



**Consolidated Quarterly Report  
Capital Group Barlinek SA  
for the first quarter 2011**



## Consolidated Quarterly Report Capital Group Barlinek SA

### 1. Summarised consolidated financial statement

#### 1.1. Selected financial data (thousands)

SELECTED FINANCIAL DATA	thousands PLN		thousands EUR	
	I quarter 2011	I quarter 2010	I quarter 2011	I quarter 2010
	01.01. - 31.03.	01.01. - 31.03.	01.01. - 31.03.	01.01. - 31.03.
I. Net revenues from sales of products, goods and material	154 408	129 152	38 852	32 558
II. Profit (loss) on operating activities	9 908	10 811	2 493	2 725
III. Gross profit (loss)	-8 408	17 889	-2 116	4 510
IV. Net profit (loss) owed to the shareholders of the Parent Company	-9 020	16 657	-2 270	4 199
V. Total income owed to the shareholders of the Parent Company	-7 834	-2 142	-1 971	-540
VI. Net cash flows from operating activities	-12 298	-13 863	-3 094	-3 495
VII. Net cash flows from investment activities	-1 451	-4 048	-365	-1 020
VIII. Net cash flows from financial activities	16 378	18 304	4 121	4 614
IX. Total net cash flows	2 629	393	662	99
X. Number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XI. Average-weighted number of shares	145 170 000	119 899 667	145 170 000	119 899 667
XII. Profit (loss) per ordinary share (PLN / EUR)	-0,06	0,11	-0,02	0,03
XIII. Diluted earnings (loss) per ordinary share (PLN / EUR)	-0,06	0,11	-0,02	0,03
XIV. Total income per ordinary share (PLN / EUR)	-0,05	-0,01	-0,01	0,00
XV. Diluted total income per ordinary share (PLN / EUR)	-0,05	-0,01	-0,01	0,00
	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
XXVI. Total assets	1 031 923	1 001 267	257 216	252 826
XXVII. Liabilities and reserves for liabilities	697 557	658 593	173 872	166 299
XXVIII. Long term liabilities	247 504	251 739	61 692	63 566
XXIX. Short-term liabilities	450 053	406 854	112 180	102 733
XX. Equity capital	334 366	342 674	83 344	86 527
XXI. Share capital	145 170	145 170	36 185	36 656
XXII. Number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XXIII. Average-weighted number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XXIV. Book value per share (PLN / EUR)	2,30	2,36	0,57	0,60
XXV. Diluted book value per share (PLN / EUR)	2,30	2,36	0,57	0,60
XXVI. 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 consolidated financial data" as of 31.03.2011, an average EURO exchange rate published by the National Bank of Poland effective on that day was used, i.e. – 1 EUR = 4,0119 PLN. Items of the profit and loss account and cash flow statement shown in tables of "Selected consolidated financial data" for in the first quarter of 2011 were converted using the exchange rate of 1 EUR = 3.9742 PLN (it is the average of the average National Bank of Poland exchange rates from the last days of the last 3 months of 2011).

For converting balance sheet items in the tables of "Selected consolidated financial data" as of 31.03.2010, an average EURO exchange rate published by the National Bank of Poland effective on that day was used, i.e. – 1 EUR = = 3,8622 PLN. Items of the profit and loss account and cash flow statement shown in tables of "Selected consolidated financial data" for in the first quarter of 2010 were converted using the exchange rate of 1 EUR = 3,9669 PLN (it is the average of the average National Bank of Poland exchange rates from the last days of the last 3 months of 2010).

