

SECURITIES AND STOCK EXCHANGE COMMITTEE

00-950 Warszawa Plac Powstańców Warszawy 1

SA-Q III /2004

(for the issuers of securities of manufacturing, construction, commercial and service activity)

According to § 57 passage 2 of the Decree of the Cabinet of 16.10.2001 - Journal of Law No 139, item 1569 and of 2002 No 31, item 280

The Management Board of STALEXPORT Joint Stock Company publishes quarterly report for III /2004

28.10.2004
date of publishing

SELECTED FINANCIAL DATA	in thousand zlotys		in thousand EURO	
	3 quarters 2004 01.01.2004 30.09.2004	3 quarters 2003 01.01.2003 30.09.2003	3 quarters 2004 01.01.2004 30.09.2004	3 quarters 2003 01.01.2003 30.09.2003
	I. Net sales revenues	585 048	621 165	126 595
II. Operating profit (loss)	98 287	45 908	21 268	9 934
III. Gross profit (loss)	19 715	27 151	4 266	5 875
IV. Net profit (loss)	19 631	27 744	4 248	6 003
V. Net cash flows from operating activities	-3 091	38 428	-705	8 767
VI. Net cash flows from investing activities	36 930	-4 461	8 425	-1 018
VII. Net cash flows from financing activities	-36 040	-31 268	-8 222	-7 134
VIII. Total net cash flows	-2 201	2 699	-502	616
IX. Total assets	491 459	602 930	112 123	137 555
X. Liabilities and reserves for liabilities	518 684	678 583	118 335	154 815
XI. Long-term liabilities	250 434	259 493	57 135	59 202
XII. Short-term liabilities	140 957	201 968	32 158	46 078
XIII. Shareholders' equity	-27 225	-75 653	-6 211	-17 260
XIV. Share capital	215 524	215 524	49 170	49 170
XV. Number of shares	107 762 023	107 762 023	107 762 023	107 762 023
XVI. Earnings (loss) per ordinary share (in zlotys / EUR)	0,18	0,25	0,04	0,05
XVII. Diluted earnings (loss) per ordinary share (in zlotys / EUR)				
XVIII. Book value per share (in zlotys/ EUR)	-0,25	-0,70	-0,06	-0,16
XIX. Diluted book value per share (in zlotys / EUR)				
XX. Declared or paid-out dividend per ordinary share (in zlotys / EUR)				

Balance sheet

	30.09.2004	30.06.2004	30.09.2003	30.06.2003
ASSETS				
I. Fixed assets	346 066	349 420	353 726	354 585
1. Intangible assets	1 037	1 150	2 023	2 326
- of which goodwill				
2. Tangible fixed assets	155 865	156 883	166 599	166 463
3. Long-term receivables	60 813	60 817	2 116	2 919
3.1. From subsidiary and associated companies	50 735	50 735		75
3.2. From other companies	10 078	10 082	2 116	2 844
4. Long-term investments	128 351	130 570	182 988	182 877
4.1. Real estate	36 658	36 658	20 644	20 533
4.2. Intangible assets				
4.3. Long-term financial assets	91 493	93 712	150 783	150 783
a) in subsidiary and associated companies	89 789	92 008	144 593	144 593
- of which shares in companies valued under the equity method	32	32		
b) in other companies	1 704	1 704	6 190	6 190
4.4. Other long-term investments	200	200	11 561	11 561
5. Long-term deferred expenses	0	0	0	0
5.1. Deferred income tax				
5.2. Other deferred expenses				
II. Current assets	145 393	269 594	249 204	248 444
1. Inventories	31 982	50 939	21 282	13 712
2. Current receivables	90 467	190 474	210 278	219 826
2.1. From subsidiary and associated companies	9 115	38 107	90 074	95 970
2.2. From other companies	81 352	152 367	120 204	123 856
3. Short-term investments	21 486	26 653	16 786	12 435
3.1. Short-term financial assets	21 486	26 653	16 786	12 435
a) in subsidiary and associated companies			60	60
b) in other companies	11 611	13 550	524	481
c) cash and cash equivalents	9 875	13 103	16 202	11 894
3.2. Other short-term investments				
4. Short-term deferred expenses	1 458	1 528	858	2 471
Total Assets	491 459	619 014	602 930	603 029
Shareholders' Equity and Liabilities				
I. Shareholders' Equity	-27 225	-39 121	-75 653	-90 208
1. Share capital	215 524	215 524	215 524	215 524
2. Not paid-up share capital (negative value)				
3. Own shares in treasury (negative value)				
4. Reserve capital	42 312	42 312	2 632	2 632
5. Revaluation capital	8 488	8 488	8 490	8 490
6. Other reserve capitals	90 962	87 242	74 099	74 099
8. Prior years' profit (loss)	-404 142	-404 142	-404 142	-404 142
9. Net profit (loss)	19 631	11 455	27 744	13 189
10. Net profit write-downs during the financial year (negative value)				
II. Liabilities and reserves for liabilities	518 684	658 135	678 583	693 237
1. Reserves for liabilities	24 364	28 309	87 399	87 892
1.1. Reserve for deferred income tax	833	758	5 115	5 029
1.2. Provisions for pension and similar benefits	2 534	2 737	2 807	3 016
a) long-term provisions	1 788	1 788	2 807	3 016
b) short-term provisions	746	949		
1.3. Other provisions	20 997	24 814	79 477	79 847
a) long-term provisions	10 282	14 003	79 477	79 847
b) short-term provisions	10 715	10 811		
2. Long-term liabilities	250 434	197 793	259 493	250 213
2.1. To subsidiary and associated companies	5 385	5 833	8 974	8 974
2.2. To other companies	245 049	191 960	250 519	241 239
3. Current liabilities	140 957	289 394	201 968	223 961

