



Barlinek S.A. Capital Group
Mid-year short form of consolidated financial statement for the six months ending on
30 June 2006.

1. Short form of consolidated financial statement

1.1. Selected financial data (thousands)

	thousands PLN		thousands EUR	
	II quarters of 2006 01.01.2006- 30.06.2006	II quarters of 2005 01.01.2005 – 30.06.2005	II quarters of 2006 01.01.2006- 30.06.2006	II quarters of 2005 01.01.2005 – 30.06.2005
I. Net revenues from sales of products, goods and material	155 341	142 950	39 829	35 033
II. Profit (loss) on operating activities	14 985	17 640	3 842	4 323
III. Gross profit (loss)	14 797	15 192	3 794	3 723
IV. Net profit (loss)	14 004	14 461	3 591	3 544
V. Net cash flows from operating activities	-205	-3 529	-53	-865
VI. Net cash flows from investment activities	-39 340	-27 408	-10 087	-6 717
VII. Net cash flows from financial activities	45 340	9 261	11 625	2 270
VIII. Total net cash flows	5 795	-21 676	1 486	-5 312
IX. Total assets	533 740	379 574	132 003	93 952
X. Liabilities and reserves for liabilities	310 103	235 527	76 694	58 297
XI. Long term liabilities	169 679	97 774	46 703	24 201
XII. Short term liabilities	138 301	128 610	29 466	31 833
XIII. Equity capital.	223 637	144 047	55 309	35 654
XIV. Share capital	88 000	80 000	21 764	19 801
XV. Number of shares	88 000 000	80 000 000	88 000 000	80 000 000
XVI. Profit (loss) per ordinary share (PLN / EUR)	0.16	0.18	0.04	0.04
XVII. Diluted earnings (loss) per ordinary share (PLN / EUR)	0.16	0.18	0.04	0.04
XVIII. Book value per share (PLN / EUR)	2.54	1.80	0.63	0.45
XIX. Diluted book value per share (PLN / EUR)	2.54	1.80	0.63	0.45
XX. Declared or paid dividend per share (PLN / EUR)				

1.2. Short form of consolidated balance sheet in thousands PLN

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
ASSETS				
I. Fixed assets	333 006	320 607	218 994	213 448
1. Intangible assets	908	987	982	964
2. Tangible fixed assets	322 597	310 009	215 512	209 514
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	212	35	43	596
4.1. Real estate	0	0	0	0
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	212	35	43	596
a) in subsidiaries and affiliates	0	22	0	555
- shares	0	22	0	14

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
- granted loans	0	0	0	541
b) in other entities	212	13	43	41
- shares	12	13	43	41
- granted loans	200	0	0	0
4.4. Other long-term investments	0	0	0	0
5. Long-term deferred charges and accruals	9 289	9 576	2 457	2 374
5.1. Assets from deferred taxes	7 566	7 836	1 665	1 642
5.2. Other deferred charges and accruals	1 723	1 740	792	732
II. Current assets	200 734	186 316	160 580	152 921
1. Inventory	90 978	79 888	79 190	68 689
2. Short-term receivables	71 522	68 548	69 874	78 867
2.1. From subsidiaries and affiliates	0	0	0	0
2.2. From other entities	71 522	68 548	69 874	78 867
3. Short-term investments	35 507	34 679	9 896	3 949
3.1. Short-term financial assets	35 507	34 679	9 896	3 949
a) in subsidiaries and affiliates	0	0	0	156
b) in other entities	0	0	0	0
c) cash and other cash assets	35 507	34 679	9 896	3 793
3.2. Other short-term investments	0	0	0	0
4. Short-term deferred charges and accruals	2 727	3 201	1 620	1 416
Total assets	533 740	506 923	379 574	366 369
LIABILITIES				
I. Equity capital.	223 637	215 242	144 047	135 650
1. Share capital	88 000	88 000	80 000	80 000
2. Own shares for sale (negative value)	0	0	0	0
3. Reserve capital	122 915	93 417	47 248	21 206
4. Revaluation reserve capital	-1 176	-1 328	0	0
5. Other reserve capital	0	0	0	0
6. Exchange gain (loss) on consolidation	-36	-16	0	0
a) currency translation gains	0	0	0	0
b) currency translation losses	-36	-16	0	0
7. Undistributed earnings or uncovered loss of previous periods	-70	29 431	2 338	28 404
8. Net profit (loss)	14 004	5 738	14 461	6 040
II. Minority shareholders capital	0	0	0	0
III. Reserve capital from consolidation	0	0	0	0
IV. Liabilities and reserves for liabilities	310 103	291 681	235 527	230 719
1. Reserves for liabilities	2 123	2 882	9 143	8 160
1.1. Reserves for income tax	382	466	4 521	4 297
1.2. Social security reserves	264	289	470	420
a) long term	202	233	207	156
b) short term	62	56	263	264
1.3. Other securities	1 477	2 127	4 152	3 443
a) long term	0	0	0	0
b) short term	1 477	2 127	4 152	3 443
2. Long term liabilities	169 679	156 084	97 774	81 960
2.1. To subsidiaries and affiliates	0	0	0	0
2.2. To other entities	169 679	156 084	97 774	81 960
3. Short term liabilities	138 301	132 715	128 610	140 599

