

STALEXPORT SA

SA- QSr 1st quarter 2007



consolidated quarterly report for the 1st quarter 2007

- 1. consolidated results*
- 2. individual results*
- 3. commentary to the report*

Katowice, 15.05.2007

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-QSr 1/2007

According to the Decree of the Minister of Finance dated 19th October 2005. - Journal of Law No 209, item 1744

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

for the 1st quarter of the current turnover year covering the period from 01.01.2007 to 31.03.2007
and for the 1st quarter of the previous turnover year covering the period from 01.01.2006 to 31.03.2006

15.05.2007
(date of publishing)

STALEXPORT Joint Stock Company		
(full name of the issuer)		
STALEXPORT S.A.		metal sector 17
(abridged name of the issuer)		(sector acc. To Securities Stock Exchange in Warsaw)
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(street)		(number)
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(NIP - Tax Identification No.)	REGON - Statistical No.)	(WWW)

Audytora: BDO Polska Sp. z o.o.

SELECTED FINANCIAL DATA	in thousand zloty		w thousand EUR	
	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
I. Net income from sale of products, goods and merchandise	179 972	167 249	46 072	42 815
II. Operating profit (loss)	15 654	15 027	4 007	3 847
III. Gross profit (loss)	13 936	18 112	3 568	4 637
IV. Net profit (loss)	12 757	22 332	3 266	5 717
V. Net cash flow from operating activity	(9 589)	(29 729)	(2 455)	(7 611)
VI. Net cash flow from investment activity	(4 398)	57 441	(1 126)	14 705
VII. Net cash flow financial activity	203 932	(11 498)	52 206	(2 943)
VIII. Total net cash flow	189 945	16 214	49 088	4 190
IX. Total assets	1 068 514	789 445	276 137	204 017
X. Liabilities and reserves for liabilities	863 861	733 436	223 249	189 543
XI. Long-term liabilities	455 803	611 145	117 794	157 939
XII. Short-term liabilities	408 058	122 291	105 455	31 604
XIII. Equity capital	204 653	56 009	52 889	14 474
XIV. Share capital	315 524	215 524	81 541	55 698
XV. Number of shares	157 762 023	107 762 023	157 762 023	107 762 023
XVI. Profit (loss) per ordinary share (in zloty /EUR)	0,08	0,21	0,02	0,05
XVII. Diluted profit (loss) per ordinary share (in zloty /EUR)	-	-	-	-
XVIII. Book value per share (in zloty/EUR)	1,30	0,52	0,33	0,13
XIX. Diluted book value per share (in zloty /EUR)	-	-	-	-

Consolidated balance sheet

	31.03.2007	31.12.2006	31.03.2006
ASSETS			
I. Long-term assets	576 511	591 365	542 076
1. Tangible fixed assets	335 466	334 228	300 272
2. Intangible assets, including:	373	3 315	392
3. Goodwill	-	-	-
4. Long-term receivables	-	-	472
5. Long-term investments	25 438	26 767	15 776
5.1. Real estates	10 000	10 000	10 000
5.2. Intangible assets	-	-	-
5.3. Long-term financial assets	5 438	6 767	5 776
a) in related companies	3 491	4 820	3 526
- of which shares in subordinated companies valued under the ownership rights method	3 044	3 066	3 395
- shares in subsidiary and correlated entities not covered by consolidation	447	1 754	131
b) in other entities	1 947	1 947	2 250
5.4. Other long-term investments	10 000	10 000	-
6. Assets available for sale	-	-	2 199
7. Deferred income tax assets	9 338	8 342	6 314
8. Other long-term deferred expenses	205 896	218 713	216 651
II. Current assets	492 003	268 440	247 369
1. Inventories	106 571	69 531	75 521
2. Current receivables	93 061	108 640	116 917
3. Short-term investments	4 930	4 561	547
4. Cash and cash equivalents	273 981	84 036	42 428
4. Short-term deferred expenses	13 460	1 672	11 956
Total Assets	1 068 514	859 805	789 445

	31.03.2007	31.12.2006	31.03.2006
LIABILITIES			
I. Equity capital	204 653	190 389	56 009
I.1 Equity capital falling to the shareholders of the Company	198 174	184 653	51 710
1. Stock capital	315 524	315 524	215 524
2. Not paid-up stock capital (negative value)	-	-	-
3. Own shares in treasury (negative value)	(70)	(71)	(72)
4. Reserve capital	151 801	154 236	101 678
5. Revaluation capital	19 225	19 520	16 390
6. Other reserve capitals	490	490	51 017
7. Differences in rates from re-counting of the subordinated entities	(1)	(597)	-
a) positive differences in rates	-	-	-
b) negative differences in rates	1	597	-
8. Prior years' profit (loss)	(301 552)	(352 506)	(355 159)
9. Net profit (loss) falling to the shareholders of the company	12 757	48 057	22 332
10. Net profit write-downs during the financial year (negative value)	-	-	-
I.2. Minority capitals	6 479	5 736	4 299
II. Long-term liabilities	455 803	538 283	611 145
1. Credits and loans	18 747	50 968	71 100
2. Liabilities by virtue of financial leasing	4 227	4 690	5 895
3. Liabilities by virtue of trade account payable	-	-	-
4. Other liabilities	281 455	327 506	500 990
5. Reserve by virtue of the deferred income tax	4 454	2 624	1 863
6. Reserves for other liabilities	15 306	14 030	13 395
7. Long-term interperiod settlements	131 614	138 465	17 902
IV. Short-term liabilities	408 058	131 133	122 291
1. Credits and loans	57 076	19 796	5 286
2. Liabilities by virtue of financial leasing	53	-	-
3. Liabilities by virtue of trade account payable	75 204	84 041	89 805
4. Other liabilities	250 519	21 047	18 078
5. Reserves for liabilities	1 769	1 792	5 085
6. Short-term interperiod settlements	23 437	4 457	4 037
Total liabilities	1 068 514	859 805	789 445

Book value	204 653	190 389	56 009
Number of shares	157 762 023	157 762 023	107 762 023
Book value per share (in zlotys)	1,30	1,21	0,52
Diluted number of shares			
Book value per share (in zlotys) - diluted			

Consolidated profit and loss account		
	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
I. Net incomes from sale of products, goods and merchandise	179 972	167 249
1. Net sales of products	42 927	39 443
2. Net sales of goods and merchandise	137 045	127 806
II. Cost of products, goods and merchandise sold	142 268	131 202
1. Manufacturing cost of products sold	16 484	16 276
2. Value of merchandise and goods sold	125 784	114 926
III. Gross profit (loss) on sales (I-II)	37 704	36 047
IV. Other incomes	3 617	7 694
V. Sales costs	4 170	5 312
VI. Costs of general management	18 315	17 851
VII. Other costs	3 160	5 495
VIII. Share in profits (losses) in subordinated entities evaluated by property right method	(22)	(56)
IX. Profit (loss) on operating acitivity (III+IV-V-VI-VII+/- VIII)	15 654	15 027
IX. Financial incomes	3 654	8 199
1. Dividends and shares in profits	-	-
2. Interests	863	1 110
3. Profit from investment sale	88	6 712
4. Updating the investment value	-	-
5. Other	2 703	377
X. Financial costs	5 372	5 114
1. Interests	2 967	4 461
2. Loss from investment sale	-	-
3. Updating the investment value	-	-
4. Other	2 405	653
XII. Profit (loss) on sales of total or part of shares in subordinated entites	-	-
XIII. Gross profit (loss) (IX + X - XI +/- XII)	13 936	18 112
XIV. Income tax	436	(4 471)
a) current part	660	(3 842)
b) deferred part	(224)	(629)
XV. Net profit (loss) (XIII-XIV +/- XVI), including:	13 500	22 583
XVI.Profits (losses) of minority	(743)	(251)
XVII. Profit (loss) falling to the shareholders of the company (XIV+/- XVI)	12 757	22 332
Net profit (loss)	12 757	22 332
Weighted average number of ordinary shares	157 762 023	107 762 023
Earning (loss) per ordinary share (in zlotys)	0,08	0,21
Diluted weighted average number of ordinary shares		
Profit (loss) per ordinary share (in zlotys) - diluted		

