



STOMIL SANOK S.A  
**BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007**  
*(in thousands zlotys)*

	September 30, 2 008	December 31, 2 007
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible fixed assets	154 712	157 690
Investment real estate	109	109
Intangible assets	11 812	11 424
Financial assets	19 611	8 728
Deferred income tax assets	4 607	4 026
<b>Total fixed assets</b>	<b>190 851</b>	<b>181 977</b>
<b>Current assets</b>		
Stocks	44 238	41 943
Trade accounts receivable	71 760	59 722
Other short-term accounts receivable	8 445	4 178
Active prepayments and accrued income	930	137
Financial assets – loans	337	0
Cash and cash equivalents	1 827	10 643
<b>Total current assets</b>	<b>127 537</b>	<b>116 623</b>
<b>Total assets</b>	<b>318 388</b>	<b>298 600</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	5 735	5 735
Treasury shares	-1 201	
Capital from issue of options (programme of options)	3 913	1 964
Reserve funds	103 145	87 497
Revaluation capital reserve	67 468	67 253
Retained profit	18 189	44 274
<b>Total shareholder's equity</b>	<b>197 249</b>	<b>206 723</b>
<b>Long-term liabilities</b>		
Provisions	11 390	11 094
Income from future periods – long-term portion	7 834	7 702
Deferred tax provision	8 746	8 821
<b>Total long-term liabilities</b>	<b>27 970</b>	<b>27 617</b>
<b>Short-term liabilities</b>		
Credits and debt securities	47 544	23 248
Trade liabilities	24 999	23 628
Income tax liabilities	1 484	1 504
Financial liabilities	215	9
Other short-term liabilities	9 366	9 390
Income from future periods	1312	964
Provisions	8 249	5 517
<b>Total short-term liabilities</b>	<b>93 169</b>	<b>64 260</b>
<b>Total liabilities</b>	<b>318 388</b>	<b>298 600</b>



STOMIL SANOK S.A

**PROFIT AND LOSS ACCOUNT**

for 9 months until September 30, 2008 and September 30, 2007

(in thousands zlotys)

	01.07.2008- 30.09.2008	01.01.2008- 30.09.2008	01.07.2007- 30.09.2007	01.01.2007 - 30.09.2007
<b>Sales revenue including:</b>	<b>95 640</b>	<b>293 035</b>	<b>107 655</b>	<b>306 124</b>
from related undertakings	20 916	62 742	18 365	59 331
<b>Cost of sales including:</b>	<b>-81 267</b>	<b>-244 698</b>	<b>-82 781</b>	<b>-240 795</b>
from related undertakings	-17 758	-52 389	-14 126	-46 694
<b>Gross profit on sales</b>	<b>14 373</b>	<b>48 337</b>	<b>24 874</b>	<b>65 329</b>
Selling costs	-3 580	-11 078	-3 824	-11 553
General and administrative expenses	-5 058	-15 667	-4 814	-15 455
Other operating income	126	856	141	422
Other operating expenses	-775	-2 178	-637	-1504
<b>Operating profit</b>	<b>5 086</b>	<b>20 270</b>	<b>15 740</b>	<b>37 239</b>
Financial income	-371	4 084	791	9 860
Financial expenses	-531	-1004	-252	-892
<b>Pre-tax profit</b>	<b>4 184</b>	<b>23 350</b>	<b>16 279</b>	<b>46 207</b>
Income tax	-1 117	-5 242	-3 111	-9 178
Current	-1 343	-5 637	-2988	-9 100
Deferred	226	395	-123	-78
<b>Net profit</b>	<b>3 067</b>	<b>18 108</b>	<b>10 421</b>	<b>37 029</b>
Weighted average number of shares		28 673 180		28 673 180
Earnings per share		0,63		1,29
Weighted average diluted number of shares		29 306 135		28 887 620
Diluted earnings per share		0,62		1,28

Results for 9 months of 2008 were achieved by the Company in conditions which varied significantly from those prevailing back in 2007:

1. The average EUR exchange rate for the period of 9 months of 2008 was 3,43 zł and 3,83 zł for the first 9 months of 2007 while the same rates were 3,32 zł for the third quarter of 2008 and 3,79 zł for the third quarter of 2007.
2. In the first half of 2007 the Company sold its financial assets (shares of a stock-market company Ciech SA), which brought the net profit of more than 6.274 thousand zł. It was a one-off event.
3. In the third quarter of 2008 the market situation in the automotive sector changed – car manufacturers and their suppliers reduced the amounts of orders and shifted launch dates of new car models. This trends may continue to prevail into the next quarters.



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<b>CASH FLOW STATEMENT</b>		
<i>(in thousands zlotys)</i>		
	for 9 months until 30.09.2008	for 9 months until 30.09.2007
<b>Cash flow from operating activities</b>		
Net profit	18 108	37 029
Total adjustments :	7 128	10 688
Depreciation	20 647	18 617
Net foreign exchange (gains) losses	-1 435	-4 213
Net interest and dividends	-98	-29
Income tax on pre-tax profit	5 637	9 100
(Gains) losses from investing activities	-19	-2 740
Change in provisions	2 954	1 791
Change in stocks	-2 294	2 023
Change in accounts receivable	-11 645	-3 552
Change in liabilities	-1 700	17 708
Change in active prepayments and accrued income and income from future periods	-893	-242
Other adjustments	1 112	-21 517
Income tax paid	-5 138	-6 258
<b>Net cash from operating activities</b>	<b>25 236</b>	<b>47 717</b>
<b>Cash flow from investing activities</b>		
Income from sale of tangible fixed assets and intangible assets	4 384	4 523
Income from financial assets	985	9 098
Other investing cash inflow	299	
Acquisition of tangible fixed assets and intangible assets	-22 423	-31 035
Investing cash outflow on financial assets	-8 654	
Other investing cash outflow	-4 660	
<b>Net cash from investing activities</b>	<b>-30 069</b>	<b>-17 414</b>
<b>Cash flow from financing activities</b>		
Proceeds from credits taken	24 296	
Issue of debt securities		
Other financing cash inflow	1 432	4 517
Acquisition of treasury shares	-1 201	
Dividend paid to shareholders	-27 626	
Repayment of credits		-11 860
Interest paid	-887	-822
Other financing cash outflow		
<b>Net cash from financing activities</b>	<b>-3 986</b>	<b>-8 165</b>
<b>Change in cash</b>	<b>-8 819</b>	<b>22 138</b>
Change in cash resulting from foreign exchange differences	3	-304
<b>Cash at beginning of period</b>	<b>10 643</b>	<b>567</b>
<b>Change in net cash</b>	<b>-8 816</b>	<b>21 834</b>
<b>Cash at end of period</b>	<b>1 827</b>	<b>22 401</b>
including restricted cash	885	1 017