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
3.1. To subsidiaries and affiliates	0	0	0	0
3.2. To other entities	138 301	132 715	128 610	140 599
3.3. Special funds	0	0	0	0
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
a) long term	0	0	0	0
b) short term	0	0	0	0
Total liabilities	533 740	506 923	379 574	366 369

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

PROFIT AND LOSS ACCOUNT	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
I. Net revenues from sales of products, goods and materials, including:	78 373	155 341	69 346	142 950
- from subsidiaries and affiliates	0	0	0	0
1. Net revenues from sale of products	72 335	145 419	66 458	137 612
2. Net revenues from sales of products, goods and materials	6 038	9 922	2 888	5 338
II. Cost of products, goods and materials sold, including:	52 753	107 307	48 247	98 448
- from subsidiaries and affiliates	0	0	0	0
1. Cost of production	47 589	99 157	43 615	91 949
2. Cost of goods and materials sold	5 164	8 150	4 632	6 499
III. Gross profit (loss) on sales (I-II)	25 620	48 034	21 099	44 502
IV. Cost of sales	8 357	14 504	6 485	12 808
V. General administrative expenses	10 254	18 514	7 394	14 361
VI. Profit (loss) on sales (III-IV-V)	7 009	15 016	7 220	17 333
VII. Other operating income	393	499	272	520
1. Revenue from sale of non-financial fixed assets	54	67	16	23
2. Subsidies	0	0	0	0
3. Other operating income	339	432	256	497
VIII. Other operating costs	262	530	154	213
1. Cost of non-financial fixed assets sold	50	54	0	4
2. Revaluation of non-financial fixed assets	0	0	0	0
3. Other operating costs	212	476	154	209
IX. Profit (loss) on operating activities (VI+VII-VIII)	7 140	14 985	7 338	17 640
X. Financial revenue	6 287	8 863	4 386	4 906
1. Share dividends, including:	0	0	1	1
- from subsidiaries and affiliates	0	0	0	0
2. Interest, including:	243	364	71	218
- from subsidiaries and affiliates	0	0	0	0
3. Income from sale of investments	0	0	0	0
4. Gain on revaluation of investments	0	0	0	0
5. Other	6 044	8 499	4 314	4 687

PROFIT AND LOSS ACCOUNT	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
XI. Financial costs	4 836	9 051	4 020	7 354
1. Interest, including:	2 044	4 192	2 800	5 404
- 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. Other	2 792	4 859	1 220	1 950
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)	8 591	14 797	7 704	15 192
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)	8 591	14 797	7 704	15 192
XVII. Income tax	326	793	-717	731
a) current	80	111	-118	672
b) deferred	246	682	-599	59
XVIII. Other obligatory decrease of gross profit (increased loss)	0	0	0	0
XIX. Net profit (loss) share of subsidiaries and affiliates consolidated by property law method	0	0	0	0
XX. Profit (loss) of minority shareholders	0	0	0	0
XXI. Net profit (loss) (XVI-XVII-XVIII+/-XX+/-XXI)	8 265	14 004	8 421	14 461

