

STALEXPORT SA

SA- QSr 2 quarter 2007



consolidated – expanded
financial report for 2 quarters 2007

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

Katowice, 14 .08.2007 .

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-QSr 2/2007

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 2nd quarter of the current turnover year covering the period from 01.01.2007 to 30.06.2007

for the 2nd quarter of the current turnover year covering the period from 01.01.2006 to 30.06.2006

14.08.2007

(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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(NIP - Tax Identification No.)	(REGON - Statistical No.)	(WWW)

Audytora: KPMG Polska Audyt Sp. z o.o.

SELECTED FINANCIAL DATA	thousand zloty		thousand EUR	
	2 quarters 2007 01.01.2007 30.06.2007	2 quarters 2006 01.01.2006 30.06.2006	2 quarters 2007 01.01.2007 30.06.2007	2 quarters 2006 01.01.2006 30.06.2006
I. Net income from sale of products, goods and merchandise	346 152	364 133	88 614	93 217
II. Operating profit (loss)	18 251	20 875	4 672	5 344
III. Gross profit (loss)	6 365	21 430	1 629	5 486
IV. Net profit (loss)	2 482	21 953	635	5 620
V. Net cash flow from operating activity	7 860	(38 693)	2 012	(9 905)
VI. Net cash flow from investment activity	(12 273)	50 817	(3 142)	13 009
VII. Net cash flow financial activity	199 443	61 598	51 057	15 769
VIII. Total net cash flow	195 030	73 722	50 402	19 052
IX. Total assets	943 347	862 450	243 790	222 884
X. Liabilities and reserves for liabilities	529 728	808 256	136 898	208 879
XI. Long-term liabilities	436 504	600 656	112 806	155 228
XII. Short-term liabilities	93 224	207 600	24 092	53 650
XIII. Liabilities of Stalexport Trade for sale	116 940	-	30 221	-
XIV. Equity capital	296 679	54 194	76 671	14 005
XV. Share capital	494 524	215 524	127 800	55 698
XVI. Number of shares	247 262 023	157 762 023	157 762 023	107 762 023
XVII. Profit (loss) per ordinary share (in zloty /EUR)	0,01	0,20	0,00	0,05
XVIII. Diluted profit (loss) per ordinary share (in zloty /EUR)	-	-	-	-
XIX. Book value per share (in zloty/EUR)	1,20	0,50	0,31	0,13
XX. Diluted book value per share (in zloty /EUR)	-	-	-	-

Balance sheet

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
ASSETS				
I. Long-term assets	394 024	576 511	579 799	557 754
1. Tangible fixed assets	257 553	335 466	336 996	304 381
2. Intangible assets, including:	90 016	373	420	339
2. Goodwill of subordinated entities	-	-	-	-
4. Long-term receivables	-	-	-	412
5. Long-term investments	4 660	25 438	25 036	25 634
5.1. Real estates	-	10 000	10 000	10 000
5.2. Intangible assets	-	-	-	-
5.3. Long-term financial assets	4 660	5 438	5 036	5 634
a) in related companies	3 420	3 491	3 796	3 431
- of which shares in subordinated companies valued under the ownership rights method	3 420	3 044	3 349	3 251
- shares in subsidiary and correlated entities not covered by consolidation	-	447	447	180
b) in other entities	1 240	1 947	1 240	2 203
5.4. Other long-term investments	-	10 000	10 000	10 000
6. Assets available for sale	-	-	15	2 199
7. Deferred income tax assets	34 835	9 338	8 795	6 716
8. Other long-term deferred expenses	6 960	205 896	208 537	218 073
II. Current assets	314 343	492 003	277 978	304 696
1. Inventories	1 211	106 571	69 436	61 303
2. Current receivables	35 061	93 061	108 160	133 981
3. Short-term investments	4 542	4 930	4 546	164
4. Cash and cash equivalents	271 017	273 981	84 036	99 936
4. Short-term deferred expenses	2 512	13 460	11 800	9 312
III. Assets of Stalexport Trade for sale	234 980	-	-	-
Total Assets	943 347	1 068 514	857 777	862 450