Changes in consolidated equity

	31.03.2007	31.12.2006	31.03.2006
I. Equity capital at the beginning of period (opening balance)	190 389	33 405	29 818
a) changes in accepted accounting principles (policy)			
b) corrections of material faults			
I. Equity capital at the beginning of period (opening balance), after restatement to comparative data	190 389	33 405	29 818
1. Stock capital at the beginning of period	315 524	215 524	215 524
1.1. Changes in stock capital	-	100 000	-
a) additions, of which:	-	100 000	-
- issuance of shares	-	100 000	-
- increase in basic capital			
b) reductions, of which:	-	-	-
- cancellation of shares			
- decrease in basic capital			
1.2. Stock capital at the end of period	315 524	315 524	215 524
2. Not paid-up share capital at the beginning of period	-	-	-
2.1. Changes in not paid-up stock capital	-	-	-
a) additions, of which:	-	-	-
b) reductions, of which:	-	-	-
2.2. Not paid-up stock capital at the end of period	-	-	-
3. Own shares in treasury at the beginning of period	(71)	(73)	(73)
3.1. Changes in own shares in treasury	1	2	1
a) additions, of which:	-	-	-
- issue for minority shareholders			
b) reductions, of which:	(1)	(2)	(1)
- issue for minority shareholders	(1)	(2)	(1)
3.2. Own shares in treasury at the end of period	(70)	(71)	(72)
4. Reserve capital at the beginning of period	154 236	101 675	101 676
4.1. Changes in reserve capital	(2 435)	52 561	2
a) additions, of which:	50	53 059	2
- shares issue above nominal value	-	5 886	-
- distribution of profit	-	47 107	-
- distribution of profit	-	-	-
- consolidation adjustments	-	58	-
- other	21	-	-
- sale, disposal of fixed assets	29	8	2
b) reductions, of which:	2 485	498	-
- loss coverage	-	9	-
- costs of the issue of shares	554	-	-
- consolidation adjustment, including those connected with the excluding of the subsidiaries from the consolidation	1 931	489	-
4.2. Reserve capital at the end of period	151 801	154 236	101 678
5. Revaluation capital at the beginning of period	19 520	16 393	16 432
5.1. Changes in revaluation capital	(295)	3 127	(42)
a) additions, of which:	-	4 752	-
- re-evaluation of fixed assets	-	4 752	-
b) reductions, of which:	295	1 625	42
- disposal of fixed assets	29	8	2
- consolidation adjustments	266	1 617	40
5.2. Revaluation capital at the end of period	19 225	19 520	16 390

	31.03.2007	31.12.2006	31.03.2006
6. Other reserve capital at the beginning of period	490	51 017	51 017
6.1. Changes in other reserve capital	-	(50 527)	-
a) additions, of which:	-	892	-
- profit distribution	-	892	-
b) reductions, of which:	-	51 419	-
- re-booking for inventory capital	-	-	-
- loss coverage	-	51 017	-
- other	-	-	-
consolidation adjustments	-	402	-
6.2. Other reserve capitals at the end of the period	490	490	51 017
7. Rates differences from re-calculation of subordinated entities	(1)	(597)	-
8. Prior years' profit (loss) at the beginning of period	(352 506)	(252 791)	(252 886)
8.1. Prior years' profit at the beginning of period	685	2 652	2 651
a) changes in accepted accounting principles (policy)	-	-	-
b) corrections of material faults	-	-	-
8.2 Prior years' profit at the beginning of period, after restatement to comparative data	685	2 652	2 651
a) additions, of which:	51 892	50 041	48 686
- prior years' profit distribution	50 887	47 450	48 686
- other	253	-	-
consolidation adjustments	752	2 591	-
b) reductions, of which:	1 239	52 008	653
- transition to reserve capital	-	47 107	-
- loss coverage	-	425	-
- dividend payment	774	2 877	-
- other	-	892	-
- consolidation adjustments	465	707	653
8.3 Prior years' profit at the end of period	51 338	685	50 684
8.4 Prior years' loss at the beginning of period	353 191	255 443	255 537
a) changes in accepted accounting principles (policies)	-	-	-
b) corrections of material faults	-	-	-
8.5 Prior years' loss at the beginning of the period after restatement to comparative data	353 191	255 443	255 537
a) additions, of which:	14 563	164 014	150 417
transition of prior years' loss to be covered	202	146 329	145 781
- other	-	-	556
- consolidation adjustments	14 361	17 685	4 080
b) reductions, of which:	14 864	66 266	111
- loss coverage by profit	123	51 442	111
- consolidation adjustments	14 741	14 824	-
8.6. Prior years' loss at the end of period	352 890	353 191	405 843
8.7. Prior years' profit (loss) at the end of period	(301 552)	(352 506)	(355 159)
9. Net profit (loss) falling to the shareholders of the company	12 757	48 057	22 332
a) net profit falling to the shareholders of the company	12 757	48 057	22 332
b) net loss falling to the shareholders of the company	-	-	-
c) charges on the profit	-	-	-
10.1. Minority capital at the beginning of period	5 736	4 048	4 049
a) increases	744	4 606	261
b) decreases	1	2 918	11
10.2 Minority capital at the end of period	6 479	5 736	4 299
II. Equity capital at the end of period (closing balance)	204 653	190 389	56 009
III. Equity capital after considering the proposed distribution of profit (loss coverage)	204 653	190 389	56 009

Consolidated cash flow account (indirect method)

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
A. Cash flows from operating activities - indirect method		
I. Net profit (loss) falling to the shareholders of the Company	12 757	22 332
II. Total adjustments	(22 346)	(52 061)
1. Profits (losses) of minority	743	251
2. Share in net (profits) losses of subordinated companies valued under the equity method	22	56
3. Depreciation of which	5 157	4 906
4. (Profits) losses on foreign exchange differences	-	-
5. Interests and shares in profits (dividends)	2 090	2 406
6. Profit (losses) on investing activities	(115)	(8 109)
7. Change in provisions	1 739	(9 648)
8. Change in inventories	(37 346)	(22 508)
9. Change in receivables	15 177	(16 567)
10. Change in current liabilities (excluding loans and credits)	(19 053)	4 843
11. Change in deferred and accrued expenses	10 196	(8 476)
12. Other adjustments	(956)	785
III. Net cash flows from operating activities (I+II)	(9 589)	(29 729)

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
B. Cash flows from investing activities		
I. Inflows	260	62 440
1. Disposal of intangible assets and tangible fixed assets	86	6 988
2. Disposal of investments in real-estate and intangible asset	-	55 041
3. Disposal of financial assets, of which:	87	411
a) in related companies	12	214
- disposal of financial assets	-	-
- dividends and shares in profits	-	-
- payment of long-term loans granted	-	200
- interests	12	14
- other income from financial assets	-	-
b) in other companies	75	197
- disposal of financial assets	-	-
- dividends and shares in profits	-	-
- payment of long-term loans granted	-	7
- interests	75	190
- other income from financial assets	-	-
4. Other investing income	87	-
II. Expenses	4 658	4 999
1. Purchases of intangible assets and tangible fixed assets	4 636	4 680
2. Investments in real-estate and intangible assets	-	-
3. For financial assets, of which:	-	319
a) in related companies	-	319
- acquisition of financial assets	-	-
- long-term loans granted	-	319
b) in other entities	-	-
- acquisition of financial assets	-	-
- long-term loans granted	-	-
4. Dividends and other shares in profits paid to minority	-	-
5. Other investing expenses	22	-
III. Net cash flows from investing activities (I-II)	(4 398)	57 441

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
C. Cash flows from financing activities		
I. Inflows	206 777	10 362
1. Issuance of shares and other capital securities and additional paid-in capital	201 457	361
2. Credits and loans	5 281	10 000
3. Issuance of debt securities	-	-
4. Other financial income	39	1
II. Expenses	2 845	21 860
1. Acquisition of own shares	-	-
2. Dividends and other payments to shareholders	-	-
3. Other than payments in favour of owners, expenses by virtue of	-	-
4. Payments of credits and loans	223	18 747
5. Redemption of debt securities	-	-
6. Bv virtue of other financial liabilities	-	-
7. Liabilities payments by virtue of financial leasing	388	410
8. Interests	2 234	2 703
9. Other financial expenses	-	-
III. Net cash flows from financing activities (I-II)	203 932	(11 498)
D. Total net cash flows (A.III+B.III+C.III)	189 945	16 214
E. Change in balance-sheet cash and cash equivalents	189 945	16 214
- of which change in cash and cash equivalents due to foreign exchange differences	45	-
F. Cash and cash equivalents - beginning of period	84 036	26 214
G. Cash and cash equivalents - end of period (D+F)	273 981	42 428