3.1. To subsidiary and associated companies	62 848	21 266	61 128	58 761
3.2. To other companies	77 867	267 765	140 210	164 478
3.3. Special funds	242	363	630	722
4. Accrued expenses and deferred income	102 929	142 639	129 723	131 171
4.1. Negative goodwill				
4.2. Other accrued expenses and deferred income	102 929	142 639	129 723	131 171
a) long-term accruals	65 139	118 360	129 723	130 223
b) short-term accruals	37 790	24 279		948
Total Shareholders' Equity and Liabilities	491 459	619 014	602 930	603 029

Book value	-27225	-39121	-75653	-90208
Number of shares	107762023	107762023	107762023	107762023
Book value per share (in zlotys) - basic	-0,25	-0,36	-0,70	-0,84
Diluted number of shares				
Book value per share (in zlotys) - diluted				

Off-balance sheet liabilities

	30.09.2004	30.06.2004	30.09.2003	30.06.2003
1. Contingent receivables	0	0	0	0
1.1. From subsidiary and associated companies (due to)	0	0	0	0
- guarantees received				
1.2. From other companies (due to)	0	0	0	0
- guarantees received				
2. Contingent liabilities	299 109	307 676	360 555	352 953
2.1. In favour of subsidiary and associated companies (due to)	0	0	2 093	2 038
- guarantees extended			1 371	1 316
- bills of exchange			722	722
- other				
2.2. In favour of other companies (due to)	299 109	307 676	358 462	350 915
- guarantees extended	299 109	306 070	349 643	342 096
- letters of credit		1 606	8 819	8 819
- other				
3. Other (due to)	0	0	15 150	15 150
- customs guarantees			15 150	15 150
- other				
Total off-balance-sheet liabilities	299 109	307 676	375 705	368 103