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
LIABILITIES				
I. Equity capital	296 679	204 653	191 011	54 194
I.1 Equity capital falling to the shareholders of the Company	292 981	198 174	185 374	50 772
1. Stock capital	494 524	315 524	315 524	215 524
2. Not paid-up stock capital (negative value)	-	-	-	-
3. Own shares in treasury (negative value)	(20)	(70)	(71)	(72)
4. Reserve capital	217 855	151 801	151 821	148 909
5. Revaluation capital	9 485	19 225	19 338	16 389
6. Other reserve capitals	613	490	490	51 507
7. Differences in rates from re-counting of the subordinated entities	2	(1)	(46)	-
a) positive differences in rates	2	-	-	-
b) negative differences in rates	-	1	46	-
8. Prior years' profit (loss)	(431 960)	(301 552)	(352 503)	(403 438)
9. Net profit (loss) falling to the shareholders of the company	2 482	12 757	50 821	21 953
10. Net profit write-downs during the financial year (negative value)	-	-	-	-
I.2. Minority capitals	3 698	6 479	5 637	3 422
II. Long-term liabilities	436 504	455 803	473 510	600 656
1. Credits and loans	13 503	18 747	26 717	69 775
2. Liabilities by virtue of financial leasing	3 280	4 227	4 489	5 404
3. Liabilities by virtue of trade account payable	-	-	-	-
4. Other liabilities	292 813	281 455	290 774	492 965
5. Reserve by virtue of the deferred income tax	3 640	4 454	4 092	1 848
6. Reserves for other liabilities	105 482	15 306	13 861	12 781
7. Long-term interperiod settlements	17 786	131 614	133 577	17 883
IV. Short-term liabilities	93 224	408 058	193 256	207 600
1. Credits and loans	32 960	57 076	44 048	15 112
2. Liabilities by virtue of financial leasing	-	53	-	-
3. Liabilities by virtue of trade account payable	8 157	75 204	84 486	92 636
4. Other liabilities	47 055	250 519	51 435	89 411
5. Reserves for liabilities	3 903	1 769	1 791	4 398
6. Short-term interperiod settlements	1 149	23 437	11 496	6 043
IV. Liabilities of Stalexport Trade for sale	116 940	-	-	-
Total liabilities	943 347	1 068 514	857 777	862 450

Book value	296 679	204 653	191 011	54 194
Number of shares	247 262 023	157 762 023,00	157 762 023	107 762 023
Book value per one share (in zlotys)	1,20	1,30	1,21	0,50
Diluted number of shares				
Book value per share (in zlotys) - diluted				

Profit and loss account

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
I. Net incomes from sale of products, goods and merchandise	166 180	346 152	196 884	364 133
1. Net sales of products	51 802	94 729	48 714	88 157
2. Net sales of goods and merchandise	114 378	251 423	148 170	275 976
II. Cost of products, goods and merchandise sold	125 954	268 222	155 964	287 166
1. Manufacturing cost of products sold	19 796	36 280	21 669	37 945
2. Value of merchandise and goods sold	106 158	231 942	134 295	249 221
III. Gross profit (loss) on sales (I-II)	40 226	77 930	40 920	76 967
IV. Other incomes	8 787	12 404	5 156	12 850
V. Sales costs	4 161	8 331	7 439	12 751
VI. Costs of general management	16 175	34 490	19 363	37 214
VII. Other costs	26 172	29 332	13 349	18 844
VIII. Share in profits (losses) in subordinated entities evaluated by property right method	92	70	(77)	(133)
IX. Profit (loss) on operating activity (III+IV-V-VI-VII+/-VIII)	2 597	18 251	5 848	20 875
IX. Financial incomes	1 049	4 703	2 322	10 521
1. Dividends and shares in profits	-	-	-	-
2. Interests	3 087	3 950	1 456	2 566
3. Profit from investment sale	(88)	-	46	6 758
4. Updating the investment value	-	-	8	8
5. Other	(1 950)	753	812	1 189
X. Financial costs	11 217	16 589	4 852	9 966
1. Interests	3 303	6 270	3 787	8 248
2. Loss from investment sale	-	-	-	-
3. Updating the investment value	-	-	-	-
4. Other	7 914	10 319	1 065	1 718
XII. Profit (loss) on sales of total or part of shares in subordinated entities	-	-	-	-
XIII. Gross profit (loss) (IX + X - XI +/- XII)	(7 571)	6 365	3 318	21 430
XIV. Income tax	1 444	1 880	2 415	(2 056)
a) current part	7 284	7 944	11 798	7 956
b) deferred part	(5 840)	(6 064)	(9 383)	(10 012)
XV. Net profit (loss) (XIII-XIV +/- XVI), including:	(9 015)	4 485	903	23 486
XVI. Profits (losses) of minority	(1 260)	(2 003)	(1 282)	(1 533)
XVII. Profit (loss) falling to the shareholders of the company (XIV +/- XVII)	(10 275)	2 482	(379)	21 953
Net profit (loss)		2 482		21 953
Weighted average number of ordinary shares		247 262 023		107 762 023
Earning (loss) per ordinary share (in zlotys)		0,01		0,20
Diluted weighted average number of ordinary shares				
Profit (loss) per ordinary share (in zlotys) - diluted				