Off-balance sheet items

	31.03.2007	31.12.2006	31.03.2006
1. Contingent liabilities	4 067	4 067	500
1.1. From related entities (by virtue of)	500	500	500
- received warranties and guarantees	500	500	500
1.2. From other entities (by virtue of)	3 567	3 567	-
- received warranties and guarantees	3 567	3 567	-
- other	-	-	-
2. Contingent liabilities	34 171	45 853	52 667
2.1. In favour of related entities (by virtue of)	22 326	22 576	2 198
- granted warranties and guarantees	22 326	22 576	2 198
2.2. In favour of other entities (by virtue of)	11 845	11 623	7 540
- granted warranties and guarantees	11 845	11 623	3 640
- bill of exchange guarantees	-	-	3 900
2.3. Other (by virtue of)	11 654	11 654	42 929
- mortgage	-	-	14 250
- third party goods	-	-	6 698
- other	11 654	11 654	21 981
Total off-balance sheet liabilities	49 892	49 920	53 167

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-Q 1/2007

According to the Decree of the Minister of Finance dated 19th October 2005. - Journal of Law No 209, item 1744

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

for the 1st quarter of the current turnover year covering the period from 01.01.2007 to 31.03.2007
and for the 1st quarter of the previous turnover year covering the period from 01.01.2006 to 31.03.2006

STALEXPORT Joint Stock Company (full name of the issuer)		
Stalexport S.A. (abridged name of the issuer)	metal sector 17 (sector acc. To Securities Stock Exchange in Warsaw)	
40-085 (postal code)	Katowice (city)	
Mickiewicza (street)	29 (number)	
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634-01-34-211 (NIP - Tax Identification No.)	271936361 (REGON - Statistical No.)	www.stalexport.com.pl (WWW)

SELECTED FINANCIAL DATA	thousand zloty		thousand EUR	
	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
I. Net income from sale of products, goods and merchandise	123 170	126 831	31 531	32 468
II. Operating profit (loss)	(2 286)	(1 986)	(585)	(508)
III. Gross profit (loss)	(3 876)	968	(992)	248
IV. Net profit (loss)	(3 840)	9 935	(983)	2 543
V. Net cash flow from operating activity	(25 834)	(36 170)	(6 613)	(9 259)
VI. Net cash flow from investment activity	(247)	61 351	(63)	15 706
VII. Net cash flow from financial activity	204 395	(20 669)	52 324	(5 291)
VIII. Total net cash flow	178 314	4 512	45 648	1 155
IX. Total assets	714 430	506 954	184 631	131 013
X. Liabilities and reserves for liabilities	612 844	495 618	158 378	128 083
XI. Long-term liabilities	230 573	290 504	59 587	75 075
XII. Short-term liabilities	382 271	205 114	98 791	53 008
XIII. Equity capital	101 586	11 336	26 253	2 930
XIV. Share capital	315 524	215 524	81 541	55 698
XV. Number of shares	157 762 023	107 762 023	157 762 023	107 762 023
XVI. Profit (loss) per ordinary share (in zloty/ EUR)	-0,02	0,09	-0,01	0,02
XVII. Diluted profit (loss) per ordinary share (in zloty/ EUR)	-	-	-	-
XVIII. Book value per share (in zloty/ EUR)	0,64	0,11	0,17	0,03
XIX. Diluted book value per share (in zloty /EUR)	-	-	-	-

Balance sheet

	31.03.2007	31.12.2006	31.03.2006
ASSETS			
I. Long-term assets	326 723	327 042	284 651
1. Tangible fixed assets	55 806	56 108	42 077
2. Intangible assets	77	95	186
- goodwill			
3. Long-term receivables	32 680	32 680	470
4. Long-term investments	238 160	238 159	239 719
4.1 Real estates	10 000	10 000	10 000
4.2 Intangible fixed assets			
4.3 Long-term financial assets	227 960	227 959	229 519
a) in related companies	226 406	226 405	227 712
- of which shares in subordinated companies valued under the ownership rights method	32	32	32
b) in other entities	1 554	1 554	1 807
4.4. Other long-term investments	200	200	200
5. Assets available for sale			2 199
6. Deferred income tax assets			
7. Other long-term deferred expenses			
II. Short-term assets	387 707	193 158	222 303
1. Inventories	92 549	57 578	64 573
2. Short-term receivables	70 739	91 109	147 206
3. Short-term investments	4 915	4 546	547
4. Cash and cash equivalents	217 583	39 269	9 170
5. Short-term deferred expenses	1 921	656	807
Assets in total	714 430	520 200	506 954

	31.03.2007	31.12.2006	31.03.2006
LIABILITIES			
I. Equity capital	101 586	105 775	11 336
1. Share capital	315 524	315 524	215 524
2. Not paid-up share capital (negative value)			
3. Own shares in treasury (negative value)	-20	-21	-22
4. Reserve capital	2 882	3 485	38
5. Revaluation capital	131 813	131 813	132 876
6. Other reserve capitals			51 016
7. Prior years' profit (loss)	-344 773	-347 016	-398 031
8. Profit (loss) per shareholders of the Company	-3 840	1 990	9 935
9. Net profit write-downs during the financial year (negative value)			
II. Long-term liabilities	230 573	248 730	290 504
1. Credits and loans	9 167	17 137	31 520
2. Liabilities by virtue of financial leasing	477	515	629
3. Liabilities by virtue of trade account payable			
4. Other liabilities	181 281	191 134	214 608
5. Reserve by virtue of the deferred income tax	29 346	29 382	29 720
6. Reserves for other liabilities	9 559	9 817	13 275
7. Long-term interperiod settlements	743	745	752
III. Short-term liabilities	382 271	165 695	205 114
1. Credits and loans	65 051	51 800	42 144
2. Liabilities by virtue of financial leasing			
3. Liabilities by virtue of trade account receivable	59 266	67 296	81 216
4. Other liabilities	240 656	41 263	74 302
5. Reserves for liabilities	1 739	1 738	4 363
6. Short-term interperiod settlements	15 559	3 598	3 089
Total liabilities	714 430	520 200	506 954

Book value	101 586	105 775	11 336
Number of shares	157 762 023	157 762 023	107 762 023
Book value per one share (in zlotys)	0,64	0,67	0,11
Diluted number of shares			
Book value per one share (in zlotys) - diluted			

Profit and loss account

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
I. Net incomes from sale of products, goods and merchandise	123 170	126 831
1. Net sales of products	12 198	13 373
2. Net sales of goods and merchandise	110 972	113 458
II. Cost of products, goods and merchandise sold	115 533	113 987
1. Manufacturing cost of products sold	12 347	12 063
2. Value of merchandise and goods sold	103 186	101 924
III. Gross profit (loss) on sales (I-II)	7 637	12 844
IV. Other operating incomes	1 723	2 661
V. Sales costs	2 712	4 164
VI. Costs of general management	7 290	7 963
VII. Other operating costs	1 644	5 364
VIII. Profit (loss) on operating activity (III+IV-V-VI-VII)	-2 286	-1 986
IX. Financial incomes	1 571	7 937
1. Dividends and shares in profits		
2. Interests	456	907
3. Profit from investment sale	87	6 712
4. Updating the investment value		
5. Other	1 028	318
X. Financial costs	3 161	4 983
1. Interests	2 813	4 364
2. Loss from investment sale		
3. Updating the investment value		
4. Other	348	619
XI. Gross profit (loss) (VIII + IX - X)	-3 876	968
XII. Income tax	-36	-8 967
a) current part		
b) deferred part	-36	-8 967
XIII. Net profit (loss) (XI - XII)	-3 840	9 935
Net profit (loss)	-3 840	9 935
Average weighted number of ordinary shares	157 762 023	107 762 023
Profit (loss) per one ordinary share (in zloty)	-0,02	0,09
Average weighted diluted number of ordinary shares		
Diluted profit (loss) per one ordinary share (in zloty)		

