

CAPITAL GROUP
„BARLINEK” S.A.

CONSOLIDATED
FINANCIAL REPORT
FOR THE FIRST SIX MONTHS OF 2007

Consolidated financial statement of Barlinek Group for the first six months of 2007

Selected financial data

	thousands PLN			thousands EUR	
	first six months of 2007	2006	first six months of 2006	first six months of 2007	first six months of 2006
I. Net revenues from sales of products, goods and material	229,183	345,309	155,341	59,549	39,829
II. Profit (loss) on operating activities	29,523	36,604	14,981	7,671	3,841
III. Gross profit (loss)	27,389	34,908	14,793	7,117	3,793
IV. Net profit (loss)	26,423	35,890	14,000	6,866	3,590
V. Net cash flows from operating activities	5,557	-3,316	10,445	1,444	2,678
VI. Net cash flows from investment activities	-88,581	-104,309	-49,985	-23,016	-12,816
VII. Net cash flows from financial activities	89,428	163,125	45,340	23,236	11,625
VIII. Total net cash flows	6,404	55,500	5,800	1,664	1,487
IX. Total assets	825,230	677,894	533,715	219,138	131,997
X. Liabilities and reserves for liabilities	457,593	334,407	310,082	121,513	76,688
XI. Long term liabilities	265,725	196,461	169,679	70,563	41,964
XII. Short term liabilities	184,463	134,019	138,280	48,984	34,199
XIII. Equity	367,637	343,487	223,633	97,625	55,308
XIV. Share capital	96,780	96,780	88,000	25,700	21,764
XV. Number of shares	96,780,000	96,780,000	88,000,000	96,780,000	88,000,000
XVI. Profit (loss) per ordinary share (zł / EUR)	0.27	0.40	0.16	0.07	0.04
XVII. Diluted earnings (loss) per ordinary share (zł / EUR)	0.27	0.40	0.16	0.07	0.04
XVIII. Book value per share (zł / EUR)	3.80	3.80	2.54	1.01	0.63
XIX. Diluted book value per share (zł / EUR)	3.80	3.80	2.54	1.01	0.63
XX. Declared or paid dividend per share (zł / EUR)					

Kielce, 10.09.2007

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Consolidated financial statement of Barlinek Group for the first six months of 2007

BALANCE SHEET	Note	30.06.2007	31.12.2006	30.06.2006
ASSETS				
I. Fixed assets		469,542	375,590	332,987
1. Intangible assets	1	919	1,026	908
2. Tangible fixed assets	2	452,528	362,665	322,578
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	636	454	212
4.1. Real estate		0	0	0
4.2. Intangible assets		0	0	0
4.3. Long-term financial assets		636	454	212
a) in subsidiaries and affiliates		70	0	0
- shares		70	0	0
- granted loans		0	0	0
b) in other entities		566	454	212
- shares		12	12	12
- granted loans		554	442	200
4.4. Other long-term investments		0	0	0
5. Long-term deferred charges and accruals		15,459	11,445	9,289
5.1. Assets from deferred taxes	4	10,150	9,717	7,566
5.2. Other deferred charges and accruals	5	5,309	1,728	1,723
II. Current assets		355,688	302,304	200,728
1. Inventories	6	106,205	103,982	90,978
2. Short-term receivables	7	136,861	98,399	71,039
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		136,861	98,399	71,039
a) for deliveries and services		85,627	62,789	51,969
b) from tax, subsidy, customs, social security and other benefits		34,387	14,178	16,483
c) others		16,847	21,432	2,587
3. Short-term investments	8	90,368	83,816	35,512
3.1. Short-term financial assets		90,368	83,816	35,512
a) in subsidiaries and affiliates		0	0	0
b) in other entities		0	0	0
c) cash and other cash assets		90,368	83,816	35,512
3.2. Other short-term investments		0	0	0
4. Short-term deferred charges and accruals	9	22,254	16,107	3,199
Total assets		825,230	677,894	533,715
LIABILITIES				
I. Equity capital		367,637	343,487	223,633
1. Share capital	10	96,780	96,780	88,000
2. Own shares for sale (negative value)		0	0	0
3. Reserve capital	11	250,574	213,884	122,914
4. Revaluation reserve capital	12	0	0	-1,176
5. Other reserve capital		0	0	0
6. Exchange gain (loss) on consolidation		-5,551	-3,279	-36
a) currency translation gains		0	0	0
b) currency translation losses		-5,551	-3,279	-36
7. Undistributed earnings or uncovered loss of previous periods		-589	212	-69
8. Net profit (loss)		26,423	35,890	14,000
II. Minority shareholders capital		0	0	0
III. Reserve capital from consolidation		0	0	0
IV. Liabilities and reserves for liabilities		457,593	334,407	310,082
1. Reserves for liabilities	13	7,399	3,927	2,123
1.1. Reserves for income tax		1,684	802	382
1.2. Social security reserves		301	293	264
a) long term		245	243	202
b) short term		56	50	62
1.3. Other securities		5,414	2,832	1,477
a) long term		0	0	0
b) short term		5,414	2,832	1,477
2. Long term liabilities	14	265,725	196,461	169,679
2.1. To subsidiaries and affiliates		0	0	0
2.2. To other entities		265,725	196,461	169,679
3. Short term liabilities	15	184,463	134,019	138,280
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		184,463	134,019	138,280
a) for deliveries and services		41,322	32,767	30,783
b) from tax, subsidy, customs, social security and other benefits		9,750	5,715	3,671
c) others		133,391	95,537	103,826
4. Accruals and deferred income		6	0	0
4.1. Negative goodwill		0	0	0
4.2. Other deferred charges and accruals		6	0	0
a) long term		0	0	0
b) short term		6	0	0
Total liabilities		825,230	677,894	533,715

Kielce, 10.09.2007

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Consolidated financial statement of Barlinek Group for the first six months of 2007