**1.3. Consolidated statement of financial standing (thousands PLN)**

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<b>STATEMENT OF THE FINANCIAL STANDING</b>	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2010</b>
<b>ASSETS</b>			
<b>A. FIXED ASSETS</b>	<b>607 421</b>	<b>621 798</b>	<b>640 155</b>
Tangible fixed assets	573 328	585 938	597 286
Investment property	0	0	0
Intangible assets	8 888	9 359	10 195
Shares in subsidiaries and affiliates	0	0	0
Shares in other entities	12	12	12
Granted long-term loans	0	229	1 011
Long-term investments	0	0	0
Assets from deferred taxes	19 659	20 456	24 834
Other long-term receivables	5 534	5 804	6 817
<b>B. CURRENT ASSETS</b>	<b>424 502</b>	<b>379 469</b>	<b>419 697</b>
Inventory	214 442	192 964	212 318
Short-term receivables from supplies and services	73 025	62 433	74 274
Granted short-term loans	1 118	1 148	524
Receivables from income tax	2 035	219	2 130
Other regulatory receivables	40 248	46 333	51 174
Financial receivables	0	0	0
Other short-term receivables	32 446	20 024	31 965
Cash and equivalents	11 611	8 994	3 162
Short-term investments	0	0	0
Other short-term investments	0	0	0
Fixed assets designated for sale	49 577	47 354	44 150
<b>Total assets</b>	<b>1 031 923</b>	<b>1 001 267</b>	<b>1 059 852</b>

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<b>LIABILITIES</b>			
<b>A. EQUITY CAPITAL</b>	<b>334 366</b>	<b>342 674</b>	<b>363 677</b>
Stated capital (fund)	145 170	145 170	145 170
From disposal of shares above their nominal value.	139 358	139 358	155 157
Revaluation reserve capital (fund)	-9 682	-9 636	-9 499
Other reserve capital (fund)	0	0	0
Exchange gain (loss) on consolidation	-26 979	-28 211	-45 239
Retained profit / uncovered loss	86 942	96 241	117 649
Minority shares	-443	-248	439
<b>B. LONG-TERM LIABILITIES</b>	<b>247 504</b>	<b>251 739</b>	<b>288 738</b>
Interest bearing bank credits	245 159	249 443	286 411
Received long-term loans	0	0	0
Reserves for deferred income tax	133	15	235
Financial liabilities	1 387	1 480	1 628
Liabilities from employee benefits	825	801	464
Other long-term liabilities	0	0	0
<b>C. SHORT-TERM LIABILITIES</b>	<b>450 053</b>	<b>406 854</b>	<b>407 437</b>
Current portion of interest-bearing bank credits	306 045	305 818	278 085
Short-term liabilities from supplies and services	66 864	65 278	66 853
Received short-term loans	0	0	20 000
Liabilities from income tax	122	336	738
Other regulatory liabilities	10 006	8 819	8 576
Financial liabilities	42 302	2 071	1 928
Other liabilities	24 714	24 532	31 257
Accruals and deferred income	0	0	0
Liabilities directly associated with long-term assets classified as items for sale	0	0	0
<b>Total liabilities</b>	<b>1 031 923</b>	<b>1 001 267</b>	<b>1 059 852</b>
<i>Book value</i>	334 366	342 674	363 677
<i>Average-weighted number of shares</i>	145 170 000	145 170 000	145 170 000
<i>Book value per share (PLN)</i>	2,30	2,36	2,51

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### 1.4. The consolidated profit and loss account (thousands PLN)

<b>PROFIT AND LOSS ACCOUNT</b>	<b>I quarter 2011</b>	<b>I quarter 2010</b>
	<b>01.01. - 31.03.</b>	<b>01.01. - 31.03.</b>
<i>Continued activities</i>		
<b>Total revenue from sales</b>	<b>154 408</b>	<b>129 152</b>
Net revenues from sale of products	152 252	123 807
Net revenues from sales of products, goods and materials	2 156	5 345
<b>Cost of products, goods and materials sold</b>	<b>95 697</b>	<b>79 720</b>
Cost of production	94 342	75 817
Cost of goods and materials sold	1 355	3 903
<b>Gross profit (loss) on sales</b>	<b>58 711</b>	<b>49 432</b>
Other operating income	577	375
Cost of sales	33 905	25 826
General administrative expenses	14 136	11 940
Other operating costs	1 339	1 230
<b>Profit (loss) on operating activities</b>	<b>9 908</b>	<b>10 811</b>
Financial revenue	68	14 803
Financial costs	18 384	7 725
<b>Gross profit (loss)</b>	<b>-8 408</b>	<b>17 889</b>
Profit on a transaction of acquisition of a subsidiary	<b>0</b>	<b>0</b>
<b>Income tax</b>	<b>624</b>	<b>808</b>
Current portion	232	455
Deferred portion	392	353
<b>Net profit (loss) on continued activities</b>	<b>-9 032</b>	<b>17 081</b>
<i>Discontinued activities</i>		
Loss for the financial year on discontinued activities	-183	-174
<b>Net profit (loss) for the financial year</b>	<b>-9 215</b>	<b>16 907</b>
Profit (loss) owed to the shareholders of the Parent Company	-9 020	16 657
Profit (loss) owed to the minority shareholders	-195	250