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

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
I. Opening balance of equity	209 992	209 992	129 610	126 427
a) changes in adopted accounting principles	0	0	0	3 183
b) adjustments of fundamental errors	0	0	0	
I.a. Opening balance of equity after adjustments	209 992	209 992	129 610	129 610
1. Opening balance of share capital	88 000	88 000	80 000	80 000
1.1. Changes in share capital	0	0	0	
a) increase (due to)	0	0	0	
- issuance of shares	0	0	0	
b) decrease (due to)	0	0	0	
- redemption of shares	0	0	0	
1.2. Closing balance of share capital	88 000	88 000	80 000	80 000
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	

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
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	93 417	93 909	21 206	21 206
4.1. Changes in supplementary capital	29 498	29 006	26 042	26 042
a) increase (due to)	29 505	29 505	26 042	26 042
- issue of shares above face value	0	0	0	
- from profit distribution (statutory)	0	0	2 083	2 083
- from profit distribution (above the statutory minimum value)	29 505	29 505	23 958	23 959
b) decrease (due to)	7	499	0	0
- loss coverage	0	0	0	
- other decreases	7	499	0	0
4.2. Closing balance of supplementary capital	122 915	122 915	47 248	47 248
5. Opening balance of revaluation reserve	-1 328	-1 364	0	
5.1. Changes in revaluation reserve	152	188	0	
a) increase (due to)	152	188	0	
- revaluation of financial instruments	152	188	0	
b) decrease (due to)	0	0	0	
- sale of tangible fixed assets	0	0	0	
5.2. Closing balance of revaluation reserve	-1 176	-1 176	0	
6. Opening balance of other reserve capitals	0	0	0	
6.1. Changes in other reserve capitals	0	0	0	
a) increase (due to)	0	0	0	
b) decrease (due to)	0	0	0	
6.2. Closing balance of other reserve capitals	0	0	0	
7. Exchange gain (loss) on consolidation	-36	-36	0	
8. Opening balance of previous years' profit (loss)	35 174	29 435	25 997	25 997
8.1 Opening balance of previous years' profit	35 213	29 474	26 042	26 042
a) changes in adopted accounting principles	0	0	2 383	2 383
b) adjustments of fundamental errors	0	0	0	
8.2 Opening balance of previous years' profit, after adjustments	35 213	29 474	28 425	28 425
a) increase (due to)	0	0	0	
- distribution of previous years' profit	0	0	0	
b) decrease (due to)	29 505	29 505	26 042	26 042
- distribution of previous years'	29 505	29 505	26 042	26 042

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
profit				
- other decreases				
8.3. Closing balance of previous years' profit	5 708	-31	2 383	2 383
8.4. Opening balance of previous years' loss	39	39	21	45
a) changes in adopted accounting principles	0	0	0	
b) adjustments of fundamental errors	0	0	0	0
8.5. Opening balance of previous years' loss, after adjustments	39	39	21	45
a) increase (due to)	0	0	25	0
b) decrease (due to)	0	0	0	0
8.6. Closing balance of previous years' loss	39	39	45	45
8.7. Closing balance of previous years' profit (loss)	5 669	-70	8 378	2 338
9. Net profit	8 265	14 004	8 421	14 461
a) net profit	8 265	14 004	8 421	14 461
b) net loss	0	0	0	
c) write-offs on profit (negative value)	0	0	0	
II. Closing balance of equity (BZ)	223 637	223 637	144 047	144 047