PROFIT AND LOSS ACCOUNT	Note	first six months of 2007	2006	first six months of 2006
I. Net revenues from sales of products, goods and materials, including:		229,183	345,309	155,341
- from subsidiaries and affiliates		0	0	0
1. Net revenues from sale of products	17	219,014	324,151	145,442
2. Net revenues from sales of products, goods and materials	18	10,169	21,158	9,900
II. Cost of products, goods and materials sold, including:		149,656	234,601	107,307
- from subsidiaries and affiliates		0	0	0
1. Cost of production	19	141,296	216,859	99,157
2. Cost of goods and materials sold		8,360	17,742	8,150
III. Gross profit (loss) on sales (I-II)		79,527	110,708	48,034
IV. Cost of sales		23,631	32,154	14,369
V. General administrative expenses		25,336	40,296	18,518
VI. Profit (loss) on sales (III-IV-V)		30,560	38,258	15,147
VII. Other operating income	20	743	872	499
1. Revenue from sale of non-financial fixed assets		103	126	67
2. Subsidies		0	0	0
3. Other operating income		640	746	432
VIII. Other operating costs	21	1,780	2,526	665
1. Cost of non-financial fixed assets sold		101	125	54
2. Revaluation of non-financial fixed assets		70	185	0
3. Other operating costs		1,609	2,216	611
IX. Profit (loss) on operating activities (VI+VII-VIII)		29,523	36,604	14,981
X. Financial revenue	22	10,921	35,517	8,863
1. Share dividends, including:		1	1	0
- from subsidiaries and affiliates		0	0	0
2. Interest, including:		804	1,639	364
- from subsidiaries and affiliates		0	0	0
3. Income from sale of investments		0	0	0
4. Gain on revaluation of investments		0	0	0
5. Other		10,116	33,877	8,499
XI. Financial expenses	23	13,055	37,213	9,051
1. Interest, including:		5,057	8,273	4,192
- to subsidiaries and affiliates		0	0	0
2. Loss on sale of investments		0	0	0
3. Gain on revaluation of investments		0	0	0
4. Other		7,998	28,940	4,859
XII. Profit (loss) on commercial activity (IX+X-XI+/-XII)		27,389	34,908	14,793
XIII. Gross profit (loss) (XII)		27,389	34,908	14,793
XIV. Income tax	24	966	-982	793
a) current		517	129	111
b) deferred		449	-1,111	682
XV. Other obligatory decrease of gross profit (increased loss)		0	0	0
XVI. Net profit (loss) (XIII-XIV-XV)	25	26,423	35,890	14,000

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Consolidated financial statement of Barlinek Group for the first six months of 2007

CHANGES IN EQUITY	first six months of 2007	2006	first six months of 2006
I. Opening balance of equity	343,486	209,992	209,992
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	343,486	209,992	209,992
1. Opening balance of share capital	96,780	88,000	88,000
1.1. Changes in share capital	0	8,780	0
a) increase (due to)	0	8,780	0
- issuance of shares	0	8,780	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	88,000
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	213,884	93,909	93,909
4.1. Changes in supplementary capital	36,690	119,975	29,005
a) increase (due to)	36,690	120,475	29,505
- issue of shares above face value	0	90,970	0
- from profit distribution (statutory)	0	0	0
- from profit distribution (above the statutory minimum value)	36,690	29,505	29,505
b) decrease (due to)	0	500	500
- loss coverage	0	0	0
- other decreases	0	500	500
4.2. Closing balance of supplementary capital	250,574	213,884	122,914
5. Opening balance of revaluation reserve	0	-1,364	-1,364
5.1. Changes in revaluation reserve	0	1,364	188
a) increase (due to)	0	1,364	188
- revaluation of financial instruments	0	0	188
- settlement of currency differences	0	1,364	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	-1,176
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	-5,551	-3,279	-36
8. Opening balance of previous years' profit (loss)	36,101	29,435	29,436
8.1 Opening balance of previous years' profit	36,101	29,435	29,474
a) changes in adopted accounting principles	0	282	0
b) adjustments of fundamental errors	0	0	0
8.2 Opening balance of previous years' profit, after adjustments	36,101	29,717	29,474
a) increase (due to)	0	0	0
- distribution of previous years' profit	0	0	0
b) decrease (due to)	36,690	29,505	29,505
- distribution of previous years' profit	36,690	29,505	29,505
- other decreases	0	0	0
8.3. Closing balance of previous years' profit	-589	212	-31
8.4. Opening balance of previous years' loss	0	0	38
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	0	0	38
a) increase (due to)	0	0	0
b) decrease (due to)	0	0	0
8.6. Closing balance of previous years' loss	0	0	38
8.7. Closing balance of previous years' profit (loss)	-589	212	-69
9. Net result	26,423	35,890	14,000
a) net profit	26,423	35,890	14,000
b) net loss	0	0	0
c) write-offs on profit (negative value)	0	0	0
II. Closing balance of equity	367,637	343,487	223,633
III. Equity including proposed profit distribution (loss coverage)	367,637	343,487	223,633

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CASH FLOW	first six months of 2007	2006	first six months of 2006
A. CASH FLOWS FROM OPERATING ACTIVITIES - INDIRECT METHOD			
I. Net profit (loss)	26,423	35,890	14,000
II. Total adjustments	-20,866	-39,206	-3,555
1. Depreciation	9,618	16,514	8,568
2. Exchange gains (losses)	-148	289	-1,107
3. Interest and profit sharing (dividend)	4,530	7,200	3,779
4. Profit (loss) on investment activities	-2	-1	-13
5. Change in provisions	3,471	1,041	-764
6. Change in inventory	-2,223	-25,643	-12,639
7. Change in receivables	-38,462	-12,078	15,282
8. Change in short-term liabilities excluding credits and loan	14,857	-11,629	-17,527
9. Change in prepayments and accruals	-10,155	-14,000	1,063
10. Other adjustments	-2,352	-899	-197
III. Net cash flows from operating activities (I+/-II)	5,557	-3,316	10,445
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
I. Inflows	104	126	67
1. Disposal of intangible and tangible fixed assets	103	126	67
2. Disposal of investments in real property and in intangible assets	0	0	0
3. From financial assets, including:	1	0	0
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	0	0
- sale of financial assets	0	0	0
- dividend and profit sharing	1	0	0
- 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	88,685	104,435	50,052
1. Acquisition of intangible and tangible fixed assets	88,515	103,993	49,852
2. Investments in real property and in intangible assets	0	0	0
3. For financial assets, including:	170	442	200
a) in subsidiaries and affiliates	70	0	0
- acquisition of financial assets	70	0	0
- granted long-term loans	0	0	0
b) in other entities	100	442	200
- acquisition of financial assets	0	0	0
- granted long-term loans	100	442	200
- granted short-term loans	0	0	0
4. Dividends and other profit sharing paid out to minority shareholders	0	0	0
5. Other outflows from investment activities	0	0	0
III. Net cash flows from operating activities (I-II)	-88,581	-104,309	-49,985
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
I. Inflows	122,676	172,487	135,949
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	99,750	0
2. Credits and loans	122,676	72,737	135,949
3. Issuance of debt securities	0	0	0
4. Other inflows from financial activities	0	0	0
II. Outflows	33,248	9,362	90,609
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	27,092	0	86,275
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	1,517	2,162	555
8. Interest	4,639	7,200	3,779
9. Other outflows from financial activities	0	0	0
III. Net cash flows from investment activities (I-II)	89,428	163,125	45,340
D. Total net cash flows (A.III+/-B.III+/-C.III)	6,404	55,500	5,800
E. Balance sheet change in cash:	6,552	55,211	6,907
- change in cash due to exchange differences	148	-289	1,107
F. Cash opening balance	83,816	28,605	28,605
G. Closing balance of cash, including:	90,368	83,816	35,512
- of limited disposability			