Changes in equity capital

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
I. Equity capital at the beginning of period (opening balance)	191 011	191 011	33 405	33 405
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	191 011	191 011	33 405	33 405
1. Stock capital at the beginning of period	315 524	315 524	215 524	215 524
1.1. Changes in stock capital	179 000	-	100 000	-
a) additions, of which:	179 000	-	100 000	-
- issuance of shares	179 000	-	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	494 524	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)	(71)	(73)	(73)
3.1. Changes in own shares in treasury	51	1	2	1
a) additions, of which:	-	-	-	-
- issue for minority shareholders	-	-	-	-
b) reductions, of which:	(51)	(1)	(2)	(1)
- issue for minority shareholders	(1)	(1)	(2)	(1)
consolidation adjustments	(50)	-	-	-
3.2. Own shares in treasury at the end of period	(20)	(70)	(71)	(72)
4. Reserve capital at the beginning of period	151 821	154 236	101 675	101 675
4.1. Changes in reserve capital	66 034	(2 435)	50 146	47 234
a) additions, of which:	69 017	50	50 191	47 279
- shares issue above nominal value	22 081	-	2 887	-
- distribution of profit	386	-	47 218	47 275
- distribution of profit (above the nominal value required by law)	46 345	-	-	-
- other	135	21	57	-
- sale, disposal of fixed assets	70	29	29	4
b) reductions, of which:	2 983	2 485	45	45
- loss coverage	2 931	-	9	8
- elimination of the capital surcharges	49	554	-	-
- consolidation adjustments	3	1 931	36	37
4.2. Reserve capital at the end of period	217 855	151 801	151 821	148 909
5. Revaluation capital at the beginning of period	19 338	19 520	16 393	16 393
5.1. Changes in revaluation capital	(9 853)	(295)	2 945	(4)
a) additions, of which:	1 058	-	4 506	-
- re-evaluation of fixed assets	-	-	-	-
- consolidation adjustments	1 058	-	4 506	-
b) reductions, of which:	10 911	295	1 561	4
- disposal of fixed assets	70	29	29	4
- consolidation adjustments	10 841	266	1 532	-
5.2. Revaluation capital at the end of period	9 485	19 225	19 338	16 389