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

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
A. Cash flows from operating activities - indirect method				
I. Net profit (loss)	8 265	14 004	8 421	14 461
II. Total adjustments	899	-14 209	2 544	-17 990
1. Profit (loss) of minority shareholders	0	0	0	
2. Net profit (loss) share of subsidiaries and affiliates consolidated by property law method	0	0	0	
3. Amortisation and depreciation, including:	4 211	8 189	4 794	9 168
- Write off of goodwill on consolidation or Write off of reserve capital on consolidation	0	0	0	
4. Exchange gains (losses)	-524	-1 107	-56	-56
5. Interest and profit sharing (dividend)	1 868	3 779	2 606	5 142
6. Profit (loss) on investment activities	-4	-13	-16	-19
7. Change in provisions	-699	-584	984	1 567
8. Change in inventory	-11 085	-12 639	-10 501	-22 349
9. Change in receivables	-2 973	15 708	8 993	-11 539
10. Change in short-term liabilities excluding credits and loan	9 573	-27 790	-3 882	2 340
11. Change in prepayments and accruals	760	446	-287	-2 047

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
12. Other adjustments	-228	-198	-91	-197
III. Net cash flows from operating activities (I+/-II)	9 164	-205	10 965	-3 529
B. CASH FLOWS FROM INVESTMENT ACTIVITIES				
I. Inflows	54	67	16	23
1. Disposal of intangible and tangible fixed assets	54	67	16	23
2. Disposal of investments in real property and in intangible assets	0	0	0	
3. From financial assets, including:	0	0	0	0
a) in subsidiaries and affiliates	0	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	0	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	
4 . Other inflows from investment activities	0	0	0	
II. Outflows	25 146	39 407	14 572	27 431
1. Acquisition of intangible and tangible fixed assets	24 946	39 207	14 571	27 430
2. Investments in real property and in intangible assets	0	0	0	
3. For financial assets, including:	200	200	1	1
a) in subsidiaries and affiliates	0	0	0	0
- acquisition of financial assets	0	0	0	0
- granted long-term loans	0	0	0	
b) in other entities	200	200	1	1
- acquisition of financial assets	0	0	1	1
- granted long-term loans	200	200	0	
- 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)	-25 092	-39 340	-14 556	-27 408
C. CASH FLOWS FROM FINANCIAL ACTIVITIES				
I. Inflows	23 578	135 949	18 833	28 230
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	0	0	0
2. Credits and loans	23 578	135 949	18 833	28 230
3. Issuance of debt securities	0	0	0	

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
4. Other inflows from financial activities	0	0	0	
II. Outflows	7 347	90 609	9 736	18 969
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	5 402	86 275	6 884	13 198
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	77	555	246	629
8. Interest.	1 868	3 779	2 606	5 142
9. Other outflows from financial activities	0	0	0	
III. Net cash flows from investment activities (I-II)	16 231	45 340	9 097	9 261
D. Total net cash flows (A.III+/-B.III+/-C.III)	303	5 795	5 506	-21 676
E. Balance sheet change in cash, including:	827	6 902	6 103	-21 620
- change in cash due to exchange differences	524	1 107	56	56
F. Cash opening balance	34 679	28 605	3 793	31 516
G. Closing balance of cash (F+/-D), including	34 982	34 400	9 299	9 840
- of limited disposability				

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

2.1. Selected financial data (thousands)

	thousands PLN		thousands EUR	
	II quarters of 2006 01.01. 2006- 30.06.2006	II quarters of 2005 01.01.2005 – 30.06.2005	II quarters of 2006 01.01. 2006- 30.06.2006	II quarters of 2005 01.01.2005 – 30.06.2005
I. Net revenues from sales of products, goods and material	168 865	179 381	43 296	43 961
II. Profit (loss) on operating activities	-3 123	9 150	-801	2 242
III. Gross profit (loss)	-2 652	6 720	-680	1 647
IV. Net profit (loss)	-3 334	5 989	-855	1 468
V. Net cash flows from operating activities	75 850	6 159	19 448	1 509
VI. Net cash flows from investment activities	-97 613	-26 855	-25 027	-6 581
VII. Net cash flows from financial activities	26 018	-5 894	6 671	-1 444
VIII. Total net cash flows	4 255	-26 590	1 091	-6 516
IX. Total assets	370 300	383 718	91 581	94 977
X. Liabilities and reserves for liabilities	182 488	248 119	45 132	61 414
XI. Long term liabilities	98 879	83 004	29 193	20 545
XII. Short term liabilities	81 722	156 023	15 473	38 619