Kielce, 10.09.2007

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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 2007**

data in thousands of
PLN

NOTE 1A

INTANGIBLE ASSETS	first six months of 2007	2006	first six months of 2006
a) cost of completed development work	0	0	0
b) goodwill	0	0	0
c) acquired concessions, patents, license and other assets, including:	919	1,026	905
- computer software	861	989	872
d) other intangible assets	0	0	3
total intangible assets:	919	1,026	908
- 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	2,044	1,926	0	2,044
b) increase (due to)	95	84	0	95
- purchase	95	84	0	95
- transfers	0	0	0	0
c) deductions (due to)	0	0	0	0
- liquidation	0	0	0	0
d) gross value of intangible assets at the end of period	2,139	2,010	0	2,139
e) accumulated depreciation at the beginning of period	1,012	951	0	1,012
f) depreciation for the period (due to)	208	198	0	208
- write-offs	208	198	0	208
- liquidation	0	0	0	0
g) accumulated depreciation at the end of period	1,220	1,149	0	1,220
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	0	0	0	0
j) net value at the end of the period	919	861	0	919

NOTE 1C

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) proprietary	919	1,026	908
b) used based on tenancy or lease agreement, including:	0	0	0
Intangible assets, total	919	1,026	908

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 2007	2006	first six months of 2006
a) fixed assets, including:	253,843	207,997	201,942
- land	2,452	2,145	2,175
- buildings, commercial premises and civil engineering facilities	66,134	58,814	57,036
- equipment and machinery	168,286	132,315	129,455
- means of transport	15,221	13,246	11,848
- other fixed assets	1,750	1,477	1,428
b) fixed assets under construction	198,685	154,668	120,637
Tangible fixed assets, total	452,528	362,665	322,579

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	2,381	67,067	167,229	18,042	1,951	256,670
b) increase (due to)	350	9,034	42,632	3,825	394	56,235
- purchase	350	9,034	42,632	3,825	394	56,235
- transfers	0	0	0	0	0	0
c) deductions (due to)	0	0	174	873	1	1,048
- sales	0	0	174	828	0	1,002
- liquidation	0	0	0	45	1	46
- allocation for sale	0	0	0	0	0	0
d) gross value of fixed assets at the end of period	2,731	76,101	209,687	20,994	2,344	311,857
e) accumulated depreciation at the beginning of period	149	8,333	34,910	4,796	473	48,661
f) depreciation for the period (due to)	15	1,490	6,383	950	116	8,954
- charges	15	1,490	6,445	1,384	116	9,450
- deductions due to sale, write-off	0	0	62	434	0	496
- allocation for sale	0	0	0	0	0	0
g) accumulated depreciation at the end of period	164	9,823	41,293	5,746	589	57,615
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	-115	-144	-108	-27	-5	-399
k) net value of fixed assets at the end of period	2,452	66,134	168,286	15,221	1,750	253,843

NOTE 2C

BALANCED FIXED ASSETS (OWNERSHIP STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) proprietary	246,430	201,026	196,305
b) used based on tenancy or lease agreement, including:	7,413	6,971	5,637
- leasing	7,413	6,971	5,637
Balanced fixed assets, total	253,843	207,997	201,942

Holding company 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 BOS S.A.:	9 thousands PLN
- assets encumbered with registered pledge to the benefit of WFOS:	1 thousands PLN
- assets encumbered with registered pledge to the benefit of Pekao S.A.:	75 915 tyś. zł
- assets encumbered with registered pledge to the benefit of PKO BP S.A.:	37 690 tyś. zł
- assets appropriated by PKO BP S.A.:	32 625 tyś. zł
- assets encumbered with mortgage to the benefit of PKO BP S.A.:	85 thousands PLN

The amount of liabilities due to acquisition of fixed assets is:

4 thousands PLN

The value of depreciation for first six months 2007 is shown in note 2B item f (charges)

No revaluation write-offs to fixed assets were performed.

Fixed assets shown in balance sheet are still in use.

**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 2007**

NOTE 3A

LONG-TERM FINANCIAL ASSETS	first six months of 2007	2006	first six months of 2006
a) in subsidiaries	70	0	0
- shares	70	0	0
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	0	0	0
b) in other entities	566	454	212
- shares	12	12	12
- debt securities	0	0	0
- other securities	0	0	0
- granted loans	554	442	200
Other long-term financial assets	0	0	0
Long-term financial assets, total	636	454	212

NOTE 3B

CHANGES IN LONG-TERM FINANCIAL ASSETS (BY TYPE)	first six months of 2007	2006	first six months of 2006
a) opening balance	454	35	35
b) increase	182	442	200
- shares	70	0	200
- loans	112	442	0
c) decrease	0	23	23
d) closing balance	636	454	212

NOTE 3C

LIST OF SUBSIDIARIES	first six months of 2007	2006	first six months of 2006
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	Luxemburg		
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	Nikozya		
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	0
h) value adjustments (total)	0	0	0
i) share balance value	0	0	0
j) percent of owned share capital	100%	100%	0%
k) share of total voting rights in General Shareholders' Meeting	100%	100%	0%

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	33,967	1,997	1,997
h) value adjustments (total)	0	0	0
i) share balance value	0	0	1,997
j) percent of owned share capital	100%	100%	100%
k) share of total voting rights in General Shareholders' Meeting	100%	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	1,942
h) value adjustments (total)	0	0	0
i) share balance value	1,975	1,975	1,942
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.