PROFIT AND LOSS ACCOUNT

	III quarter 2004 01.07.2004 30.09.2004	3 quarters 2004 01.01.2004 30.09.2004	III quarter 2003 01.07.2003 30.09.2003	3 quarters 2003 01.01.2003 30.09.2003
I. Net sales revenues	146 132	585 048	201 372	621 165
- of which sales to subsidiary and associated companies	13 888	100 209	38 151	119 745
1. Net sales of products	15 106	69 544	24 901	66 730
2. Net sales of merchandise and raw materials	131 026	515 504	176 471	554 435
II. Cost of products, merchandise and raw materials sold	136 118	544 880	162 432	518 259
- of which sold to subsidiary and associated companies	6 491	43 245	25 987	101 418
1. Cost of products sold	13 536	65 551		
2. Cost of merchandise and raw materials sold	122 582	479 329	162 432	518 259
III. Gross profit (loss) on sales (I-II)	10 014	40 168	38 940	102 906
IV. Distribution expenses	2 463	9 592	27 799	73 784
V. General administrative expenses	5 613	15 259	4 668	14 904
VI. Profit (loss) on sales (III-IV-V)	1 938	15 317	6 473	14 218
VII. Other operating income	9 033	93 928	6 842	69 876
1. Gain on disposal of non-financial fixed assets				
2. Subsidies				
3. Other operating income	9 033	93 928	6 842	69 876
VIII. Other operating expenses	5 593	10 958	848	38 186
1. Loss on disposal of non-financial fixed assets	12	1 898	-16	6 862
2. Revaluation of non-financial fixed assets	2 470	4 584	673	25 953
3. Other operating costs	3 111	4 476	191	5 371
IX. Operating profit (loss) (VI+VII-VIII)	5 378	98 287	12 467	45 908
X. Financial income	19 047	185 473	9 142	41 427
1. Equity income – dividends	424	1 637	897	1 832
- of which from subsidiary and associated companies	419	1 632	897	1 832
2. Interest receivable	3 772	8 221	3 919	10 657
- of which from subsidiary and associated companies	374	711	3 099	8 107
3. Gain on disposal of investments				
4. Revaluation of investments	15 207	173 353	1 741	9 045
5. Other financial income	-356	2 262	2 585	19 893
XI. Financial expenses	16 173	264 045	6 967	60 184
1. Interest payable	7 347	22 767	4 396	16 181
- of which to subsidiary and associated companies	195	977	568	2 056
2. Loss on disposal of investments	7 912	163 365	664	7 161
3. Revaluation of investments		15	-43	29 672
4. Other financial expenses	914	77 898	1 950	7 170
XII. Profit (loss) on ordinary activities (IX+X-XI)	8 252	19 715	14 642	27 151
XIII. Result of extraordinary items (XIII.1. - XIII.2.)	0	0	0	0
1. Extraordinary gains				
2. Extraordinary losses				
XIV. Gross profit (loss) (XII+XIII)	8 252	19 715	14 642	27 151
XV. Corporate income tax	76	84	87	-593
a) current portion				
b) deferred portion	76	84	87	-593
XVI. Other obligatory profit decreases (loss increases)				
XVII. Share in net profits (losses) of companies valued under the equity method				
XIX. Net profit (loss) (XIV-XV-XVI+XVII)	8 176	19 631	14 555	27 744
Net profit (loss) (on annual basis)	31 565		-165 715	
Weighted average number of ordinary shares	107 762 023		107 762 023	
Earning (loss) per ordinary share (in zlotys) - basic	0,29		-1,54	
Diluted weighted average number of ordinary shares				
Earning (loss) per ordinary share (in zlotys) - diluted				