XIII. Equity capital.	187 812	135 599	46 449	33 563
XIV. Share capital	88 000	80 000	21 764	19 801
XV. Number of shares	88 000 000	80 000 000	88 000 000	80 000 000
XVI. Profit (loss) per ordinary share (PLN / EUR)	-0.04	0.07	-0.01	0.02
XVII. Diluted earnings (loss) per ordinary share (PLN / EUR)	-0.04	0.07	-0.01	0.02
XVIII. Book value per share (PLN / EUR)	2.13	1.69	0.53	0.42
XIX. Diluted book value per share (PLN / EUR)	2.13	1.69	0.53	0.42
XX. Declared or paid dividend per share (PLN / EUR)				

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

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
ASSETS				
I. Fixed assets	231 227	229 952	217 215	223 996
1. Intangible assets	886	977	982	964
2. Tangible fixed assets	9 136	9 468	139 720	139 632
3. Long-term receivables	0	0	73 915	81 081
3.1. From subsidiaries and affiliates	0	0	73 915	81 081
3.2. From other entities	0	0	0	0
4. Long-term investments	220 748	218 828	903	646
4.1. Real estate	0	0	0	0
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	220 748	218 828	111	646
a) in subsidiaries and affiliates	220 536	218 815	68	605
- shares	218 211	218 122	68	64
- granted loans	2 325	693	0	541
b) in other entities	212	13	43	41
- shares	12	13	43	41
- granted loans	200	0	0	0
4.4. Other long-term investments	0	0	792	0
5. Long-term deferred charges and accruals	457	679	1 695	1 673
5.1. Assets from deferred taxes	251	521	1 665	1 642
5.2. Other deferred charges and accruals	206	158	30	31
II. Current assets	139 073	138 146	166 503	143 039
1. Inventory	20 858	41 223	59 477	62 792
2. Short-term receivables	83 608	62 718	100 288	74 943
2.1. From subsidiaries and affiliates	24 512	898	46 211	10 527
2.2. From other entities	59 096	61 820	54 077	64 416
3. Short-term investments	34 030	33 747	5 293	3 948
3.1. Short-term financial assets	34 030	33 747	5 293	3 948
a) in subsidiaries and affiliates	693	678	311	155
b) in other entities	0	0	0	0

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
c) cash and other cash assets	33 337	33 069	4 982	3 793
3.2. Other short-term investments	0	0	0	0
4. Short-term deferred charges and accruals	577	458	1 445	1 356
Total assets	370 300	368 098	383 718	367 035
LIABILITIES				
I. Equity capital.	187 812	189 464	135 599	132 271
1. Share capital	88 000	88 000	80 000	80 000
2. Own shares for sale (negative value)	0	0		0
3. Reserve capital	103 021	94 525	47 248	21 206
4. Revaluation reserve capital	0	0		0
5. Other reserve capital	0	0		0
6. Exchange gain (loss) on consolidation	0	0		0
a) currency translation gains	0	0		0
b) currency translation losses	0	0		0
7. Undistributed earnings or uncovered loss of previous periods	125	8 622	2 362	28 404
8. Net profit (loss)	-3 334	-1 683	5 989	2 661
II. Minority shareholders capital	0	0		0
III. Reserve capital from consolidation	0	0		0
IV. Liabilities and reserves for liabilities	182 488	178 634	248 119	234 764
1. Reserves for liabilities	1 887	2 479	9 092	8 160
1.1. Reserves for income tax	382	466	4 521	4 297
1.2. Social security reserves	69	69	419	420
a) long term	13	19	161	156
b) short term	56	50	258	264
1.3. Other securities	1 436	1 944	4 152	3 443
a) long term	0	0		0
b) short term	1 436	1 944	4 152	3 443
2. Long term liabilities	98 879	82 120	83 004	81 960
2.1. To subsidiaries and affiliates	0	0		0
2.2. To other entities	98 879	82 120	83 004	81 960
3. Short term liabilities	81 722	94 035	156 023	144 644
3.1. To subsidiaries and affiliates	6 301	16 343	31 198	5 219
3.2. To other entities	75 421	77 692	124 825	139 425
3.3. Special funds	0	0		0
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
a) long term	0	0		0
b) short term	0	0		0