The Management Board of Barlinek S.A. took a decision to establish three subsidiaries outside Poland, namely in Norway, Germany and Russia.

As of the 30.06.2007 none of these subsidiaries has been formally registered, however Barlinek S.A. bore expenditure to take up shares in the total amount of 70,000 PLN.

Expenditure in the individual companies that was as follows:

- a) Barlinek Norge A.S. - 67 thousands PLN
- b) Barlinek Detschland GmbH - 2 thousands PLN
- c) Barlinek RUS - thousands PLN

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NOTE 3D

SHARES in other entities	first six months of 2007	2006	first six months of 2006
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	2006	first six months of 2006
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	2006	first six months of 2006
a) in Polish currency	554	442	200
b) in foreign currency (by currency and after conversion to PLN)	0	0	0
granted long-term loans, total	554	442	200

NOTE 4

CHANGES IN ASSETS FROM DEFERRED TAXES	first six months of 2007	2006	first six months of 2006
1. Opening balance of assets from deferred taxes, including:	9,717	8,435	8,435
a) reflected in financial result	9,700	8,418	8,418
b) reflected in equity capital	17	17	17
c) reflected in goodwill or negative goodwill	0	0	0
2. Increases	515	8,873	1
a) reflected in financial result due to negative transient differences (due to)	515	618	1
- deferred cost	350	0	0
- currency translation differences	164	616	0
- severance payments	1	0	1
- gratuity	0	2	0
b) reflected in financial result due to loss on taxes (due to)	0	8,255	0
c) reflected in equity capital due to negative transient differences (due to)	0	0	0
d) reflected in equity capital due to loss on taxes (due to)	0	0	0
e) reflected in goodwill or negative transient differences (due to)	0	0	0
3. Decreases	82	7,591	870
a) reflected in financial result due to negative transient differences (due to)	82	276	870
- deferred cost	46	275	870
- currency translation differences	0	0	0
- severance payments	0	1	0
- gratuity	36	0	0
b) reflected in financial result due to loss on taxes (due to)	0	7,315	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) reflected in goodwill or negative transient differences (due to)	0	0	0
4. Total closing balance of assets from deferred taxes, including:	10,150	9,717	7,566
a) reflected in financial result	10,133	9,700	7,549
b) reflected in equity capital	17	17	17
c) reflected in goodwill or negative goodwill	0	0	0

NOTE 5

OTHER LONG-TERM DEFERRED CHARGES AND ACCRUALS	first six months of 2007	2006	first six months of 2006
a) deferred expenditure, including:	5,309	1,728	1,723
- interest part leasing	185	1,295	185
- organised	1,229	241	1,361
- expenditure relating to patents	235	192	177
- insurance	32	0	0
- licence fee	3,628	0	0
a) Other deferred charges and accruals, including:	0	0	0
- annual service payments	0	0	0
- other	0	0	0
Other deferred charges and accruals, total	5,309	1,728	1,723

NOTE 6

INVENTORIES	first six months of 2007	2006	first six months of 2006
a) materials	28,284	24,987	21,730
b) semi-finished products and work in progress	29,074	30,758	23,742
c) finished products	45,536	45,259	39,646
d) merchandise	3,311	2,978	5,860
Inventories, total	106,205	103,982	90,978

NOTE 7A

SHORT-TERM RECEIVABLES	first six months of 2007	2006	first six months of 2006
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	136,861	98,399	71,039
- for goods and services, maturing within:	85,627	62,789	51,969
- up to 12 months	85,627	62,789	51,969
- more than 12 months	0	0	0
- from tax, subsidy, customs, social security and other benefits	34,387	14,178	16,483
- other	2,897	2,332	567
- prepayments	13,836	18,900	1,688
- receivables from social activities	114	200	332
- claimed at court	0	0	0
Net short-term receivables, total	136,861	98,399	71,039
c) allowance for uncollectible accounts	5,690	5,709	5,688
Gross short-term receivables, total	142,551	104,108	76,727

NOTE 7B

CHANGES IN SHORT-TERM ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	first six months of 2007	2006	first six months of 2006
a) closing balance	5,709	5,703	5,703
a) increase (due to)	70	185	0
- creation	70	185	0
b) decrease (due to)	89	179	15
- use	0	0	0
- dissolution	89	179	15
Closing balance of short-term allowance for uncollectible accounts	5,690	5,709	5,688

**Additional information concerning the adopted accounting policy and other
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NOTE 7C

SHORT-TERM RECEIVABLES (CURRENCY STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) in Polish currency	66,592	49,819	54,259
b) in foreign currency (by currency and after conversion to PLN)	75,959	54,289	22,468
b1. unit/currency EURO	7,757	6,526	3,146
thousands PLN	29,235	24,856	12,720
b2. unit/currency USD	2,143	688	1,501
thousands PLN	6,006	2,003	4,776
b3. unit/currency GBP	571	275	121
thousands PLN	3,196	1,568	706
b4. unit/currency SEK	15,463	17,892	3,060
thousands PLN	6,297	7,576	1,342
b5. unit/currency NOK	4,169	0	2,523
thousands PLN	1,973	0	1,288
b6. unit/currency UAH	52,593	31,746	2,580
thousands PLN	29,252	18,286	1,636
b6. other currencies in thousands PLN	0	0	0
Short-term receivables, total	142,551	104,108	76,727