Changes in equity capital

	31.03.2007	31.12.2006	31.03.2006
1. Equity capital at the beginning of period (opening balance)	105 775	1 399	1 956
a) changes in accepted accounting principles (policy)			
b) corrections of material faults			
I.a. Equity capital at the beginning of period (opening balance), after restatement to comparative data	105 775	1 399	1 956
1. Stock capital at the beginning of period	315 524	215 524	215 524
1.1. Changes in stock capital	0	100 000	0
a) additions, of which:	0	100 000	0
- issuance of shares		100 000	
- increase in basic capital			
b) reductions, of which:	0	0	0
- cancellation of shares			
- decrease in basic capital			
1.2. Stock capital at the end of period	315 524	315 524	215 524
2. Not paid-up stock capital at the beginning of period			
2.1. Changes in not paid-up stock capital	0	0	0
a) additions, of which:	0	0	0
b) reductions, of which:	0	0	0
2.2. Not paid-up stock capital at the end of period	0	0	0
3. Own shares in treasury at the beginning of period	-21	-23	-23
3.1. Changes in own shares in treasury	1	2	1
a) additions, of which:	0	0	0
- issue for minority shareholders			
b) reductions, of which:	-1	-2	-1
- issue for minority shareholders	-1	-2	-1
3.2. Own shares in treasury at the end of period	-20	-21	-22
4. Reserve capital at the beginning of period	3 485	35	35
4.1. Changes in reserve capital	-603	3 450	3
a) additions, of which:	0	3 902	3
- shares issue above nominal value		3 894	
- distribution of profit			
- distribution of profit (in excess of value required by law)			
- other			
- sale, liquidation of fixed assets		8	3
b) reductions, of which:	603	452	0
- loss coverage			
- adjustments resulting from the opening balance changes	554		
- costs of the issue of shares	49	452	
4.2. Reserve capital at the end of period	2 882	3 485	38
5. Revaluation capital at the beginning of period	131 813	132 879	132 879
5.1. Changes in revaluation capital	0	-1 066	-3
a) additions, of which:	0	248	0
- re-evaluation of fixed assets			
- adjustment of allowance for tax on the revaluation of shares		248	
b) reductions, of which:	0	1 314	3
- disposal of fixed assets		8	3
-			
- adjustment of revaluation of shares		1 306	
5.2. Revaluation capital at the end of period	131 813	131 813	132 876

	31.03.2007	31.12.2006	31.03.2006
6. Other reserve capital at the beginning of period	0	51 016	51 016
6.1. Changes in other reserve capital	0	-51 016	0
a) additions, of which:	0	0	0
- profit distribution			
- execution of arrangement liabilities, instalments repayment			
b) reductions, of which:	0	51 016	0
- re-booking for inventory capital			
- loss coverage		51 016	
- other			
6.2. Other reserve capitals at the end of the period	0	0	51 016
7. Prior years' profit (loss) at the beginning of period	-345 026	-252 943	-397 475
7.1. Prior years' profit at the beginning of period	1 990		
a) changes in accepted accounting principles (policies)			
b) corrections of material faults			
7.2. Prior years' profit at the beginning of period, after restatement to comparative data	1 990	0	0
a) additions, of which:	253	0	0
- prior years' profit distribution			
- other	253		
b) reductions, of which:	0	0	0
- transition to reserve capital			
- loss coverage			
- dividend payment			
- other			
7.3. Prior years' profit at the end of period	2 243	0	0
7.4. Prior years' loss at the beginning of period	347 016	252 943	397 475
a) changes in accepted accounting principles (policies)			
b) corrections of material faults			
7.5. Prior years' loss at the beginning of the period after restatement to comparative data	347 016	252 943	397 475
a) additions, of which:	0	145 089	556
transition of prior years' loss to be covered		145 089	
- other			556
b) reductions, of which:	0	51 016	0
- loss coverage by profit		51 016	
7.6. Prior years' loss at the end of period	347 016	347 016	398 031
7.7. Prior years' profit (loss) at the end of period	-344 773	-347 016	-398 031
8. Net profit (loss) falling to the shareholders of the company	-3 840	1 990	9 935
a) net profit per shareholders of the Company		1 990	9 935
b) net loss per shareholders of the Company	3 840		
c) charges on the profit			
II. Equity capital at the end of period (closing balance)	101 586	105 775	11 336
III. Equity capital after considering the proposed distribution of profit (loss coverage)			

Cash flow account (indirect method)

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
A. Net cash flows from operating activities - indirect method		
I. Net profit (loss) per the Company's shareholders	-3 840	9 935
II. Total adjustments	-21 994	-46 105
1. Share in net (profits) losses of subordinated companies valued under the equity method		
2. Depreciation	610	654
3. (Gain) loss on foreign exchange differences		
4. Interests and shares in profits (dividends)	1 929	2 299
5. Gain (loss) on investing activities	-114	-8 165
6. Change in provisions	-36	-9 153
7. Change in inventories	-34 971	-20 763
8. Change in receivables	20 370	-15 056
9. Change in current liabilities excluding loans and credits	-19 571	8 829
10. Change in deferred and accrued expenses	10 436	-4 194
11. Other adjustments	-647	-556
III. Net cash flows from operating activities (I + II)	-25 834	-36 170

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
B. Net cash flows from investing activities		
I. Cash provided by investing activities	141	62 203
1. Disposal of intangible assets and tangible fixed assets	54	6 966
2. Disposal of investments in real-estate and intangible assets		55 041
3. Disposal of financial assets, of which:	0	196
a) in related companies	0	0
- disposal of financial assets		
- dividends and shares in profits		
- payment of long-term loans granted		
- interests		
- other income from financial assets		
b) in other companies	0	196
- disposal of financial assets		
- dividends and shares in profits		
- payment of long-term loans granted		7
- interests		189
- other income from financial assets		
4. Other investing income	87	
II. Expenses	388	852
1. Purchases of intangible assets and tangible fixed assets	366	533
2. Investments in real-estate and intangible assets		
3. For financial assets, of which:	0	319
a) in related companies	0	319
- acquisition of financial assets		
- long-term loans granted		319
b) in other entities	0	0
- acquisition of financial assets		
- long-term loans granted		
4. Dividends and other shares in profits paid to minority		
5. Other investing expenses	22	
III. Net cash flows from investing activities (I-II)	-247	61 351

	1 st quarter 2007 01.01.2007 31.03.2007	1 st quarter 2006 01.01.2006 31.03.2006
C. Cash flows from financing activities		
I. Inflows	206 362	0
1. Net inflows from issuance of shares and other capital securities and additional paid-in capital	201 081	
2. Credits and loans	5 281	
3. Issuance of debt securities		
4. Other financial income		
II. Expenses	1 967	20 669
1. Acquisition of own shares		
2. Dividends and other payments for the benefits of the owners		
3. Other than payments in favour of owners, expenses by virtue of profit distribution		
4. Payments of credits and loans		18 127
5. Redemption of debt securities		
6. By virtue of other financial liabilities		
7. Payments of liabilities by virtue of finance lease	38	53
8. Interests	1 929	2 489
9. Other financial expenses		
III. Net cash flows from financing activities (I-II)	204 395	-20 669
D. Total net cash flows (A.III+B.III+C.III)	178 314	4 512
E. Change in balance-sheet cash and cash equivalents	178 314	4 512
- of which change in cash and cash equivalents due to foreign exchange differences	45	2
F. Cash and cash equivalents - beginning of period	39 269	4 658
G. Cash and cash equivalents - end of period (D+F)	217 583	9 170

Off balance-sheet liabilities

	31.03.2007	31.12.2006	31.03.2006
1. Contingent liabilities	0	0	0
1.1. From related entities (by virtue of)	0	0	0
- received warranties and guarantees			
1.2. From other entities (by virtue of)	0	0	0
- received warranties and guarantees			
2. Contingent liabilities	23 922	23 949	3 713
2.1. In favour of related entities (by virtue of)	12 326	12 326	73
- granted warranties and guarantees	12 326	12 326	73
- customs warranties			
- other			
2.2. In favour of other entities (by virtue of)	11 596	11 623	3 640
- granted warranties and guarantees	11 596	11 623	3 640
- opening of the letter of credit			
- bill of exchange guarantees			
2.3 Other (by virtue of)	0	0	0
- mortgage			
- third party goods			
- other			
Total off-balance sheet liabilities	23 922	23 949	3 713

Commentary to the consolidated quarterly report of the Capital Group of Stalexport SA for the 1st quarter of the year 2007

I. Applied accounting principles, including methods of assets and liabilities valuation, measuring the financial result and preparing financial statement.