BALANCE	30.06.2006	31.03.2006	30.06.2005	31.03.2005
Total liabilities	370 300	368 098	383 718	367 035

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

PROFIT AND LOSS ACCOUNT	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
I. Net revenues from sales of products, goods and materials, including:	91 021	168 865	97 577	179 381
- from subsidiaries and affiliates	20 489	26 791	28 235	36 435
1. Net revenues from sale of products	8 323	19 046	59 117	132 711
2. Net revenues from sales of products, goods and materials	82 698	149 819	38 460	46 670
II. Cost of products, goods and materials sold, including:	81 409	149 054	82 072	141 887
- from subsidiaries and affiliates	20 162	26 231	13 640	32 329
1. Cost of production	7 863	16 080	41 819	94 820
2. Cost of goods and materials sold	73 546	132 974	40 253	47 067
III. Gross profit (loss) on sales (I-II)	9 612	19 811	15 505	37 494
IV. Cost of sales	6 978	12 435	6 485	12 808
V. General administrative expenses	5 733	10 561	6 964	13 860
VI. Profit (loss) on sales (III-IV-V)	-3 099	-3 185	2 056	10 826
VII. Other operating income	2 067	2 344	272	68 308
1. Revenue from sale of non-financial fixed assets	24	216	16	67 811
2. Subsidies	0	0	0	0
3. Other operating income	2 043	2 128	256	497
VIII. Other operating costs	1 997	2 282	102	69 984
1. Cost of non-financial fixed assets sold	19	167	0	69 826
2. Revaluation of non-financial fixed assets	0	0	0	0
3. Other operating costs	1 978	2 115	102	158
IX. Profit (loss) on operating activities (VI+VII-VIII)	-3 029	-3 123	2 226	9 150
X. Financial revenue	4 792	7 111	4 378	4 897
1. Share dividends, including:	0	0	1	1
- from subsidiaries and affiliates	0	0	0	0
2. Interest, including:	267	400	71	218
- from subsidiaries and affiliates	26	39	0	0
3. Income from sale of investments	0	0	0	0
4. Gain on revaluation of investments	0	0	0	0
5. Other	4 525	6 711	4 306	4 678
XI. Financial costs	3 169	6 640	3 993	7 327
1. Interest, including:	1 920	3 930	2 774	5 378
- 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. Other	1 249	2 710	1 219	1 949
XII. Profit (loss) on sale of shares in subsidiaries and affiliates	0	0	0	0
XIII. Profit (loss) on commercial activity	-1 406	-2 652	2 611	6 720

PROFIT AND LOSS ACCOUNT	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
(IX+X-XI+/-XII)				
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)	-1 406	-2 652	2 611	6 720
XVII. Income tax	245	682	-717	731
a) current	0	0	-118	672
b) deferred	245	682	-599	59
XVIII. Other obligatory decrease of gross profit (increased loss)	0	0		0
XIX. Net profit (loss) share of subsidiaries and affiliates consolidated by property law method	0	0		0
XX. Profit (loss) of minority shareholders	0	0		0
XXI. Net profit (loss) (XVI-XVII-XVIII+/-XX+/-XXI)	-1 651	-3 334	3 328	5 989

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

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
I. Opening balance of equity	191 146	191 146	129 610	126 427
a) changes in adopted accounting principles	0	0	0	3 183
b) adjustments of fundamental errors	0	0	0	0
I.a. Opening balance of equity after adjustments	191 146	191 146	129 610	129 610
1. Opening balance of share capital	88 000	88 000	80 000	80 000
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	88 000	88 000	80 000	80 000
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