NOTE 7D

GROSS RECEIVABLES FROM GOODS AND SERVICES - MATURING AFTER DATE OF BALANCE SHEET:	first six months of 2007	2006	first six months of 2006
a) up to 1 month	36,071	20,247	26,198
b) 1 to 3 months	37,531	17,626	16,015
c) 3 to 6 months	2,161	1,599	443
d) 6 months to 1 year	0	0	0
e) more than 1 year	0	0	0
f) overdue receivables	15,554	29,026	15,001
Receivables from goods and services, total (gross)	91,317	68,498	57,657
g) allowance for uncollectible accounts from goods and services.	5,690	5,709	5,688
Receivables from goods and services, total (net)	85,627	62,789	51,969

NOTE 7E

OVERDUE RECEIVABLES FROM GOODS AND SERVICES (GROSS) - CATEGORISED BY OVERDUE PERIOD:	first six months of 2007	2006	first six months of 2006
a) up to 1 month	8,022	13,507	4,239
b) 1 to 3 months	903	9,228	909
c) 3 to 6 months	719	441	255
d) 6 months to 1 year	218	118	273
e) more than 1 year	5,692	5,732	5,837
Overdue receivables from goods and services, total (gross)	15,554	29,026	11,513
f) allowance for uncollectible accounts from goods and services, overdue	5,690	5,709	5,378
Overdue receivables from goods and services, total (net)	9,864	23,317	6,135

NOTE 7F

OVERDUE RECEIVABLES AND UNDER JUDICIAL PROCEEDINGS	first six months of 2007	2006	first six months of 2006
Long-term receivables	0	0	0
- no allowance for uncollectible accounts	0	0	0
- not claimed at court	0	0	0
short-term receivables	9,864	23,317	6,135
- no allowance for uncollectible accounts	9,864	23,317	6,135
- not claimed at court	0	0	0

NOTE 8A

SHORT-TERM FINANCIAL ASSETS	first six months of 2007	2006	first six months of 2006
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	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
d) cash and other cash assets	90,368	83,816	35,512
- cash in hand and at bank	87,147	7,880	24,543
- other cash	3,221	75,936	10,969
- other pecuniary assets	0	0	0
Short-term financial assets, total	90,368	83,816	35,512

NOTE 8B

CASH AND OTHER CASH ASSETS (CURRENCY STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) in Polish currency	2,998	18,852	3,603
b) in foreign currency (by currency and after conversion to PLN)	87,370	64,964	31,909
b1. unit/currency EURO	15,275	14,546	4,362
thousands PLN	57,707	55,727	17,634
b2. unit/currency USD	6,340	2,539	1,597
thousands PLN	17,885	7,913	5,081
b3. unit/currency GBP	570	1	57
thousands PLN	3,194	5	335
b4. unit/currency SEK	8,117	1,748	19,009
thousands PLN	3,305	740	8,333
b5. unit/currency NOK	4,287	16	990
thousands PLN	2,029	7	505
b6. unit/currency UAH	5,844	992	33
thousands PLN	3,250	572	21
b6. other currencies in thousands PLN	0	0	0
cash and other cash assets, total	90,368	83,816	35,512

**Additional information concerning the adopted accounting policy and other
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NOTE 9

SHORT-TERM DEFERRED CHARGES AND ACCRUALS	first six months of 2007	2006	first six months of 2006
a) deferred expenditure, including:	22,254	16,107	3,199
- insurance	495	177	203
- lease payments	289	320	252
- organised	131	131	131
- marketing and commercials	11	1	0
- tools	883	1,170	874
- equipments	0	0	219
- publishing of design	0	0	194
- electricity	762	803	623
- computer software	30	312	0
- start-up of W3/3 department	48	337	0
- repairs	464	119	0
- expenditure relating to patents	69	58	41
- cost of future periods	33	216	0
- advance payments	163	0	0
- licence fee	708	0	0
- other	247	101	190
- VAT on EU deliveries and export	17,921	12,362	472
a) Other deferred charges and accruals, including:	0	0	0
- currency translation gains from balance valuation	0	0	0
Short-term deferred charges and accruals, total	22,254	16,107	3,199

NOTE 10

SHARE CAPITAL (STRUCTURE)									
Series / issue	Type of share	Type of preference	type of right restriction	number of shares	Value of series / issue 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	bearer / registered	non-preference	none	3 988 / 1 196 012	1,200,000	contribution	22.09.1999	01.01.2000	
D	bearer	non-preference	none	4,000,000	4,000,000	cash	11.05.200	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	25.09.2006	01.01.2006	
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 2007	2006	first six months of 2006
a) from sale of shares above their nominal value.	138,247	138,247	47,277
b) other	112,327	75,637	75,637
Reserve capital, total	250,574	213,884	122,914

NOTE 12

REVALUATION RESERVE CAPITAL	first six months of 2007	2006	first six months of 2006
a) revaluation of fixed assets	0	0	0
b) profit / loss on revaluation of financial instruments, including	0	0	-1,176
- from revaluation of security instruments	0	0	-1,176
c) from deferred taxes	0	0	0
d) translation gain (loss) on foreign transactions	0	0	0
e) other (by type)	0	0	0
Revaluation reserve capital, total	0	0	-1,176

NOTE 13A

CHANGES IN RESERVES FROM DEFERRED TAXES	first six months of 2007	2006	first six months of 2006
1. Opening balance of reserve from deferred taxes, including:	802	569	569
a) reflected in financial result	740	569	569
b) reflected in equity capital	62	0	0
c) reflected in goodwill or negative goodwill	0	0	0
2. Increases	889	342	30
a) reflected in financial result due to positive transient differences (due to)	889	280	30
- difference in balance sheet and tax value of fixed assets	18	6	0
- difference in tax and balance sheet approach to leasing	0	23	26
- interest on loan	365	0	5
- currency translation differences	506	0	0
- other	0	251	4
b) reflected in equity capital due to positive transient differences (due to)	0	62	0
- difference in balance sheet and tax value of fixed assets	0	62	0
c) reflected in goodwill or positive transient differences (due to)	0	0	0
3. Decreases	7	109	217
a) reflected in financial result due to positive transient differences (due to)	7	109	217
- difference in balance sheet and tax value of fixed assets	0	0	37
- currency translation differences	0	109	180
- difference in tax and balance sheet approach to leasing	7	0	0
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:	1,684	802	382
a) reflected in financial result	1,622	740	382
b) reflected in equity capital	62	62	0
c) reflected in goodwill or negative goodwill	0	0	0