Issuer: Stalexport Joint Stock Company, with seat in: 40-085 Katowice, ul. Mickiewicza 29, Judicial National Register KRS no 16854.

Core business: wholesale of metals and metal ores - PKD 5152.

The consolidated financial report for the first quarter 2007 was drawn up under the assumption of continuation of the business activity of the Capital Group of Stalexport S.A.

The consolidated financial report for 1st quarter 2007 was drawn up according to the binding International Accounting Standards and International Financial Reporting Standards binding as at 31.03.2007, and in matters not settled in the mentioned standards according to the act on accountancy dated 29.09.1994 (Dz. U. of 2002 No 79, item 694 with later amendments).

All financial data are shown in thousand zlotys, unless otherwise stated.

Stalexport S.A. is the dominant company and it draws up the consolidated financial statement.

Full consolidation in the dominant company included the following subsidiary companies (in brackets - share of Stalexport S.A. in stock capital at the end of the 1st quarter 2007):

- Capital Group of Stalexport Autoroute S.a.r.l. Luxemburg (100,00%)
including:
 - Stalexport Autostrada Małopolska S.A. Mysłowice (100,00%)
 - Stalexport Transroute Autostrada S.A. Mysłowice (55,00%)
 - Stalexport Autostrada Dolnośląska S.A. Katowice (100,00%)
 - Stalexport Metalzbyt Sp. z o.o. Białystok (98,76%)
 - Stalexport Serwis Centrum S.A. Katowice (97,78%)
 - Stalexport Serwis Centrum Bełchatów S.A. Rogowiec (95,14%)
 - Stalexport Centrostal S.A. Lublin (66,00%)

The entities the shares of which do not constitute essential items in consolidated financial report, were not covered by the financial consolidated report.

The evaluation of shares with ownership right method was applied for associated company:

- Biuro Centrum Sp. z o.o. Katowice (40,63%)
- Stalexport Autostrada Śląska S.A. Katowice (37,50%)

The principles of accounting policy accepted by the Capital Group

Principles of consolidation

Consolidated financial report covers the report of the dominant entity - Stalexport S.A. and the reports of the subsidiary companies controlled by the dominant entity. Control is understood as the possibility to manage the operating and financial policy of the entity by the dominant entity in order to achieve economic benefits.

Subsidiary entities

Subsidiary companies purchased in the financial year are covered by the consolidated financial report as from the date they are controlled by the dominant company. On the date of purchasing the subsidiary entity (getting the control), the assets, liabilities and contingent liabilities of the subsidiary company are evaluated at fair value. The surplus of purchasing price over the fair value of the acquired net assets is the goodwill. The surplus of the taken over net assets stated in fair values, is shown in profit and loss account of the financial year, in which the purchase occurred.

The shares of the minority shareholders are shown according to fair value of net assets falling to them.

All the financial operations between entities of the Capital Group are excluded from the consolidated financial report. All profits and losses regarding economic operation in progress on the date of drawing up the consolidated financial report are also subject to elimination. A part of equity capital of the capital group of Stalexport S.A. falling to minority capital is shown in separate item of equity capital.

Associated entities

Associated entities are the ones on which the group has considerable impact, understood as the impact on decisions taken in operating and financial policies.

Shares in associated entities are shown in financial report according to evaluation via ownership right method, excluding the situation when these shares are classified as available for sale.

The purchase price of share in associated entity is subject to any adjustments by changes in fair value of net assets, falling to value of possessed share since its purchase to the date of the financial report and results of the stated loss of value.

All profits and losses on transactions carried out between entities in the group and the associated companies, are subject to exclusions to the level of the share held.

Long-term assets

Tangible fixed assets

The fixed assets comprise the assets components according to the net purchase prices (without VAT tax) the period of use of which exceeds 1 year; and the right of perpetual usufruct of land, the co-operative ownership right to an apartment, the land in perpetual usufruct.

Tangible fixed assets are amortised by straight line method in the period of economic use. Fixed assets are amortised the moment they are accepted for usage.

Land is not amortised. The costs of overhaul and modernisation not increasing the opening use value of given component of fixed assets, debit the costs of period in which they were borne.

Fixed assets, which are the subject of financial leasing, are shown in the balance sheet on a par with other components of fixed assets and they are subject to amortisation according to the same principles.

Intangible assets

Intangible fixed assets acquired from the economic entity within the separate transaction are evaluated according to the purchase price. Intangible assets purchased within the transaction of taking over the economic entity are shown in assets separately from the goodwill, if at initial disclosing their fair value can be reliably determined.

Intangible assets with determined period of use are subject to amortisation via straight line method in the period of their economic use.

Goodwill of the subordinated entities

Goodwill shown as the component of assets on the date of its purchase, constitutes the surplus of purchase price over the fair value of the acquired assets, liabilities and contingent liabilities of the subsidiary, associated or correlated entity. This value is subject to yearly tests for loss of value. Loss of value stated during the conducted tests is momentarily shown in profit and loss account and it is not subject to subsequent correction.

Long-term receivables

Long-term receivables are evaluated in the amounts due for payment, considering the principles of careful evaluation, thus decreased by the updating write offs.

Long-term investments

The components of long-term financial assets are evaluated at purchase prices considering the adjustment for permanent loss of value. The real estates investments are maintained so as to achieve the incomes from lease or accrual of their value, they are evaluated on the date of their purchase according to purchase price (manufacturing cost), on the balance sheet date according to their fair value. Revenues and costs connected with achieving the fair value by them, are assigned to profit and loss account in the period they originated.

Assets by virtue of deferred income tax

The balance sheet value of the component of assets by virtue of deferred income tax is verified on each balance sheet date and it is subject to write-off in case when there is doubt of taking economic advantage by the Group, connected with using the tax assets.

Short-term assets

Inventories

Inventories of materials and goods are evaluated as on the balance sheet date according to the purchase price. Finished products and work in progress are evaluated according to the technical manufacturing cost (determined as the direct costs and price spread of indirect costs determined upon assumption of usual use of production capacity). The technical manufacturing costs does not comprise the evaluated costs of external financing.

The method FIFO “first in, first out” was accepted as the method of disposal of inventories.

If the purchase price or the technical manufacturing cost is higher than anticipated sale price, the Company establishes updating write offs which correct own sale cost.

Moreover the Company establishes updating write offs for inventories which do not show rotation over 360 days.

Short-term receivables

Short-term receivables are shown in value due for payment considering careful evaluation, i.e. diminished by the updating write-offs which result from carried out analysis of these receivables and from decisions made by the Management Boards of the Companies.

The amounts of established write-offs updating the receivables are assigned to other costs of activity.

Short-term investments

Short-term investments comprise:

- securities which are shown in purchase prices according to the method first in – first out and are subject to revaluation as on the balance sheet date, according to stock exchange listing as on 31.03.2007 given by Warsaw Stock Exchange,
- short-term loans shown in the amount due for payment.

Cash and its equivalent

Cash comprises cash at bank and on hand. They are shown according to nominal value, and in foreign currencies calculated according to binding average rate of National Bank of Poland as on 31.03.2007. Positive rate differences increase financial incomes and negative rate differences increase financial costs.

Liabilities

Long-term liabilities

Liabilities comprise:

- receivables by virtue of credits and loans – are shown at purchase prices corresponding fair price of cash received,
- arrangement liabilities – were recorded in connection with concluded agreement by Stalexport S.A. with creditors after taking into consideration of 40 % depreciation resulting from concluded arrangement proceedings;
- leasing liabilities – are evaluated on the date the leasing begins, according to the lower of two values: fair value of the subject of leasing or current value of minimum leasing charges,
- liabilities towards the State Treasury shown in the amount due for payment according to the concluded agreement,
- deferred income tax reserve – established for put down interests on receivables, for evaluation of land in perpetual usufruct and other evaluations of assets,
- reserves for other liabilities – established when the Company has legal duty resulting from the past events and when it is probable that the fulfilment of this duty results in outflow of means and that reliable evaluation of the amount of this liability can be made,
- long-term interperiod settlements – comprise long-term settlements of incomes by virtue of rents for Passengers Servicing Centres and lease of light pipes in the company Stalexport Autostrada Małopolska S.A. Mysłowice. The period of settlement till 2027.
- long-term liability in the company Stalexport Autostrada Małopolska S.A. Mysłowice towards Krajowy Fundusz Drogowy by virtue of credit EBRD contracted by the State Treasury for the construction of the A4 motorway section Katowice – Kraków was discounted on 31.12.2006 and on 31.03.200.