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
4. Opening balance of supplementary capital	94 525	94 525	21 206	21 206
4.1. Changes in supplementary capital	8 496	8 496	26 042	26 042
a) increase (due to)	8 496	8 496	26 042	26 042
- issue of shares above face value	0	0	0	0
- from profit distribution (statutory)	680	680	2 083	2 083
- from profit distribution (above the statutory minimum value)	7 816	7 816	23 959	23 959
b) decrease (due to)	0	0	0	0
- loss coverage	0	0	0	0
4.2. Closing balance of supplementary capital	103 021	103 021	47 248	47 248
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)	8 622	8 622	26 021	26 021
8.1 Opening balance of previous years' profit	8 622	8 622	26 042	26 042
a) changes in adopted accounting principles	0	0	2 383	2 383
b) adjustments of fundamental errors	0	0	0	0
8.2 Opening balance of previous years' profit, after adjustments	8 622	8 622	28 425	28 425
a) increase (due to)	0	0	0	0
- distribution of previous years' profit	0	0	0	0
b) decrease (due to)	8 496	8 496	26 042	26 042
- distribution of previous years' profit	8 496	8 496	26 042	26 042
8.3. Closing balance of previous years' profit	125	125	2 383	2 383
8.4. Opening balance of previous years' loss	1 683	0	21	21
a) changes in adopted accounting principles	0	0	0	0

CHANGES IN EQUITY	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
b) adjustments of fundamental errors	0	0	0	0
8.5. Opening balance of previous years' loss, after adjustments	1 683	0	21	21
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
8.6. Closing balance of previous years' loss	1 683	0	21	21
8.7. Closing balance of previous years' profit (loss)	-1 558	125	5 023	2 362
9. Net profit	-1 651	-3 334	3 328	5 989
a) net profit	0	0	3 328	5 989
b) net loss	1 651	3 334	0	0
c) write-offs on profit (negative value)	0	0	0	0
II. Closing balance of equity (BZ)	187 812	187 812	135 599	135 599
III. Equity including proposed profit distribution (loss coverage)	187 812	187 812	135 599	135 599

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

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
A. Cash flows from operating activities - indirect method				
I. Net profit (loss)	-1 651	-3 334	3 328	5 989
II. Total adjustments	-7 490	79 184	4 018	170
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:	644	1 300	3 288	7 662
- Write off of goodwill on consolidation or Write off of reserve capital on consolidation	0	0	0	0
4. Exchange gains (losses)	-524	-1 108	-56	-56
5. Interest and profit sharing (dividend)	1 783	3 596	2 580	5 117
6. Profit (loss) on investment activities	-5	-49	-16	2 015
7. Change in provisions	-533	-579	932	1 514
8. Change in inventory	20 366	27 630	3 316	-2 635
9. Change in receivables	-20 890	90 326	-25 345	-41 953
10. Change in short-term liabilities excluding credits and loan	-8 384	-42 243	19 823	30 163
11. Change in prepayments and accruals	103	754	-112	-1 110
12. Other adjustments	-50	-443	-392	-547
III. Net cash flows from operating activities (I+/-II)	-9 141	75 850	7 346	6 159
B. CASH FLOWS FROM INVESTMENT ACTIVITIES				
I. Inflows	44	389	6 003	6 010
1. Disposal of intangible and tangible	24	216	6 003	6 010