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NOTE 13B

CHANGES IN LONG-TERM SOCIAL SECURITY RESERVES	first six months of 2007	2006	first six months of 2006
a) opening balance	243	233	233
b) increase (due to)	5	13	0
- retirement packages	5	13	0
c) use (due to)	0	0	0
d) dissolution (due to)	3	3	31
- retirement packages	0	0	25
- conversion of reserve from long-term to short-term	3	0	6
- decrease in employment	0	3	0
e) closing balance	245	243	202

NOTE 13C

CHANGES IN SHORT-TERM SOCIAL SECURITY RESERVES	first six months of 2007	2006	first six months of 2006
a) opening balance	50	56	56
b) increase (due to)	6	0	6
- conversion of reserve from long-term to short-term	6	0	6
c) use (due to)	0	0	0
d) dissolution (due to)	0	6	0
- decrease in employment	0	6	0
e) closing balance	56	50	62

NOTE 13D

CHANGES IN OTHER SHORT-TERM RESERVES	first six months of 2007	2006	first six months of 2006
a) opening balance	2,832	2,029	2,029
b) increase (due to)	5,408	2,654	1,249
- examining of balance sheet	63	91	0
- bonuses	3,680	2,480	1,203
- environmental fees	95	0	41
- transport of completed products	437	0	0
- employee gratuity	0	11	0
- reserve for court and other fees	1,133	72	5
c) use (due to)	2,760	1,801	1,801
- examining of balance sheet	91	81	81
- bonuses	2,480	1,720	1,720
- employee gratuity	189	0	0
d) dissolution (due to)	66	50	0
- reserve for court and other fees	66	50	0
e) closing balance	5,414	2,832	1,477

NOTE 14A

Long term liabilities	first six months of 2007	2006	first six months of 2006
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	265,725	196,461	169,679
- credits and loans	262,373	193,029	166,989
- issuance of debt securities	0	0	0
- other financial liabilities	0	0	0
- financial lease agreements	3,352	3,432	2,690
- other	0	0	0
Long-term liabilities, total	265,725	196,461	169,679

NOTE 14B

LONG-TERM LIABILITIES MATURING AFTER DATE OF BALANCE SHEET	first six months of 2007	2006	first six months of 2006
a) 1 to 3 years	109,453	164,037	126,487
b) 3 to 5 years	22,591	32,424	42,352
c) more than 5 years	133,681	0	840
Long-term liabilities, total	265,725	196,461	169,679

NOTE 14C

LONG-TERM LIABILITIES (CURRENCY STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) in Polish currency	132,044	196,461	161,656
b) in foreign currency (by currency and after conversion to PLN)	133,681	0	8,023
b1. unit/currency EURO	35,359	0	2,000
thousands PLN	133,681	0	8,023
b2. unit/currency USD	0	0	0
thousands PLN	0	0	0
b3. other currencies in thousands PLN	0	0	0
Long-term liabilities, total	265,725	196,461	169,679

**Additional information concerning the adopted accounting policy and other
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NOTE 14D

LONG-TERM LIABILITIES FROM FROM CREDITS AND LOANS

Name of subsidiary with indication of legal form, registered office	Amount of credit / loan pursuant to agreement		Amount of credit / loan remaining to be paid		Interest	Repayment deadline	Securities
	PLN	currency	PLN	currency			
PEKAO SA	75,000,000	PLN	29,991,000	PLN	WIBOR + commission	31.12.2009	pledge on fixed assets 75,915,239
PEKAO SA	6,000,000	PLN	3,212,989	PLN	WIBOR + commission	31.07.2011	pledge on fixed assets 6,811,000
Bank Ochrony Środowiska SA	1,370,925	PLN	228,719	PLN	bill of exchange rediscount rate*0,4	26.12.2010	pledge on fixed assets 2,062,275, assignment of sales contracts, blank bill of exchange
Bank Ochrony Środowiska SA	3,000,000	PLN	576,688	PLN	bill of exchange rediscount rate*0,5	26.04.2009	pledge on fixed assets 3,511,327, assignment of sales contracts, blank bill of exchange
Bank Ochrony Środowiska SA	3,000,000	PLN	582,336	PLN	bill of exchange rediscount rate*0,5	26.04.2009	pledge on fixed assets 4,243,763 assignment of sales contracts
WFOS	1,125,000	PLN	60,938	PLN	bill of exchange rediscount rate*0,5	31.03.2009	pledge on fixed assets 1,125,000
PKO BP SA	80,000,000	PLN	52,500,000	PLN	WIBOR + commission	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	41,539,331	PLN	WIBOR + commission	26.11.2009	blank bill of exchange
EBOIR	26,310,000	EUR	26,310,000	EUR	EUROLIBOR + commission	08.06.2013	pledge on bank accounts; pledge on fixed assets; transfer of debt resulting from insurance policy; mortgage on real estate located in Vinnytsya (Ukraine); pledge on debt resulting from construction agreement with "Trasco - Invest Ukraina" LLC; transfer of debt resulting from an agreement and bank guarantee issued by Deutsche Bank AG in connection with an agreement for delivery of machines and appliances from Robert Burkle GmbH
EBOIR	6,565,816	EUR	3,000,000	EUR	EUROLIBOR + commission	08.12.2013	
EBOIR	6,049,150	EUR	6,049,150	EUR	EUROLIBOR + commission	08.12.2008	

NOTE 15A

SHORT TERM LIABILITIES	first six months of 2007	2006	first six months of 2006
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	184,463	134,019	138,280
- credits and loans	109,141	82,728	86,013
- issuance of debt securities	0	0	0
- dividends	0	0	0
- other financial liabilities	2,467	2,506	2,215
- for goods and services, maturing within:	41,322	32,767	30,783
- up to 12 months	41,322	32,767	30,783
- more than 12 months	0	0	0
- received advance payments for deliveries	102	45	0
- liabilities on bills of exchange	0	0	0
- from tax, customs, social security and other benefits	9,750	5,715	3,671
- from remuneration	3,227	2,784	2,303
- other	17,954	7,474	12,729
- liabilities from social activities	500	0	566
Short-term liabilities, total	184,463	134,019	138,280