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### 1.5. Consolidated statement of total revenues (thousands PLN)

STATEMENT OF TOTAL REVENUES	I quarter 2011	I quarter 2010
	01.01. - 31.03.	01.01. - 31.03.
<b>Net profit (loss) for the financial year</b>	<b>-9 215</b>	<b>16 907</b>
<b>Other total revenue</b>	<b>1 175</b>	<b>-19 644</b>
Exchange gain (loss) on consolidation	1 232	-15 197
Revaluation of fixed assets	0	0
Effective part of profit and loss associated with hedging of cash flows	-57	-4 447
<b>Income tax associated with components of other total revenues</b>	<b>-11</b>	<b>-845</b>
<b>Total revenue</b>	<b>-8 029</b>	<b>-1 892</b>
Total revenue owed to the shareholders of the Parent Company	-7 834	-2 142
Total revenue owed to the minority shareholders	-195	250
<i>Average-weighted number of shares</i>	<i>145 170 000</i>	<i>145 170 000</i>
<i>profit (loss) per ordinary share (PLN)</i>	<i>-0,06</i>	<i>-0,01</i>

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### 1.6. Consolidated cash flow statement (thousands PLN)

CASH FLOW ACCOUNT (INDIRECT METHOD)	I quarter 2011	I quarter 2010
	01.01. - 31.03.	01.01. - 31.03.
<b>Cash flows from operating activities</b>		
Gross profit (loss)	-8 591	17 715
Adjustments by items:	-3 707	-31 578
Depreciation	13 305	12 517
Currency translation gains (losses)	10 560	-17 347
Interest and profit sharing (dividend)	8 295	5 586
Profit (loss) on investment activities	0	157
Change in inventory	-21 478	-5 190
Change in receivables	-15 971	-7 019
Change in short-term liabilities excluding credits and loans	3 806	-3 907
Change in liabilities due to employee benefits	24	171
Change in long-term liabilities	270	101
Change in other long-term receivables	-1 729	-7 530
Income tax paid	-789	-9 117
<b>I. Net cash flows from operating activities</b>	<b>-12 298</b>	<b>-13 863</b>
<b>Cash flows from investment activities</b>		
Disposal of fixed and intangible assets	0	453
Acquisition of fixed and intangible assets	-1 724	-4 506
Dividends and interest received	1	0
Repayment of loans granted	272	5
<b>II. Net cash flows from investment activities</b>	<b>-1 451</b>	<b>-4 048</b>
<b>Cash flows from financial activities</b>		
Payment of liabilities arising from financial leases	-983	-615
Inflows from credits/loan taken	14 499	44 974
Repayment of credits and loans	-31 046	-20 454
Change in a status of liabilities due to bonds issue	40 000	0
Interest paid	-5 709	-5 446
Bank's commission	-383	-155
<b>III. Net cash flows from financial activities</b>	<b>16 378</b>	<b>18 304</b>
<b>Change in net cash and its equivalents (I+II+III)</b>	<b>2 629</b>	<b>393</b>
Net currency translation differences	-12	-29
<b>Cash opening balance</b>	<b>8 994</b>	<b>2 798</b>
<b>Closing balance of cash, including:</b>	<b>11 611</b>	<b>3 162</b>
of limited disposability	0	0

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### 1.7. Consolidated statement of changes in equity (thousands PLN)