Short-term liabilities

These liabilities are shown in the amount due for payment.

Negative rate differences were included in costs of financial transactions, while positive rate differences were included in financial incomes.

Short-term liabilities comprise:

- credits and loans which were granted for one year,
- liabilities by virtue of trade account payable– liabilities with maturity up to one year
- other liabilities – liabilities by virtue of customs, taxes, insurances and other benefits prepayments received, bill of exchange liabilities, by virtue of investments, received due payments on account of an increase in share capital, and other,
- reserves for liabilities and short-term interperiod settlements – refer to the same items as the ones mentioned in long-term liabilities, but with the execution period up to one year.

II. Financial results of the Capital Group and the dominant entity for 1st quarter 2007.

Financial results of the capital group of Stalexport S.A.

The capital group of Stalexport S.A. for 1st quarter 2007 shows consolidated gross profit in the amount of 13,936 thousand zloty including:

- gross profit on sale of products and services	37,704 thousand zloty
- sales and management costs	22,485 thousand zloty
- profit on other operating activity	435 thousand zloty
- loss on financial activity	1,718 thousand zloty

Consolidated net profit for 1st quarter 2007 amounts to 13,500 thousand zloty including:

- profit per minority shareholders	743 thousand zloty
- profit per shareholders of the Company	12,757 thousand zloty

The consolidated financial result of 1st quarter 2007 was affected by the financial results of the companies of the capital group, which for each companies were as follows:

- Stalexport S.A.	- 3,839 thousand zloty
Stalexport Serwis Centrum S.A. Katowice	511 thousand zloty
- Stalexport Centrostal S.A. Lublin	86 thousand zloty
- Stalexport Serwis Centrum Bełchatów S.A. Rogowiec	- 22 thousand zloty
Stalexport Metalzbyt Sp. z o.o. Białystok	5 thousand zloty
Stalexport Autostrada Małopolska S.A. Mysłowice	15,192 thousand zloty
- Stalexport Transroute Autostrada S.A. Mysłowice	1,563 thousand zloty
- Stalexport Autostrada Dolnośląska S.A. Katowice	- 168 thousand zloty

Financial results of the dominant entity - Stalexport S.A.

In the 1st quarter 2007 the incomes from sale of Stalexport S.A. amounted to 123,170 thousand zloty and were by 3% lower than in comparison with the analogous period of the previous year. The decrease in export sales and in the products (reinforcement elements) were the main factors of the decline in incomes from sale. In 1st quarter 2007 Stalexport S.A. achieved gross profit on sales in the amount of 7,637 thousand zloty.

The positive result on other operating activity in the amount of 78 thousand zloty resulted, on incomes side, from: - dissolved updating allowance for trade receivables in the amount of 544 thousand zloty, dissolved provision for leaves, jubilee bonuses and employee's compensations in the amount of 754 thousand zloty, interests on trade accounts receivable in the amount of 129 thousand zloty. Referring to costs the essential items were: - interests on liabilities in the amount of 291 thousand zloty, - establishing the reserve for leaves, jubilee bonuses and employee's compensations in the amount 924 thousand zloty and - booking the stale receivables in the amount of 110 thousand zloty.

Stalexport S.A. incurred a loss on financial activity in the amount of 1,590 thousand zloty. The biggest items of financial costs were: interests on executed arrangement instalment in the amount of 855 thousand zloty), established allowances for interests in the amount of 197 thousand zloty and interests on credits in the amount of 1,762 thousand zloty. The considerable items of financial incomes are: - positive balance of difference in rates in the amount of 981 thousand zloty and interests on contingent liabilities in the amount of 259 thousand zloty.

Summing up, Stalexport S.A. for 1st quarter 2007 achieved gross loss in the amount of 3,839 thousand zloty.

Financial results of the commercial companies

The incomes from sale of 4 subsidiary companies conducting commercial activity in 1st quarter 2007 amounted to 29,969 thousand zloty and were by 9.564 thousand zloty higher (by 47%) in comparison with 1st quarter 2006. The financial results of three commercial companies were positive and amounted to 601 thousand zloty, while one company shows net loss in the amount of 22 thousand zloty, which resulted in increasing the consolidated financial result by 579 thousand zloty.

Financial results of motorway activity

The motorway activity had an essential impact upon the consolidated financial result for 1st quarter 2007, which consists in operating, toll collection and execution of motorway investments on A4 motorway section Katowice -Kraków. This activity has been conducted by two subsidiary companies: Stalexport Autostrada Małopolska S.A., and Stalexport Transroute Autostrada S.A. in Myslowice, the dominant entity of which is Stalexport Autoroute S.a.r.l. with seat in Luxembourg. Stalexport Autoroute S.a.r.l. is the subsidiary company of Stalexport S.A. in 100%.

Stalexport Autostrada Małopolska S.A. – which is the concessionaire – carries out the motorway investments. Stalexport Transroute Autostrada S.A. is dealing with current operating of motorway and on the behalf of SAM S.A. collects the tolls.

The consolidated revenues for 1st quarter 2007 amounted to 30,757 thousand zloty and were by 21% higher in comparison with 1st quarter 2006. Consolidated net profit of both companies for 1st quarter 2007 amounted to 16,755 thousands zloty.

According to the auditor recommendation – basing on the accepted principles of I.A.S. - the long-term liability of SAM S.A. towards Krajowy Fundusz Drogowy by virtue of the credit of EBRD contracted by State Treasury for the construction of the section of A4 motorway Katowice – Kraków in the nominal amount of 223,870 thousand zloty, was discounted as from 01.01.2006.

As a result of the discounting the liabilities on 31.03.2007 the financial cost in the amount of 1,590 thousand zloty and the financial income in the same amount incurred. The sum of the liability of EBRD on the balance sheet date amounts to 104,073 thousand zloty.

The allowance in the amount of 1,028 thousand zloty for possible overhaul of the surface before termination of the Concession Agreement (so called: Contingency for strengthening overlay) and the allowance for an indexation of the liability towards Stalexport S.A. in the amount of 427 thousand zloty were also established on the balance sheet date.

III. Balance of reserves and deferred income tax in the Capital Group of Stalexport S.A.

Stalexport S.A. the dominant company, because of the maintaining tax loss, does not create activated tax, while assets by virtue of deferred income tax in the capital group of Stalexport S.A. amounts to 9,338 thousand zloty. The reserve by virtue of deferred income tax in the capital group of Stalexport S.A. amounts to 4,454 thousand zloty.

The balance of reserves in the group as at 31.03.2007 amounts to 17,075 thousand zloty, out of which:

- long-term ones - 15,306 thousand zloty
- short-term ones - 1,769 thousand zloty

In comparison with 1st quarter 2006 the balance of reserves decreased by 1,405 thousand zloty.

IV. Average EUR rates of exchange during the period covered by the financial report established by the National Polish Bank

Items of balance sheet assets and liabilities have been converted into EUR according to the National Polish Bank average rate of exchange that amounted to 3,8695 zloty binding on 31.03.2007.

Specific items in the profit and loss account pertaining to 1st quarter 2007 have been converted into EUR according to the rate 3,9063 zloty, being the arithmetic mean of average exchange rates published by the National Polish Bank, binding on the last day of each month of the first quarter 2007.

V. List of Shareholders having more than 5% of the total number of votes at the General Meeting of Shareholders on 14.05.2007.

According to the best knowledge of the Management Board the 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:

	Number of shares	%
- Autostrade S.p.A. Rzym	34,159,378	21,65%
- Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej	18,022,835	11,42%
- Julius Baer Investment Management LLC *	10,323,847	6,54%
- Powszechna Kasa Oszczędności Bank Polski S.A.	8,733,864	5,54%

* (including: Julius Baer International Equity Fund as the shareholder of Stalexport S.A. holds: 10.000.000 shares, which constitutes 6,34% of share capital of Stalexport S.A. and the same number of votes at the GSM.)