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
6. Other reserve capital at the beginning of period	490	490	51 017	51 017
6.1. Changes in other reserve capital	123	-	(50 527)	490
a) additions, of which:	123	-	892	891
- profit distribution	123	-	892	891
b) reductions, of which:	-	-	51 419	401
- loss coverage	-	-	51 017	-
- other	-	-	402	401
6.2. Other reserve capitals at the end of the period	613	490	490	51 507
7. Rates differences from re-calculation of subordinated entities	2	(1)	(46)	-
8. Prior years' profit (loss) at the beginning of period	(352 503)	(352 506)	(252 791)	(252 791)
8.1. Prior years' profit at the beginning of period	1 891	685	2 652	2 652
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	1 891	685	2 652	2 652
a) additions, of which:	9 930	51 892	56 712	7 950
- prior years' profit distribution	9 836	50 887	52 216	5 293
- other	-	253	1 915	-
consolidation adjustments	94	752	2 581	2 657
b) reductions, of which:	10 905	1 239	57 473	8 577
- transition to reserve capital	264	-	47 107	185
- loss coverage	884	-	-	-
- dividend payment	6 344	774	4 763	2 877
- other	122	-	1 317	1 317
- the Institutional Social Benefit Fund deduction	31	-	517	-
- consolidation adjustments	3 260	465	3 769	4 198
8.3 Prior years' profit at the end of period	916	51 338	1 891	2 025
8.4 Prior years' loss at the beginning of period	354 394	353 191	255 443	255 443
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	354 394	353 191	255 443	255 443
a) additions, of which:	99 110	14 563	150 472	150 446
transition of prior years' loss to be covered	202	202	1 248	146 329
- other	55 147	-	-	10
- consolidation adjustments	43 761	14 361	149 224	4 107
b) reductions, of which:	20 628	14 864	51 521	426
- loss coverage by profit	5 885	123	51 442	426
- consolidation adjustments	14 743	14 741	79	-
8.6. Prior years' loss at the end of period	432 876	352 890	354 394	405 463
8.7. Prior years' profit (loss) at the end of period	(431 960)	(301 552)	(352 503)	(403 438)
9. Net profit (loss) falling to the shareholders of the company	2 482	12 757	50 821	21 953
a) net profit falling to the shareholders of the company	2 482	12 757	50 821	21 953
b) net loss falling to the shareholders of the company	-	-	-	-
c) charges on the profit	-	-	-	-
10.1. Minority capital at the beginning of period	5 637	5 736	4 048	4 048
a) increases	2 004	744	4 505	1 536
b) decreases	3 943	1	2 916	2 162
10.2 Minority capital at the end of period	3 698	6 479	5 637	3 422
II. Equity capital at the end of period (closing balance)	296 679	204 653	191 011	54 194
III. Equity capital after considering the proposed distribution of profit (loss coverage)	296 679	204 653	191 011	54 194

Cash flow account (indirect method)

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
A. Net cash flow from operating activity (indirect method)				
I. Net profit (loss) per the Company's shareholders	(10 275)	2 482	(379)	21 953
II. Total adjustments	27 724	5 378	(8 585)	(60 646)
1. Profits (losses) of minority	1 260	2 003	1 282	1 533
2. Share in net profits (losses) of subordinated companies valued under the equity method	(92)	(70)	77	133
3. Depreciation of which	6 860	12 017	4 830	9 736
4. (Profits) losses on foreign exchange differences	(4)	(4)	-	-
5. Interests and shares in profits (dividends)	(3 664)	(1 574)	2 050	4 456
6. Profit (losses) on investing activities	13	(102)	1 451	(6 658)
7. Change in provisions	25 526	27 265	1 918	(7 730)
8. Change in inventories	(2 339)	(39 685)	14 218	(8 290)
9. Change in receivables	5 765	20 942	(11 603)	(28 170)
10. Change in current liabilities (excluding loans and credits)	(9 563)	(28 616)	(11 608)	(6 765)
11. Change in deferred and accrued expenses	(8 759)	1 437	1 440	(7 036)
12. Other adjustments	12 721	11 765	(12 640)	(11 855)
III. Net cash flows from operating activities (I+II)	17 449	7 860	(8 964)	(38 693)