STATEMENT OF CHANGES IN EQUITY CAPITAL	Stated capital	From disposal of shares above their nominal value	Revaluation reserve capital (fund)	Exchange gain (loss) on consolidation	Retained profit / uncovered loss	Minority shares	Total equity capital
<b>Situation as of 01.01.2011</b>	<b>145 170</b>	<b>139 358</b>	<b>-9 636</b>	<b>-28 211</b>	<b>96 241</b>	<b>-248</b>	<b>342 674</b>
Others	0	0	0	0	-279	0	-279
Total revenue	0	0	-46	1 232	-9 020	-195	-8 029
<b>Stan na 31.12.2011 roku</b>	<b>145 170</b>	<b>139 358</b>	<b>-9 682</b>	<b>-26 979</b>	<b>86 942</b>	<b>-443</b>	<b>334 366</b>
<b>Situation as of 01.01.2010</b>	<b>145 170</b>	<b>155 157</b>	<b>-5 897</b>	<b>-30 043</b>	<b>78 099</b>	<b>-232</b>	<b>342 254</b>
Distribution of previous years' profit	0	-15 799	0	0	15 799	0	0
Total revenue	0	0	-3 739	1 832	2 343	-16	420
<b>Situation as of 31.12.2010</b>	<b>145 170</b>	<b>139 358</b>	<b>-9 636</b>	<b>-28 211</b>	<b>96 241</b>	<b>-248</b>	<b>342 674</b>

## Consolidated Quarterly Report Capital Group Barlinek SA

### 2. Summarised financial statement of Barlinek S.A.

#### 2.1. Selected financial data (thousands)

SELECTED FINANCIAL DATA	thousands PLN		thousands EUR	
	I quarter 2011	I quarter 2010	I quarter 2011	I quarter 2010
	01.01. - 31.03.	01.01. - 31.03.	01.01. - 31.03.	01.01. - 31.03.
I. Net revenues from sales of products, goods and material	133 906	108 101	33 694	27 251
II. Profit (loss) on operating activities	1 746	821	439	207
III. Gross profit (loss)	717	-1 289	180	-325
IV. Net profit (loss)	326	-1 642	82	-414
V. Total income	280	-5 244	70	-1 322
VI. Net cash flows from operating activities	-16 197	20 442	-4 076	5 153
VII. Net cash flows from investment activities	-2 581	-8 129	-649	-2 049
VIII. Net cash flows from financial activities	17 506	-12 396	4 405	-3 125
IX. Total net cash flows	-1 272	-83	-320	-21
X. Number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XI. Average-weighted number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XII. Profit (loss) per ordinary share (PLN / EUR)	0,00	-0,01	0,00	0,00
XIII. Diluted earnings (loss) per ordinary share (PLN / EUR)	0,00	-0,01	0,00	0,00
XIV. Total income per ordinary share (PLN / EUR)	0,00	-0,04	0,00	-0,01
XV. Diluted total income per ordinary share (PLN / EUR)	0,00	-0,04	0,00	-0,01
	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
XVI. Total assets	665 793	635 134	165 955	160 375
XVII. Liabilities and reserves for liabilities	399 420	368 762	99 559	93 115
XVIII. Long term liabilities	43 545	47 041	10 854	11 878
XIX. Short-term liabilities	355 875	321 721	88 705	81 237
XX. Equity capital	266 373	266 372	66 396	67 261
XXI. Share capital	145 170	145 170	36 185	36 656
XXII. Number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XXIII. Average-weighted number of shares	145 170 000	145 170 000	145 170 000	145 170 000
XXIV. Book value per share (PLN / EUR)	1,83	1,83	0,46	0,46
XXV. Diluted book value per share (PLN / EUR)	1,83	1,83	0,46	0,46
XXVI. 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 consolidated financial data” as of 31.03.2011, an average EURO exchange rate published by the National Bank of Poland effective on that day was used, i.e. – 1 EUR = 4,0119 PLN. Items of the profit and loss account and cash flow statement shown in tables of “Selected consolidated financial data” for in the first quarter of 2011 were converted using the exchange rate of 1 EUR = 3.9742 PLN (it is the average of the average National Bank of Poland exchange rates from the last days of the last 3 months of 2011).