VI. List of shares held by the group of persons managing and supervising the dominant entity as at 14.05.2007

Management Board 81,690 shares

Supervisory Board 60 shares

The proxies of the Company does not hold any shares of Stalexport S.A.

VII. Specification of judicial proceedings pending in court as at 31.03.2007

Legal proceedings of considerable value pending before the court and regarding Stalexport S.A

Item Case number Amount in zloty Adverse party legal status

1.	93/00/Ba	4,135,410.85	Bike-Sport Sp z o.o. Gliwice	Adjudging decision of 19.07.2001 payment to be enforced 4,135,410.85-zloty of main receivable and also interests and proceedings costs By decision of court executive officer the executive proceedings were discontinued because of the change of seat of the company on 13.07.2005. A motion to levy the execution from bank accounts and movables which are in the new seat of the debtor. Seizure of the bank accounts without effects. There is probability of discontinuance of proceedings.
2.	60/03/Ba 73/03/Ba 5/04/Ba	3,706,329.58	SEBA Sp. z o.o.	Payment order of 10.12.2003, 27.01.2003., 30.03.2004 legally valid with executory formula 01.09.2005 District Court in Katowice declared it insolvent covering liquidation of the debtor's assets. Court executive Officer discontinued the executive proceedings receivable was notified in bankruptcy proceedings X GUP 26/5/1
3.	25/04/Ba	2,006,500.00	Mirosław Cwięka FHP MIMEX Mielec	payment order of 11.04.2004 decision of court executive officer of 16.05.2006 termination due to the fact that from enforcement one will not get sum higher than costs of enforcement. Decision of execution from real estate.

4.	150/06/ Ba	2,807,241.00	Hydrobudowa-6	date of trial was appointed on 15.02.2007. Claim was dismissed.
5.	85/06/Ba	5,127,916.57	Arkadiusz Czerwiński TOP-AR Piła	Agreement before court dated 24.01.2007 The case at court executive officer of XIth District in Poznan.
6.	86/06/S	3,530,771.81	Marek Tutlewski MEGA-Bis Wałcz	claim of 04.08.2006 sentence of 18.08.2006 Executory formula of 15.09.2006. Agreement dated 24.01.2007 The case at court executive officer in Wałcz.

In 2002 Stalexport Transroute Autostrada S.A. due to the instituted anti-monopoly proceedings received the decision of the President of Anti-monopoly Office inflicting a penalty in the amount of 678 thousand zlotys, for applying practices limiting competition. For the a/m amount the company established a reserve debiting other operating costs of 2002.

On 24.03.2004 before District Court in Warsaw a trial was held, by action of Stalexport Transroute Autostrada S.A. against President of the Anti-monopoly Office, for appeal of STA S.A. against the decisions of President of Anti-monopoly Office no RKT 6/2003 issued on 21.03.2003. The Court passed a judgement, according to which the appeal lodged by the company was totally dismissed. The Company lodged a cassation to the Court of Appeal in this matter, and the date of a trial was assigned for September 20, 2006. The Court of Appeal dismissed the appeal, the penalty was paid by the company on 25.10.2006. Despite penalty payment the lawyer's office GFKK from Katowice, representing the company, lodged the cassation of the plaintiff from the a/m sentence of the Court of Appeal. To the date of disclosing the consolidated financial report of the Capital Group of Stalexport S.A. at Warsaw Stock Exchange, the Company has not received a reply in this matter.

On 10.01.2007 the arbitration court brought out a partial verdict, according to which the principal claim of Kapsch TrafficCom AG against Stalexport Autostrada Małopolska S.A., in the amount of EUR 4,123,979.84 plus due interests was totally dismissed. The court did not recognise the joint and several responsibility of Stalexport S.A. and Stalexport Autostrada Małopolska S.A. for payment for the equipment delivered by Stalexport S.A. filed in petition. In further arbitration proceedings the court will reconsider secondary counterclaims of the parties filed during the proceeding (Stalexport Autostrada Małopolska S.A. towards Kapsch TrafficCom AG (ca. EUR 1.56 m) and Kapsch TrafficCom AG towards Stalexport Autostrada Małopolska S.A. (ca. EUR 1.1 m)) and division of costs borne by the parties in the arbitration proceeding.

VIII. Description of essential events in the Capital Group of Stalexport SA in the period from 01.01.2007 to 31.03.2007

- § On 8.01.2007 Stalexport S.A. received the original agreement on the Credit limit. Stalexport S.A. signed the a/m agreement with Bank DnB Nord Polska S.A. with seat in Warsaw on 3.01.2007. The sum of the Credit Limit amounts to 15 m zloty, designed for the payment of liabilities by virtue of the purchase of raw materials for production of prefabricated reinforcement. Period of the utilization of the credit till 31.12.2007 with the interest according to WIBOR 1M plus bank margin. Security of the credit are: the pledge on inventories, the mortgage on real estate in Warsaw, receivables cession, an agreement of the cession of rights from the insurance policy of the real estate and the inventories. The criterion of recognising the agreements as the significant ones is the value of these agreements subject, which exceeds 10 % of the shareholders' equity of the issuer.
- § On 22.01.2007 Stalexport S.A. received the resolution no 54 of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych) dated 19.01.2007 on accepting to depository the securities of 50,000,000 ordinary bearer shares of F series of the Company Stalexport S.A. with nominal value of 2 zloty each and marking them with code PLSTLEX00043 provided admittance of these shares to trading on regulated market, with reservation that registering of the a/m ordinary shares in depository of the securities will take place within two days from the day of submitting the documents confirming the admittance of these shares to trading on regulated market by the Company Stalexport S.A. to the National Depository for Securities.
- § On 23.01.2007 Stalexport S.A. received a letter from the subsidiary company Stalexport Autostrada Dolnośląska S.A. (100% share in capital of the Company), informing about the letter of GDDKiA received on 16.01.2007, in which it was stated that on 12.01.2007 the preliminary qualification stage was closed, in result of which the Company Stalexport Autostrada Dolnośląska S.A., according to the decision of Tender Committee was qualified to the next stage of the proceedings – “limited” tender for construction and operating A2 toll motorway on Stryków – Konotopa section. Simultaneously it was informed that the company was not qualified to the next stage of the proceedings for construction and operating A 1 toll motorway on Stryków – Pyrzowice section.
- § On 25.01.2007 Stalexport S.A. received the resolution of the Management Board of WSE dated 24.01.2007 on admitting to trading of 50,000,000 ordinary bearer shares of F series of the Company with nominal value of 2 zloty each share and on introducing as from 31.01.2007 in ordinary course to the public trading on the main market of shares of the Company Stalexport S.A., provided assimilating these shares with the shares of the Company which are in public trading marked with code PLSTLEX00019 by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych) on 31.01.2007.