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
B. Net cash flows from investing activities				
I. Cash provided by investing activities	4 148	4 408	2 500	64 940
1. Disposal of intangible assets and tangible fixed assets	39	125	1 507	8 495
2. Disposal of investments in real-estate and intangible assets	-	-	-	55 041
3. Disposal of financial assets, of which:	4 078	4 165	993	1 404
a) in related companies	4 053	4 065	344	558
- disposal of financial assets	-	-	-	-
- dividends and shares in profits	4 040	4 040	-	-
- payment of long-term loans granted	-	-	332	532
- interests	13	25	12	26
- other income from financial assets	-	-	-	-
b) in other companies	25	100	649	846
- disposal of financial assets	-	-	53	53
- dividends and shares in profits	-	-	-	-
- payment of long-term loans granted	4	4	64	71
- interests	21	96	532	722
- other income from financial assets	-	-	-	-
4. Other investing income	31	118	-	-
II. Expenses	12 023	16 681	9 124	14 123
1. Purchases of intangible assets and tangible fixed assets	12 021	16 657	7 540	12 220
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	2	24	1 584	1 584
III. Net cash flows from investing activities (I-II)	(7 875)	(12 273)	(6 624)	50 817

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
C. Cash flows from financing activities				
I. Inflows	2 108	208 885	67 960	78 322
1. Net inflows from issuance of shares and other capital securities and additional paid-in capital	-	201 457	67 958	68 319
2. Credits and loans	2 108	7 389	-	10 000
3. Issuance of debt securities	-	-	-	-
4. Other financial income	-	39	2	3
II. Expenses	6 597	9 442	(5 136)	16 724
1. Acquisition of own shares	-	-	-	-
2. Dividends and other payments for the benefits of the owners	5 572	5 572	1 543	1 543
3. Other than payments in favour of owners, expenses by	-	-	-	-
4. Payments of credits and loans	(203)	20	(9 864)	8 883
5. Redemption of debt securities	-	-	-	-
6. By virtue of other financial liabilities	-	-	-	-
7. Payments of liabilities by virtue of finance lease	648	1 036	500	910
8. Interests	580	2 814	2 685	5 388
9. Other financial expenses	-	-	-	-
III. Net cash flows from financing activities (I-II)	(4 489)	199 443	73 096	61 598
D. Total net cash flows (A.III+B.III+C.III)	5 085	195 030	57 508	73 722
E. Change in balance-sheet cash and cash equivalents	5 085	195 030	57 508	73 722
- of which change in cash and cash equivalents due to foreign exchange differences	(261)	(216)	16	16
F. Cash and cash equivalents - beginning of period	273 981	84 036	42 428	26 214
G. Cash and cash equivalents - end of period (D+F)	279 066	279 066	99 936	99 936

Off balance-sheet liabilities

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
1. Contingent liabilities	500	4 067	4 067	500
1.1. From related entities (by virtue of)	500	500	500	500
- received warranties and guarantees	500	500	500	500
1.2. From other entities (by virtue of)	-	3 567	3 567	-
- received warranties and guarantees	-	3 567	3 567	-
2. Contingent liabilities	34 771	34 171	46 027	24 786
2.1. In favour of related entities (by virtue of)	22 952	22 326	22 576	11 981
- granted warranties and guarantees	22 952	22 326	12 576	11 981
- other	-	-	10 000	-
2.2. In favour of other entities (by virtue of)	11 819	11 845	11 797	2 805
- granted warranties and guarantees	9 726	11 845	11 623	2 805
- opening of the letter of credit	2 093	-	174	-
2.3 Other (by virtue of)	7 396	11 654	11 654	10 000
- mortgage	-	-	-	10 000
- other	7 396	11 654	11 654	-
Total off-balance sheet liabilities	42 667	49 892	50 094	25 286

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-Q 2/2007

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 2nd quarter of the current turnover year covering the period from 01.01.2007 to 30.06.2007
and for the 2nd quarter of the previous turnover year covering the period from 01.01.2006 to 30.06.2006

