floors. Products offered by the Business are aimed the same type of recipients and are subject to the same risk. Barlinek Group products characterise themselves with a similar level of R.O.I. on executed investments.

As a result of the above, the Company does not prepare the report based on industry sectors.

Geographical sectors

Operational activity of the Group was divided into five main geographical segments: North America, Western Europe, Eastern Europe, Scandinavia and Poland. Sales to the remaining countries is not substantial and was included in a sector named Other. The basic financial information concerning sectors was represented below.

III quarters of 2008

	North America	Central & Eastern Europe	Western Europe	Others	Poland	Scandinavia	Total
Revenue from sales	5 093	87 027	58 219	6 432	147 968	76 644	381 383
Sector result	405	15 153	3 070	1 041	22 889	10 356	52 914
Unaccounted costs of the whole group							28 839
Group sales result							24 075
Other operating income							8 947
Other operating costs							5 962
Result on operating activities							27 060
Financial revenue							73 674
Financial costs							73 720
Gross profit							27 014
Profit on a transaction of acquisition of a subsidiary							16 581
Income tax							1 991
Net profit							41 604

	North America	Central & Eastern Europe	Western Europe	Others	Poland	Scandinavia	Total
Sector's assets	531	29 391	14 837	1 440	50 551	12 345	109 095
Unaccounted assets of the whole group							1 075 873
Total assets							1 184 968

III quarters of 2007

	North America	Central & Eastern Europe	Western Europe	Others	Poland	Scandinavia	Total
Revenue from sales	18 901	48 623	73 501	4 536	128 236	79 128	352 925
Sector result	4 222	9 458	15 990	1 047	32 330	22 696	85 743
Unaccounted costs of the whole group							38 463
Group sales result							47 280