Cash flow statement

	III quarter 2004 01.07.2004 30.09.2004	3 quarters 2004 01.01.2004 30.09.2004	III quarter 2003 01.07.2003 30.09.2003	3 quarters 2003 01.01.2003 30.09.2003
A. Cash flows from operating activities - indirect method				
I. Net profit (loss)	8 176	19 631	14 555	27 744
II. Total adjustments	-7 348	-22 722	-6 243	10 684
1. Share in net (profits) losses of companies valued under the equity method				
2. Depreciation and amortisation	1 075	5 887	2 371	7 249
3. (Gain) loss on foreign exchange differences				
4. Interest and dividends	2 343	9 616	1 335	6 427
5. (Gain) loss on investing activities	7 924	164 891	653	18 232
6. Change in provisions	76	84	87	-593
7. Change in inventories	18 943	-803	-7 570	-9 274
8. Change in receivables	100 012	36 276	10 350	14 045
9. Change in current liabilities (excluding loans and bank credits)	-83 537	18 988	-11 271	5 495
10. Change in deferred and accrued expenses	-43 660	-92 616	-414	-119 427
11. Other adjustments	-10 524	-165 045	-1 784	88 530
III. Net cash flows from operating activities (I+II)	828	-3 091	8 312	38 428
B. Cash flows from investing activities				
I. Cash provided by investing activities	11 037	37 353	2 684	20 265
1. Disposal of intangible assets and tangible fixed assets	110	2 516	15	5 151
2. Disposal of investments in real-estate and intangible assets				
3. From financial assets, of which:	10 927	34 837	2 669	15 114
a) in subsidiary and associated companies	8 969	11 194	2 669	14 099
- disposal of securities	8 550	9 050	475	9 435
- dividends and shares in profits	419	1 632	897	1 832
- long-term loans collected		512	600	600
- interest received			697	2 232
- other income from financial assets				
b) in other companies	1 958	23 643	0	1 015
- disposal of securities		5 500		1 015
- dividends and shares in profits	5	5		
- long-term loans collected	1 938	16 938		
- interest received				
- other income from financial assets	15	1 200		
4. Other investing income				
II. Cash used in investing activities	67	423	2 317	24 726
1. Purchases of intangible assets and tangible fixed assets	67	256	2 206	2 500
2. Purchases of investments in real-estate and intangible assets			111	20 644
3. For financial assets, of which:	0	167	0	1 582
a) in subsidiary and associated companies	0	152	0	1 582
- acquisition of securities		152		1 522
- long-term loans granted				60
b) in other companies		15	0	0
- acquisition of securities		15		
- long-term loans granted				
4. Other investing expenses				
III. Net cash flows from investing activities (I-II)	10 970	36 930	367	-4 461
C. Cash flows from financing activities				
I. Cash provided by financing activities	0	6 634	0	0
1. Issuance of shares and other capital securities and additional paid-in capital				
2. Bank credits and loans contracted		6 634		
3. Issuance of debt securities				
4. Other financial income				
II. Cash used in financing activities	15 026	42 674	4 371	31 268
1. Acquisition of own shares				
2. Dividends and other payments to shareholders				
3. Profit distribution expenses other than payments to shareholders				
4. Payments of bank credits and loans	12 259	31 421	1 443	19 777
5. Redemption of debt securities				1 000
6. Payments of other financial liabilities				
7. Finance lease commitments paid				
8. Interest paid	2 767	11 253	2 928	10 491
9. Other financial expenses				
III. Net cash flows from financing activities (I-II)	-15 026	-36 040	-4 371	-31 268
D. Total net cash flows (A.III+/-B.III+/-C.III)	-3 228	-2 201	4 308	2 699
E. Change in balance-sheet cash and cash equivalents	-3 228	-2 201	4 308	2 699
- of which change in cash and cash equivalents due to foreign exchange differences	37	11		
F. Cash and cash equivalents - beginning of period	13 103	12 076	11 894	13 503
G. Cash and cash equivalents - end of period (F+/-D)	9 875	9 875	16 202	16 202
- of which those with restricted availability				

Changes in shareholders' equity

	III quarter 2004 01.07.2004 30.09.2004	3 quarters 2004 01.01.2004 30.09.2004	III quarter 2003 01.07.2003 30.09.2003	3 quarters 2003 01.01.2003 30.09.2003
I. Shareholders' Equity at the beginning of period (opening balance)	-39 121	-56 725	-90 208	-367 352
a) changes in accepted accounting principles (policies)				
b) corrections of material faults				
I. Shareholders' Equity at the beginning of period (opening balance), after restatement to comparative data	-39 121	-56 725	-90 208	-367 352
1. Share capital at the beginning of period	215 524	215 524	215 524	25 668
1.1. Changes in share capital	0	0	0	189 856
a) additions, of which:	0	0	0	189 856
- issuance of shares				189 856
b) reductions, of which:	0	0	0	0
- retirement of shares				
1.2. Share capital at the end of period	215 524	215 524	215 524	215 524
2. Not paid-up share capital at the beginning of period				
2.1. Changes in not paid-up share capital	0	0	0	0
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	0	0	0
2.2. Not paid-up share capital at the end of period	0	0	0	0
3. Own shares in treasury at the beginning of period				
3.1. Changes in own shares in treasury	0	0	0	0
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	0	0	0
3.2. Own shares in treasury at the end of period	0	0	0	0
4. Reserve capital at the beginning of period	42 312	2 634	2 632	
4.1. Changes in reserve capital	0	39 678	0	2 632
a) additions, of which:		39 678		2 632
- additional paid-in capital from issuance of shares				
- distribution of profit (by law)		39 678		
- distribution of profit (in excess of value required by law)				
-				
- sale of fixed assets				2 632
- other				
b) reductions, of which:	0	0	0	0
- coverage of loss				
correction of closing balance sheets of 2002 after examination				
4.2. Reserve capital at the end of period	42 312	42 312	2 632	2 632
5. Revaluation capital at the beginning of period	8 488	8 488	8 490	11 122
5.1. Changes in revaluation capital	0	0	0	-2 632
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	0	0	2 632
- sale or disposal of tangible fixed assets				2 632