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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I. Net income from sale of products, goods and merchandise	231 236	269 740	60 083	70 088
II. Operating profit (loss)	(3 072)	(14 360)	(798)	(3 731)
III. Gross profit (loss)	(4 009)	(14 281)	(1 042)	(3 711)
IV. Net profit (loss)	(3 967)	(5 281)	(1 031)	(1 372)
V. Net cash flow from operating activity	(34 031)	(48 000)	(8 842)	(12 472)
VI. Net cash flow from investment activity	749	58 798	195	15 278
VII. Net cash flow from financial activity	205 733	54 812	53 457	14 242
VIII. Total net cash flow	172 451	65 610	44 809	17 048
IX. Total assets	702 092	571 774	186 439	151 833
X. Liabilities and reserves for liabilities	399 936	568 536	106 202	150 973
XI. Long-term liabilities	207 881	379 932	55 202	100 890
XII. Short-term liabilities	192 055	188 604	51 000	50 083
XIII. Equity capital	302 156	3 238	80 237	860
XIV. Share capital	494 524	215 524	131 320	57 232
XV. Number of shares	247 262 023	107 762 023	247 262 023	107 762 023
XVI. Profit (loss) per ordinary share (in zloty/ EUR)	-0,02	-0,05	-0,01	-0,01
XVII. Diluted profit (loss) per ordinary share (in zloty/ EUR)	-	-	-	-
XVIII. Book value per one share (in zloty/ EUR)	1,22	0,03	0,32	0,01
XIX. Diluted book value per one share (in zloty /EUR)	-	-	-	-

Balance sheet

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
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ASSETS

I. Long-term assets	467 208	326 723	326 589	296 218
1. Tangible fixed assets	10 853	55 806	56 037	44 941
2. Intangible assets	6	77	95	160
3. Long-term receivables	32 680	32 680	32 680	412
4. Long-term investments	204 462	238 160	237 777	248 506
4.1 Real estates		10 000	10 000	10 000
4.2 Intangible fixed assets				
4.3 Long-term financial assets	204 462	227 960	227 577	238 306
a) in related companies	203 291	226 406	226 406	236 499
- of which shares in subordinated companies valued under the ownership rights method	32	32	32	32
b) in other entities	1 171	1 554	1 171	1 807
4.4. Other long-term investments		200	200	200
5. Assets available for sale	219 207			2 199
6. Deferred income tax assets				
7. Other long-term deferred expenses				
II. Short-term assets	234 884	387 707	193 127	275 556
1. Inventories		92 549	57 579	49 930
2. Short-term receivables	23 553	70 739	91 118	154 267
3. Short-term investments	4 542	4 915	4 546	165
4. Cash and cash equivalents	205 328	217 583	39 269	70 268
5. Short-term deferred expenses	1 461	1 921	615	926
Assets in total	702 092	714 430	519 716	571 774

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
LIABILITIES				
I. Equity capital	302 156	101 585	105 090	3 238
1. Share capital	494 524	315 524	315 524	215 524
2. Not paid-up share capital (negative value)				
3. Own shares in treasury (negative value)	-20	-20	-21	-21
4. Reserve capital	22 073	2 882	2 931	38
5. Revaluation capital	131 771	131 812	131 812	139 994
6. Other reserve capitals				51 016
7. Prior years' profit (loss)	-342 225	-344 773	-347 016	-398 032
8. Profit (loss) per shareholders of the Company	-3 967	-3 840	1 860	-5 281
9. Net profit write-downs during the financial year (negative value)				
II. Long-term liabilities	207 881	230 573	248 473	379 932
1. Credits and loans	4 060	9 167	17 137	59 775
2. Liabilities by virtue of financial leasing		477	515	770
3. Liabilities by virtue of trade account receivable				
4. Other liabilities	171 292	181 281	191 134	274 618
5. Reserve by virtue of the deferred income tax	29 340	29 346	29 383	31 356
6. Reserves for other liabilities	3 043	9 559	9 559	12 663
7. Long-term interperiod settlements	146	743	745	750
III. Short-term liabilities	192 055	382 272	166 153	188 604
1. Credits and loans	42 160	65 051	51 800	22 546
2. Liabilities by virtue of financial leasing				
3. Liabilities by virtue of trade account receivable	1 689	59 266	67 771	77 689
4. Other liabilities	38 679	240 656	41 246	79 475
5. Reserves for liabilities	3 778	1 740	1 738	3 597
6. Short-term interperiod settlements	5	15 559	3 598	5 297
7. Liability for sale	105 744			
Total liabilities	702 092	714 430	519 716	571 774