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
fixed assets				
2. Disposal of investments in real property and in intangible assets	0	0	0	0
3. From financial assets, including:	20	173	0	0
a) in subsidiaries and affiliates	20	173	0	0
- sale of financial assets	0	0	0	0
- dividend and profit sharing	0	0	0	0
- repayment of long-term loans	20	173	0	0
- interest	0	0	0	0
- other inflows from financial assets	0	0	0	0
b) in other entities	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
4. Other inflows from investment activities	0	0	0	0
II. Outflows	2 303	98 002	6 159	32 865
1. Acquisition of intangible and tangible fixed assets	241	448	7 082	19 953
2. Investments in real property and in intangible assets	0	0	0	0
3. For financial assets, including:	2 062	97 554	256	798
a) in subsidiaries and affiliates	1 862	97 354	255	797
- acquisition of financial assets	1 862	97 354	255	4
- granted long-term loans	0	0	0	793
b) in other entities	200	200	1	1
- acquisition of financial assets	0	0	1	1
- granted long-term loans	200	200	0	0
- granted short-term loans	0	0	0	0
4. Dividends and other profit sharing paid out to minority shareholders	0	0	0	0
5. Other outflows from investment activities	0	0	-1 179	12 114
III. Net cash flows from operating activities (I-II)	-2 259	-97 613	-156	-26 855
C. CASH FLOWS FROM FINANCIAL ACTIVITIES				
I. Inflows	18 368	116 243	3 653	13 051
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	0	0	0	0
2. Credits and loans	18 368	116 243	3 653	13 051
3. Issuance of debt securities	0	0	0	0
4. Other inflows from financial activities	0	0	0	0
II. Outflows	7 224	90 225	9 710	18 945
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	0	0	0	0

CASH FLOW	II quarter 2006 01.04.2006 – 30.06.2006	II quarters of 2006 01.01.2006 - 30.06.2006	II quarter 2005 01.04.2005 - 30.06.2005	II quarters of 2005 01.01.2005 - 30.06.2005
5. Redemption of debt securities	5 402	86 275	6 884	13 198
6. Payment of other financial liabilities	0	0	0	0
7. Payment of liabilities arising from financial leases	0	0	0	0
8. Interest.	39	354	246	630
9. Other outflows from financial activities	1 783	3 596	2 580	5 117
III. Net cash flows from investment activities (I-II)	11 144	26 018	-6 057	-5 894
D. Total net cash flows (A.III+/-B.III+/-C.III)	-256	4 255	1 133	-26 590
E. Balance sheet change in cash, including:	268	5 363	1 189	-26 534
- change in cash due to exchange differences	524	1 108	56	56
F. Cash opening balance	33 069	27 974	3 793	31 516
G. Closing balance of cash (F+/-D), including	32 813	32 229	4 926	4 926
- of limited disposability				

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

II quarters of 2005

	North America	Eastern Europe	Western Europe	Other	Poland	Scandinavia	Total
Revenue from sales	6 170	12 552	33 843	1 622	55 914	32 849	142 950
Sector result	1 567	2 751	7 813	470	9 066	10 027	31 694
Unaccounted costs of the whole group							14 361
Group sales result							17 333
Other operating income							520
Other operating costs							213
Result on operating activities							17 640
Financial revenue							4 906
Financial costs							7 354
Gross profit							15 192
Income tax							731
Net profit							14 461

	North America	Eastern Europe	Western Europe	Other	Poland	Scandinavia	Total
Sector's assets	3 199	3 084	5 323	0	27 199	3 851	42 656
Unaccounted assets of the whole group							336 918
Total assets							379 574

II quarters of 2006

	North America	Eastern Europe	Western Europe	Other	Poland	Scandinavia	Total
Revenue from sales	5 884	15 461	28 857	1 859	65 186	38 094	155 341
Sector result	1 220	3 442	6 828	450	11 166	10 424	33 530
Unaccounted costs of the whole group							18 514
Group sales result							15 016
Other operating income							499
Other operating costs							530
Result on operating activities							14 985
Financial revenue							8 863
Financial costs							9 051
Gross profit							14 797
Income tax							793
Net profit							14 004

	North America	Eastern Europe	Western Europe	Other	Poland	Scandinavia	Total
Sector's assets	1 388	5 649	6 230	131	29 240	3 221	32 461
Unaccounted assets of the whole group							501 279
Total assets							533 740

Signatures:**The Board:**

Paweł Wrona President of the Management Board

.....

Wioleta Bartosz Member of the Management Board

.....

Ryszard Pyrek Member of the Management Board

.....

Person responsible for maintaining company ledger:

Anna Kozłowska Chief Accountant

.....

Barlinek, 21st August, 2006