5.2. Revaluation capital at the end of period	8 488	8 488	8 490	8 490
6. Other reserve capital at the beginning of period	87 242	81 093	74 099	
6.1. Changes in other reserve capital	3 720	9 869	0	74 099
a) additions, of which:	3 720	9 869	0	74 099
partly execution of the arrangement liabilities - conversion				74 099
partly execution of the arrangement liabilities -instalments payment	3 720	9 869		
settlement of the conversion by the unearned revenues				
b) reductions, of which:	0	0	0	0
transition to reserve capital				
loss coverage				
6.2. Other reserve capital at the end of period	90 962	90 962	74 099	74 099
7. Prior years' profit (loss) at the beginning of period	-392 687	-364 464	-390 953	-404 142
7.1. Prior years' profit at the beginning of period	11 455	39 678		
a) changes in accepted accounting principles (policies)				
b) corrections of material faults				
7.5. Prior years' profit at the beginning of period, after restatement to comparative data	11 455	39 678	0	0
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	39 678	0	0
transition to reserve capital		39 678		
7.3. Prior years' profit at the end of period	11 455	0	0	0
7.4. Prior years' loss at the beginning of period	404 142	404 142	390 953	404 142
a) changes in accepted accounting principles (policies)				
b) corrections of material faults				
7.5. Prior years' loss at the beginning of period, after restatement to comparative data	404 142	404 142	390 953	404 142
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	0	0	0
7.6. Prior years' loss at the end of period	404 142	404 142	390 953	404 142
7.7. Prior years' profit (loss) at the end of period	-392 687	-404 142	-390 953	-404 142
8. Net profit (loss)	8 176	19 631	14 555	27 744
a) net profit	8 176	19 631	14 555	27 744
b) net loss				
c) charges on the profit				
II. Shareholders' Equity at the end of period (closing balance)	-27 225	-27 225	-75 653	-75 653
III. Shareholders' Equity adjusted by the proposed distribution of profit (coverage of loss)				

Comments to the Report for 3rd Quarter of 2004.

The Quarterly Report contains information specified under § 61 Section 3 and 4 Order of the Council of Ministers dated 16th October, 2001, - Official Laws Gazette No. 139, Item 1569 and from 2002 No. 31, Item 280.

I. Assumed accounting principles, including methods of assets and liabilities assessment, measurement of financial result and preparation of Financial Statement

Data given in the Quarterly Report as on 30th September, 2004, are established on the ground of the journal principle of commensurability of income and costs. Evaluation of assets and liabilities and establishment of financial result was prepared according to principles binding in the Accountancy Act of 29th September, 1994, (Official Laws Gazette No. 121, Item 591) with successive amendments.

The data shown were presented in the Preliminary Annual Report F-01/I-01 as on 30th September, 2004.

II. Average EURO rates of exchange during the period covered by the Financial Statement established by the National Polish Bank

Items of Balance Sheet Assets and Liabilities have been converted into EURO according to the National Polish Bank average rate of exchange that amounted to 4.3822 binding on the balance sheet date.

Specific items in the Profit and Loss Account pertaining to 3 quarters of this year have been converted into EURO according to the rate 4.6214, being the arithmetic mean of average exchange rates published by the National Polish Bank, binding on the last day of January, February, March, April, May, June, July, August, September of this year:

Average EURO exchange rates used in the conversion:

31.01.2004	-	4,7614
29.02.2004	-	4,8746
31.03.2004	-	4,7455
30.04.2004	-	4,8122
31.05.2004	-	4,6509
30.06.2004	-	4,5422
31.07.2004	-	4,3759
31.08.2004	-	4,4465
30.09.2004	-	4,3832
<hr/>		
Total :		41,5924 : 9 = 4,6214

Cautious evaluation was carried out of foreign trade liabilities and receivables, which showed a debit and amounted to 1,400 thousand zlotys. This balance had an impact on the financial result of 3rd quarter of 2004.