NOTE 15B

SHORT-TERM LIABILITIES (CURRENCY STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) in Polish currency	173,017	119,046	124,712
b) in foreign currency (by currency and after conversion to PLN)	11,446	14,973	13,568
b1. unit/currency EURO	1,208	3,197	3,089
thousands PLN	4,545	12,252	12,488
b2. unit/currency USD	73	0	56
thousands PLN	210	0	179
b3. unit/currency GBP	5	0	1
thousands PLN	29	0	6
b4. unit/currency SEK	238	642	532
thousands PLN	97	272	233
b4. unit/currency NOK	25	174	136
thousands PLN	12	81	69
b6. unit/currency UAH	11,730	4,061	935
thousands PLN	6,524	2,339	593
b4. other currencies in thousands PLN	29	29	0
Short-term liabilities, total	184,463	134,019	138,280

**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 2007**

NOTE 15C

SHORT-TERM LIABILITIES FROM CREDITS AND LOANS

Name of entity; registered office	Amount of credit / loan pursuant to agreement		Amount of credit / loan remaining to be paid		Interest	Repayment deadline	Securities
	PLN	currency	PLN	currency			
BZ WBK SA	68,000,000	PLN	59,930,825	PLN	WIBOR + commission	30.04.2008	bill of exchange declaration up to 79 mln PLN
PEKAO SA	24,900,000	PLN	9,421,399	PLN	WIBOR + commission	30.06.2008	blank bill of exchange
PEKAO SA	75,000,000	PLN	20,004,000	PLN	WIBOR + commission	31.12.2009	pledge on fixed assets 75.915.239; blank bill of exchange
PEKAO SA	6,000,000	PLN	1,212,000	PLN	WIBOR + commission	31.07.2011	pledge on fixed assets 6,811,000
Bank Ochrony Środowiska SA	1,370,925	PLN	219,540	PLN	bill of exchange rediscount rate*0,4	26.12.2010	pledge on fixed assets 2,062,275, assignment of sales contracts, blank bill of exchange
Bank Ochrony Środowiska SA	3,000,000	PLN	693,133	PLN	bill of exchange rediscount rate*0,5	26.04.2009	pledge on fixed assets 3,511,327, assignment of sales contracts, blank bill of exchange
Bank Ochrony Środowiska SA	3,000,000	PLN	693,149	PLN	bill of exchange rediscount rate*0,5	26.04.2009	pledge on fixed assets 4,243,763 assignment of sales contracts
WFOŚ	1,125,000	PLN	281,918	PLN	bill of exchange rediscount rate*0,5	31.03.2009	pledge on fixed assets 1,125,000
PKO BP SA	80,000,000	PLN	16,684,689	PLN	WIBOR + commission	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
PEKAO SA	15,000,000	PLN	0	PLN	WIBOR + commission	30.06.2008	blank bill of exchange

NOTE 16

BOOK VALUE OF SHARES	first six months of 2007	2006	first six months of 2006
book value	367,637	343,487	223,633
number of shares (in pcs)	96,780,000	90,357,370	88,000,000
book value per share (PLN)	3.80	3.80	2.54
diluted number of shares (in pcs)	96,780,000	90,357,370	88,000,000
diluted book value per share (PLN)	3.80	3.80	2.54

NOTE 17A

NET REVENUES FROM SALE OF PRODUCTS	first six months of 2007	2006	first six months of 2006
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	216,171	321,169	144,255
- other sales	2,843	2,982	1,187
Net revenues from sale of products, total	219,014	324,151	145,442

NOTE 17B

NET REVENUES FROM SALE OF PRODUCTS (TERRITORIAL STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) country	74,338	119,706	56,376
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	71,816	116,724	55,242
- other sales	2,522	2,982	1,134
b) export	144,676	204,445	89,066
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products	144,355	204,445	89,013
- other sales	321	0	53
Net revenues from sale of products, total	219,014	324,151	145,442
including from subsidiaries and affiliates	0	0	0

NOTE 18A

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS	first six months of 2007	2006	first six months of 2006
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	8,367	13,815	6,439
- sale of materials	1,802	7,343	3,460
Net revenues from sales of products, goods and materials, total	10,169	21,158	9,899

NOTE 18B

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS (TERRITORIAL STRUCTURE)	first six months of 2007	2006	first six months of 2006
a) country	8,277	18,640	8,810
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	6,756	11,340	5,374
- sale of materials	1,521	7,300	3,436
b) export	1,892	2,518	1,090
- including: from subsidiaries and affiliates	0	0	0
- sale of wood products and finishing products	1,611	2,475	1,066
- sale of materials	281	43	24
Net revenues from sales of products, goods and materials, total	10,169	21,158	9,900
including from subsidiaries and affiliates	0	0	0

NOTE 19

COSTS BY TYPE	first six months of 2007	2006	first six months of 2006
a) depreciation and amortisation	9,618	16,514	8,561
b) use of materials and energy	93,912	176,034	83,005
c) third party services	30,832	46,389	20,348
d) taxes and fees	1,836	3,840	1,790
e) salaries	29,475	46,895	21,361
f) social security and other benefits	7,608	11,807	5,370
g) other costs by type (due to)	7,933	16,810	7,790
Costs by type, total	181,214	318,289	148,225

**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 2007**

NOTE 20

OTHER OPERATING INCOME	first six months of 2007	2006	first six months of 2006
a) write-off of allowance for uncollectible accounts	0	0	0
b) other, including:	743	872	499
- revenue from sale of fixed assets	103	126	67
- damages	148	220	160
- bonuses	0	0	0
- surplus in current assets	123	254	0
- release of reserves	278	41	40
- other	91	231	232
Other operating income, total	743	872	499

NOTE 21

OTHER OPERATING COSTS	first six months of 2007	2006	first six months of 2006
a) allowance for receivables	70	185	0
b) other, including:	1,710	2,341	665
- net value of fixed assets sold	101	125	54
- created reserves	3	0	0
- net value of liquidated fixed assets	0	104	0
- grants	148	854	40
- damages and shortages in current assets	552	7	0
- paid fines	0	154	0
- employee gratuity	321	0	0
- reserve for future costs	333	0	0
- damages in transport	25	0	0
- other	227	1,097	571
Other operating cost, total	1,780	2,526	665