- § On 25.01.2007 Stalexport S.A. received a report from the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych) dated 25.01.2007 informing about registering on 25.01.2007 of 50,000,000 ordinary bearer shares of F series of the Company Stalexport S.A. with nominal value of 2 zloty each share under code PLSTLEX00043
- § On 26.01.2007 Stalexport S.A. received the resolution of the National Depository for Securities dated 26.01.2007 in which it was informed that the Management Board of the Depository decides to assimilate on 31.01.2007 the 50,000,000 shares with code PLSTLEX00043 with 107,762,023 shares of the Company Stalexport S.A. marked with code PLSTLEX00019. As from 31.01.2007 157,762,023 shares of the company Stalexport S.A. are marked with code PLSTLEX00019 Simultaneously referring to the report no 91 dated 29.11.2006 concerning the approval of the issue prospectus of shares of F series, the Management Board of Stalexport S.A. informs that from 19.12.2006 to 31.01.2007 the Polish Financial Supervision Authority approved all Annexes (from 1 to 15) to the issue prospectus of shares of F series.
- § On 6.02.2007 referring to the report no 37 dated 27.06.2006 concerning signing of the Agreement with Autostrade S.p.A. in Rome and the resolution no 5 of the EGSM of Stalexport S.A. dated 20.10.2006 in regard to appointing the expert for specific matters and the resolution of the Supervisory Board dated 12.12.2006 in regard to choosing the company Ernst & Young as the expert for specific matters, the Management Board of Stalexport S.A. in current report no 22/2007 disclosed the report of the Expert for specific matters regarding the Investment Agreement concluded on 26.06.2006 by Stalexport S.A. Katowice.
- § On 14.02.2007 the Extraordinary General Meeting of Shareholders was held in the seat of the Company Stalexport S.A.. The shareholders present at the EGSM represented 65,427,821 shares out of total number of 157,762,023 shares/votes, which constituted 41,47% of share capital of the Company. The EGSM passed the resolutions in regard to appoint the Scrutinisers, to an increase in stock capital of the Company by the amount of 179,000,000 zloty, from the amount of 315,524,046 zloty to the amount of 494,524,046 zloty, by issuing 89,500,000 new shares of G series, in regard to applying for admitting the shares of G series trading on regulated market and their dematerialisation as well as to authorize the Management Board to conclude with National Depository for securities S.A. an agreement on registering the securities, mentioned in art. 5 section 8 of the Act dated 29.07.2005 on trading in financial instruments. Simultaneously the EGSM recalled Mr. Jeffery Grady from the composition of the Supervisory Board of Stalexport S.A. , and appointed Mr. Konrad Tchórzewski in his place. The detailed contents of the passed resolutions passed by the EGSM on 14.02.2007 was disclosed in the report no 26/2007.
- § On 14.02.2007 according to the § 33 of the Regulation of the Minister of Finance dated 19.10.2005 the Management Board of Stalexport S.A. in its current report no 27/2007 gives the total costs of the issue of shares of F series accrued till 14.02.2007 which amounted to 1,054,461.32 zloty, including:
- costs of preparing and carrying out the offer – 574,821.58 zloty,
 - costs of drawing up the issue prospectus – 116,990.00 zloty,
 - advisory costs – 362,649.74 zloty.
- The issue costs were settled with the surplus between their issue and nominal prices. In a result the amount of issue costs resulted in reduction of the inventory capital. The average cost of the issue per one share amounts to 0.02 zloty.

- § On 26.02.2007 the Management Board of Stalexport S.A. received an information from the company Stalexport Autostrada Małopolska S.A. – the concessionaire of the toll section of A4 motorway that on 26.02.2007 the contract was signed with the company Budimex-Dromex S.A. for overhaul 7 bridges and 24 km of the motorway surface. The value of the contract amounts to net 178,466,850 zloty. The overhaul work began in March 2007 and it is planned that they should be completed in August 2007. The limit of the stipulated penalty for delay in executing the contract was determined at the level of 15% of the contract value.
- § Within the framework of the execution of the selling process of steel business of Stalexport S.A., so called Stalexport Trade, on 26.02.2007 Stalexport S.A. received four purchase offers of steel business Stalexport Trade.
- § Referring to the current report no 31/2007 dated 27.02.2007 the Management Board of Stalexport S.A. informs that from among four offers submitted by the potential purchasers of steel business of Stalexport S.A. so called Stalexport Trade, it chose one investor, i.e. the Company Złomrex S.A., for further negotiations, granting it the same the exclusivity for the indefinite period of time.
- § On 05.03.2007 Stalexport S.A. received a report from the Warsaw Stock Exchange dated 02.03.2007, according to which Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP S.A.) Brokerage House of PKO Bank Polski as from 05.03.2007 will be the „animator” of the market for the shares of Stalexport S.A.
- § Referring to the current reports no 100/2006 dated 28.12.2006 and no 26/2007 dated 14.02.2007 the Management Board of Stalexport S.A., fulfilling the information duties of the Companies, in its current report no 35/2007 dated 15.03.2007 makes public the biographies of newly-appointed members of the Supervisory Board: Mr. Aleksander Neuber and Mr. Konrad Tchórzewski.
- § On 27.03.2007 the Management Board of Stalexport S.A. received the decision of the District Court in Katowice dated 23.03.2007 on entering the company named Stalexport Trade S.A into the Judicial Register of Entrepreneurs. The stock capital of the company Stalexport Trade S.A. amounts to 500,000 zloty and it is divided into 50,000 shares with nominal value of 10 zloty each share. The capital was paid up in the amount of 125,000 zloty. All shares of the Company were subscribed by Stalexport S.A. with seat in Katowice. Trading activity is the subject of the activity of the Company.
- § On 29.03.2007 Stalexport S.A. received a notification from the District Court in Katowice the VIIIth Economic Department, that on 19.03.2007 Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej filed a claim against Stalexport S.A. for reversal or cancellation of the resolutions no 2 and 3 (disclosed in the current report no 26/2007), of the EGSM of Stalexport S.A. dated 14.02.2007. the date of the trial was determined on 11.05.2007. .
- § In the 1st quarter 2007 Stalexport S.A. concluded export contracts for the deliveries of steel products to North America for total value of ca 16 m zloty.

IX. Events occurring after the date of the consolidated balance-sheet.

- Referring to the current report no 29/2007 dated 21.02.2007 the Management Board of Stalexport S.A. in current report no 39/2007 dated 5.04.2007 makes public information on the subscription of ordinary bearer shares of G series of Stalexport S.A. and the total amount of costs accrued till 04.04.2007, which were included among the issue costs (the costs of preparing and carrying out the offer amount to 931,954.36 zloty). Because of the lack of final settlement of issue costs, their amount was estimated and included in the issue costs according to the best knowledge of the issuer.
- On 30.04.2007 Stalexport S.A. in the current report no 41/2007 informs that the Supervisory Board of the Company, according to its competence determined in the Company's Charter decided to charged the company KPMG Polska Audyt Sp. z o.o. with seat in Warsaw, at 51 Chłodna Street, which is entered in a list of the entities entitled to examine the financial reports under number 458, with examining the financial reports of Stalexport SA and the consolidated financial reports of the Capital Group of Stalexport S.A. for 2007.–
The company KPMG Polska Audyt Sp. z o.o. examined the separate financial reports of Stalexport S.A. and the consolidated financial reports of the Capital Group in the years 1994-2001.
- On 11.05.2007 the hearing was held in the District Court in Katowice (the XIIIth Economic department) which concerned the claim of Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej in Warsaw (NFOŚiGW) against STALEXPORT S.A. in Katowice, on reversal or cancellation of the resolutions no 2 and 3 of the Extraordinary General Meeting of the Shareholders of STALEXPORT S.A dated 14.02.2007.

In connection with declaring the participation of the company Autostrade S.p.A., the shareholder of Stalexport S. A, in this case, as the subsidiary intervener and the opposition of plaintiff - NFOŚiGW the Court deferred the date of the trial till validation of its decision dismissing this opposition (objection).

The Company will inform about the date of the trial on its website.

X. Contingent liabilities

Contingent liabilities of the capital group of Stalexport S.A. as at 31.03.2007 amount to 45,825 thousand zloty, out of which:

- | | |
|--|-----------------------|
| • by virtue of granted warranties and guarantees | 34,171 thousand zloty |
| out of which for the benefit of: | |
| - related entities covered by consolidation | 22,326 thousand zloty |
| - related entities not covered by consolidation | - |
| - other entities | 11,845 thousand zloty |
| • by virtue of other liabilities | 11,654 thousand zloty |
| out of which for the benefit of: | |
| - related entities | - |
| - other entities | 11,654 thousand zloty |

The dominant company **Stalexport S.A.** holds the contingent liabilities for the total amount of 23,921 thousand zloty, by virtue of granted guarantees and sureties for the benefit:

- related entities 12,326 thousand zloty
- other entities 11,595 thousand zloty

The amount of guarantees granted by Stalexport S.A. in comparison with 1st quarter 2006 increased by 20,209 thousand zloty. Granting the guarantee in the amount of 12,293 thousand zloty to the related entity - Stalexport Transroute Autostrada S.A. (subsidiary in 55%) of Stalexport Autoroute S.a.r.L. with in Luksembourg (subsidiary company 100%) of Stalexport SA. - was the main reason for the increase in liabilities

ZARZĄD :

**Prezes Zarządu Dyrektor Generalny
Emil Wąsacz**

15.05.2007 r.

Data



Podpis

**Wiceprezes Zarządu Dyrektor Finansowy
Mieczysław Skołożyński**

15.05.2007 r.

Data



Podpis

**Członek Zarządu Dyrektor Handlowy
Urszula Dzierżoń**

15.05.2007 r.

Data



Podpis

**Osoba, której powierzono
prowadzenie ksiąg rachunkowych :**

**Prokurent Główny Księgowy
Małgorzata Michalunio-Kępsy**

15.05.2007 r.

Data



Podpis