III. Comparability of data

Data given in the Financial Statement SA-Q for the third quarter 2004 is comparable. One should point out that in the fourth quarter of last year the Company changed its presentation of data in the Profit and Loss Account under Item II.1 "Cost of manufacturing sold products" and under Item IV "Cost of Sale". The effects of this change for the foregoing presentation refer to the results after three quarters of 2003 and amount to 64,092 thousand zlotys *in plus* for item II.1 and 64,092 thousand zlotys *in minus* for item IV of the Profit and Loss Account and results of 3rd quarter 2003 24,174 thousand zlotys *in plus* for item II.1 and 21,174 thousand zlotys *in minus* for item IV of the Profit and Loss Account.

Financial results of Stalexport SA

For 3rd quarter of this year Stalexport S.A. noted a gross profit of 8,252 thousand zlotys, which comprised:

- profit on the sale of goods and services	1,938 thousand zlotys
- result on remaining operating activity	3,440 thousand zlotys
- result on financial activity	2,874 thousand zlotys
Gross profit for 3 rd quarter 2004	8,252 thousand zlotys
Obligatory burdening of financial result	76 thousand zlotys
Net profit for 3 rd quarter 2004	8,176 thousand zlotys

Established and dissolved revaluating allocations and reserves had a considerable impact on the financial result in the 3rd quarter.

In the 3rd quarter of this year the Company increased its financial result with the sum of 7,308 thousand zlotys on account of dissolving:

- revaluating allocation for outstanding amounts for deliveries of goods, which pertained to the following companies	5,056 thousand zlotys
Import Office EAST	3,017 thousand zlotys
Stalexport Zaptor	1,930 thousand zlotys
- Revaluating allocation for conditional receivables	559 thousand zlotys
- Reserves for conditional liabilities (Szczecin steel works, Stalexport Wielkopolska)	1,693 thousand zlotys

Dissolved revaluating allocation and reserves increased the other operating income by the amount of 7,308 thousand zlotys.

The Company Stalexport S.A. in 3rd quarter reduced its financial result by the sum of 3,301 thousand on account of establishing:

- revaluating allocation for interest arrears	832 thousand zlotys
- revaluating allocation for outstanding amounts for deliveries of goods	1,519 thousand zlotys
- revaluating allocation for not paid shares of Złomhut	950 thousand zlotys

The established revaluating allocations and reserves increased the remaining operating costs by the sum of 2,469 thousand zlotys and financial costs by the sum of 832 thousand zlotys.

Difference in income tax for the current year and previous years

Taxable income given in the CIT-2 statement for 9 months as specified below:

	Thousands zlotys
Basis of taxation	-163,703
Gross profit	19,715
Difference	-183,418

This including:

- permanent differences - balance	68,247
- temporary differences – balance	-251,665

Temporary differences concerning the report period

	Basis	Tax
Surplus – accounting tax	1,726	328
Balance of temporary differences	1,726	328

The Company is not establishing any activated tax during the current balance sheet year due to continuing tax loss.

IV. List of Shareholders having more than 5% of the total number of votes at the General Meeting of Shareholders on 28th October, 2004.

Shareholders having more than 5% of the total number of votes authorizing them to participate in the General Meeting of Shareholders of Stalexport S.A. are as follows:

	No of shares	Percent
Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej	18 022 835	16.72%
Powszechna Kasa Oszczędności Bank Polski S.A.	7 654 779	7.10%
Bank Zachodni WBK S.A.	5 900 325	5.47%

V. List of shares held by the group of persons managing and supervising the Company as on 28.10.2004.

Managing persons – 82,430 shares,
Supervising persons – 4,075 shares.