NOTE 22

FINANCIAL REVENUE FROM INTEREST AND OTHER	first six months of 2007	2006	first six months of 2006
a) from loans granted	12	16	0
b) other interest	792	1,623	354
c) other financial revenues	21	3,502	31
d) currency translation differences	10,096	30,376	8,478
Financial revenue from interest and other, total	10,921	35,517	8,863

NOTE 23

FINANCIAL COSTS FROM INTEREST AND OTHER	first six months of 2007	2006	first six months of 2006
a) from credits and loans	4,544	7,475	3,757
b) other interest	513	798	435
c) other financial cost	46	51	5
d) currency translation differences	7,952	28,889	4,854
Financial cost from interest and other, total	13,055	37,213	9,051

NOTE 24A

Current income tax	first six months of 2007	2006	first six months of 2006
1. Gross profit (loss) (consolidated)	27,389	34,908	14,000
2. Consolidated adjustments	3,735	-8,188	7,839
3. Difference between gross profit (loss) and income tax base (by title)	-28,404	-42,418	-21,253
a. income that pursuant to law is not taxable, including	8,931	2,262	2,002
- release of reserves	223	16	1
- uncollected interest	2,564	1,413	39
- unrealised unrealized currency translation gains/losses	3,564	831	1,834
- revaluation of financial instruments	2,575		
- other	5	2	128
b. costs and losses that by law are not categorised as tax deductible expenses, including	18,867	17,853	9,127
- grants	148	104	40
- surplus of balance depreciation over tax depreciation	1,442	1,017	340
- contributions to PFRON	470	752	345
- unrealised unrealized currency translation gains/losses	4,685	4,275	787
- unpaid interest	307	259	37
- unpaid remuneration and benefits	6,078	5,709	4,624
- advertising and company representation	272	2,207	981
- fees due to operating lease	146	155	0
- allowance for receivables	76	202	0
- reserves for costs	5,003	2,662	1,716
- non-deductible VAT	0	3	0
- other	240	508	257
c. positive adjustments by cost from previous years	7,146	8,325	8,069
- surplus of tax depreciation over balance depreciation	0	50	2,833
- previous year costs realised in current period	5,967	6,256	4,448
- operating lease	1,101	1,769	788
- other	78	250	0
d. Other taxable income increases (decreases) by tax law	700	52	14
- interest paid	700	52	14
e. Other differences between gross profit and taxable income, including	31,894	49,736	20,323
- loss of previous periods	3,110	0	0
- non-taxable income from activities in special economic zone	28,784	49,736	20,323
4. Income tax base	2,720	678	586
5. Income tax at the rate of 19%	517	129	111
6. Increases, waivers, exemptions, deductions and reductions of tax	0	0	0
7. Current income tax included in tax declaration for the period, including:	517	129	111
- indicated in profit and loss account	517	129	111
- 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 24B

DEFERRED INCOME TAX, INDICATED IN PROFIT AND LOSS ACCOUNT	first six months of 2007	2006	first six months of 2006
- increase (decrease) due to occurrence of transient differences	449	-171	682
- increase (decrease) due to write-off of fixed assets due to deferred income tax or inability to use reserve for deferred income tax	0	-940	0
Deferred income tax, total	449	-1,111	682

NOTE 25

NET PROFIT (LOSS)	first six months of 2007	2006	first six months of 2006
a. Net profit (loss) of holding entity	3,157	-8,325	-3,338
b. Net profit (loss) of subsidiaries	20,473	44,826	19,514
c. consolidated adjustments	2,793	-611	-2,176
Net profit (loss), total	26,423	35,890	14,000

**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 2007**

NOTE 26

BOOK VALUE OF SHARES	first six months of 2007	2006	first six months of 2006
net profit (loss)	26,423	35,890	14,000
number of shares (in pcs)	96,780,000	90,357,370	88,000,000
profit (loss) per ordinary share	0.27	0.40	0.16
diluted number of shares (in pcs)	96,780,000	90,357,370	88,000,000
diluted profit (loss) per ordinary share	0.27	0.40	0.16

NOTE 27A

Remuneration of Members of the Board

Remuneration of Paweł Wrona, the President of the Management Board, pursuant to employment contract in the first six months of 2007 was 501,909.53 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 Bartosz for the first six months of 2007 was 36,000.00 PLN.
Mrs Wioleta Bartosz also received remuneration in the amount of 199,695.20 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.

Member of the Board Pan Ryszard Pyrek did not receive in the first six months of 2007 any remuneration pursuant to an employment contract and due to position held.
Ryszard Pyrek also holds a position or 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 2007 was 145,522.42 PLN.

NOTE 27B

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 2007 received remuneration for the functions performed in the amount of 42,000.00 zł.

Mariusz Waniolka, holding a position of Member of the Supervisory Council, in the first six months of 2007 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 2007 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 2007 received remuneration for the functions performed in the amount of 24,000.00 PLN

Grzegorz Miroński, holding a position of Member of the Supervisory Council, in the first six months of 2007 received remuneration for the functions performed in the amount of 24,000.00 PLN

NOTE 27C

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.

UNPAID LOANS	first six months of 2007	2006	first six months of 2006
Paweł Wrona	311	200	200
Wioleta Bartosz	180	176	0

UNSETTLED LOANS	first six months of 2007	2006	first six months of 2006
Paweł Wrona	20	24	24
Wioleta Bartosz	11	0	13

NOTE 28

NON-BALANCE ITEMS	first six months of 2007	2006	first six months of 2006
1. Contingent receivables	0	0	0
1.1. From subsidiaries and affiliates (due to)	0	0	0
- obtained surety and guarantees	0	0	0
1.2. From other entities (due to)	0	0	0
- obtained surety and guarantees	0	0	0
2. Contingent liabilities	0	0	0
2.1. To subsidiaries and affiliates (due to)	0	0	0
- granted surety and guarantees	0	0	0
2.2. To other entities (due to)	0	0	0
- granted surety and guarantees	0	0	0
3. Other (due to)	2,567	2,594	2,554
- perpetual usufruct of land	2,567	2,594	2,554
Non-balance items, total	2,567	2,594	2,554

Kielce, 10.09.2007

Drawn up by

The Board