For converting balance sheet items in the tables of “Selected consolidated financial data” as of 31.03.2010, an average EURO exchange rate published by the National Bank of Poland effective on that day was used, i.e. – 1 EUR = 3,8622 PLN. Items of the profit and loss account and cash flow statement shown in tables of “Selected consolidated financial data” for in the first quarter of 2010 were converted using the exchange rate of 1 EUR = 3,9669 PLN (it is the average of the average National Bank of Poland exchange rates from the last days of the last 3 months of 2010).

**2.3. Statement of financial standing of Barlinek S.A. (thousands PLN)**

<b>STATEMENT OF THE FINANCIAL STANDING</b>	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2010</b>
<b>ASSETS</b>			
<b>A. FIXED ASSETS</b>	<b>523 577</b>	<b>519 312</b>	<b>501 093</b>
Tangible fixed assets	8 536	9 113	9 426
Investment property	0	0	0
Intangible assets	8 129	8 656	9 441
Shares in subsidiaries and affiliates	351 969	351 969	343 982
Shares in other entities	12	12	12
Granted long-term loans	148 910	142 948	131 578
Long-term investments	0	0	0
Assets from deferred taxes	1 285	1 666	865
Other long-term receivables	4 736	4 948	5 789
<b>B. CURRENT ASSETS</b>	<b>142 216</b>	<b>115 822</b>	<b>144 176</b>
Inventory	9 601	7 301	7 506
Short-term receivables from supplies and services	69 256	51 002	61 684
Granted short-term loans	701	470	7 317
Receivables from income tax	0	0	0
Other regulatory receivables	14 738	13 833	18 534
Financial receivables	0	0	0
Other short-term receivables	43 926	37 938	47 860
Cash and equivalents	3 994	5 278	1 275
Short-term investments	0	0	0
Other short-term investments	0	0	0
Fixed assets designated for sale	0	0	0
<b>Total assets</b>	<b>665 793</b>	<b>635 134</b>	<b>645 269</b>

## Consolidated Quarterly Report Capital Group Barlinek SA

### LIABILITIES

<b>A. EQUITY CAPITAL</b>	<b>266 373</b>	<b>266 372</b>	<b>282 909</b>
Stated capital (fund)	145 170	145 170	145 170
From disposal of shares above their nominal value.	139 358	139 358	155 157
Supplementary capital (fund)	-183	-137	0
Revaluation reserve capital (fund)	0	0	0
Other reserve capital (fund)	-17 972	-18 019	-17 418
<b>B. LONG-TERM LIABILITIES</b>	<b>43 545</b>	<b>47 041</b>	<b>56 729</b>
Interest bearing bank credits	42 615	45 891	55 943
Received long-term loans	0	0	0
Reserves for deferred income tax	0	0	0
Long-term financial liabilities	889	1 109	756
Liabilities from employee benefits	41	41	30
Other long-term liabilities	0	0	0
<b>C. SHORT-TERM LIABILITIES</b>	<b>355 875</b>	<b>321 721</b>	<b>305 631</b>
Current portion of interest-bearing bank credits	195 794	194 345	160 350
Short-term liabilities from supplies and services	118 520	110 871	102 130
Received short-term loans	0	0	20 000
Liabilities from income tax	0	0	0
Other regulatory liabilities	1 613	1 425	1 251
Financial liabilities	26 598	1 388	1 109
Other liabilities	13 350	13 692	20 791
Liabilities directly associated with long-term assets classified as items for sale	0	0	0
<b>Total liabilities</b>	<b>665 793</b>	<b>635 134</b>	<b>645 269</b>
<i>Book value</i>	<i>266 373</i>	<i>266 372</i>	<i>282 909</i>
<i>Average-weighted number of shares</i>	<i>145 170 000</i>	<i>145 170 000</i>	<i>145 170 000</i>
<i>Book value per share (PLN)</i>	<i>1,83</i>	<i>1,83</i>	<i>1,95</i>

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