VI. Specification of judicial proceedings pending in court as on 30th September, 2004.

Legal proceedings of considerable value pending before the court :

Item	Case No.	File	Amount zlotys	Adverse Party	Legal Status
1.	93/00		4,137,134.88	Bike-sport Spółka z o.o. Gliwice Defendant	Adjudging judgement of 19th July, 2001. Enforcement in course
2.	60/03		1,366,061.00	SEBA Spółka z o.o. Defendant	Payment order of 10th December, 2003, Without enforcement clause
	73/03		1,366,061.00		Payment order of 27 th January, 2003, with enforcement clause
	5/04		1,366,061.00		Payment order of 31 st March, 2004, without clause
3.	8/03		125,494.58	Centrostal Profil Spółka z o.o. Kraków Defendant	Judgement of 24th March, 2003. Liquidation of Company Debt presented to liquidation estate Part payment
4.	30/03		11,995,000.00	Centrozap S.A. Katowice Defendant	Payment Order of 13 th June, 2003. Enforcement proceedings suspended by virtue of Decision of the District Court in Katowice dated 23 rd March, 2004 in connection with the motion for declaring bankruptcy and the possibility of concluding an arrangement
5.	25/03		134,461.36	Partnerzy Spółka z o.o. and Chemko Partnerzy Spółka z o.o. Defendant	Adjudging Judgement of 17th May, 2004, Enforcement clause of 9 th July, 2004.
6.	1/04		3,535,943.28	Katowicki Holding Węglowy S.A. Katowice Defendant	Proceedings in course Presented together with Stalexport Autostrada Małopolska S.A.
7.	25/04		2,006,500.00	Mimex Firma Usługowo-Produkcyjna Mielec Defendant	Payment Order of 11th October, 2004. without enforcement clause

Stalexport S.A. has been sued by Inkasso Reform for the sum of 1,110,836.80 PLN. The Plaintiff is claiming damages from Stalexport in connection with actions taken by the court enforcement officer acting on motion of Stalexport S.A. Proceedings in course.

VII. Description of other factors and events influencing the achieved financial results

Basic activity

1. Income from sales for 3rd quarter 2004 amounted to 146,1 m zlotys and was by 55,2 m zlotys lower than the results for 3rd quarter 2003. The main factors that influenced the sale income decrease in the discussed period were:
 - the transfer of the concession for the toll motorway section from Stalexport SA to Stalexport Autostrada Małopolska S.A. – caused the income decrease by 14 m zlotys,
 - the ISPAT has changed its supply policy which resulted in considerable restrictions of iron ore supplies for Katowice and Sendzimir steelworks by Stalexport SA. It resulted in decrease in sales by virtue of imports by 17 m zlotys,
 - decrease in prosperity for steel products and limited working capital which influenced the domestic turnover reduction by 23 m zlotys on the average
2. A slight change as compared to the year 2003 took place in the sale directions. Still the home market is the principal market, the share of which in sale amounted to 63%. While the share of exports in total sales increased up to 37 %. The chief export markets are countries of North and South America and the European Union.
3. The worked out gross profit on sales, taking into account the sales costs, in 3rd quarter 2004 decreased by the sum of 3,6 m zlotys. The decrease in gross margin was caused mainly by the rise in zloty value which was reflected in decrease in exports margin. Simultaneous reduction of import sales, because of the reduced supplies of iron ore, did not allow to compensate the decrease in export margin by virtue of strong zloty.
Additionally the decrease in margin volume resulted from the lack of the external financing sources, and the limited working capital did not allow to fully achieve by the Company the higher possible turnover. Also in 3rd qtr of this year we noted the increase in general costs, because of setting working five new warehouses in Wielkopolska and one in Rzeszów in August. Starting new warehouses was connected with additional costs, and the positive effects are expected in next quarters.

Sale of Przedsiębiorstwo Przerobu i Obrotu Żłomem „Żłomhut” S. z o.o.

On 21st July, 2004, an a Share Sale Agreement was concluded between Stalexport S.A. and the Company Celsa Huta Ostrowiec Sp. zo.o.

The Agreement concerned the sale of 17,426 shares of the company Przedsiębiorstwo Przerobu i Obrotu Żłomem “Żłomhut” Spółka z o.o. The total selling price of shares amounted to 9,500 thousand PLN with the balance sheet value of 2,219 thousand zlotys.

This transaction will increase the financial result by the sum of 6,331 thousand zlotys.

VIII. Events after balance sheet date.

The Management Board of Stalexport SA on 22.10.2004 passed a resolution to start the works aimed at the merger the company Stalexport S.A. with the subsidiary Stalexport Centrostal Warszawa S.A.