Book value	302 156	101 585	105 090	3 238
Number of shares	247 262 023	157 762 023,00	157 762 023	107 762 023
Book value per one share (in zlotys)	1,22	0,64	0,67	0,03
Diluted number of shares				
Book value per one share (in zlotys) - diluted				

Profit and loss account

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
I. Net incomes from sale of products, goods and merchandise	108 066	231 236	142 909	269 740
1. Net sales of products	16 108	28 306	17 926	31 299
2. Net sales of goods and merchandise	91 958	202 930	124 983	238 441
II. Cost of products, goods and merchandise sold, including	102 163	217 696	130 843	244 830
1. Manufacturing cost of products sold	15 871	28 218	17 550	29 613
2. Value of merchandise and goods sold	86 292	189 478	113 293	215 217
III. Gross profit (loss) on sales (I-II)	5 903	13 540	12 066	24 910
IV. Other incomes	5 599	7 322	2 507	5 168
V. Sales costs	2 704	5 416	5 848	10 012
VI. Costs of general management	7 269	14 559	7 706	15 669
VII. Other costs	2 315	3 959	13 393	18 757
VIII. Profit (loss) on operating activity (III+IV-V-VI-VII)	-786	-3 072	-12 374	-14 360
IX. Financial incomes	4 005	5 576	1 688	9 625
1. Dividends and shares in profits	2 097	2 097		
2. Interests	2 311	2 767	992	1 899
3. Profit from investment sale	-87		46	6 758
4. Updating the investment value			8	8
5. Other	-316	712	642	960
X. Financial costs	3 352	6 513	4 563	9 546
1. Interests	3 111	5 924	3 474	7 838
2. Loss from investment sale				
3. Updating the investment value				
4. Other	241	589	1 089	1 708
XI. Gross profit (loss) (VIII + IX - X)	-133	-4 009	-15 249	-14 281
XII. Income tax	-6	-42	-33	-9 000
a) current part				
b) deferred part	-6	-42	-33	-9 000
XIII. Net profit (loss) (XI+/- - XII)	-127	-3 967	-15 216	-5 281
Net profit (loss)		-3 967		-5 281
Weighted average number of ordinary shares		247 262 023		107 762 023
Earning (loss) per ordinary share (in zlotys)		-0,02		-0,05
Diluted weighted average number of ordinary shares				
Profit (loss) per ordinary share (in zlotys) - diluted				

Changes in equity capital

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
1. Equity capital at the beginning of period (opening balance)	105 090	105 775	1 399	1 399
a) changes in accepted accounting principles (policy)				
b) corrections of material faults				
1a. Equity capital at the beginning of period (opening balance), after restatement to comparative data	105 090	105 775	1 399	1 399
1. Stock capital at the beginning of period	315 524	315 524	215 524	215 524
1.1. Changes in stock capital	179 000	0	100 000	0
a) additions, of which:	179 000	0	100 000	0
- issuance of shares	179 000		100 000	
- increase in basic capital				
b) reductions, of which:	0	0	0	0
- cancellation of shares				
- decrease in basic capital				
1.2. Stock capital at the end of period	494 524	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	0
a) additions, of which:	0	0	0	0
b) reductions, of which:	0	0	0	0
2.2. Not paid-up stock capital at the end of period	0	0	0	0
3. Own shares in treasury at the beginning of period	-21	-21	-23	-23
3.1. Changes in own shares in treasury	1	1	2	2
a) additions, of which:	0	0	0	0
- issue for minority shareholders				
b) reductions, of which:	-1	-1	-2	-2
- issue for minority shareholders	-1	-1	-2	-2
3.2. Own shares in treasury at the end of period	-20	-20	-21	-21
4. Reserve capital at the beginning of period	2 931	3 485	35	35
4.1. Changes in reserve capital	19 142	-603	2 896	3
a) additions, of which:	22 122	0	2 896	3
- shares issue above nominal value	22 081		2 888	
- distribution of profit				
- distribution of profit (in excess of value required by law)				
- other				
- sale, liquidation of fixed assets	41		8	3
b) reductions, of which:	2 980	603	0	0
- loss coverage	2 931			
- costs of the issue of shares	49	603		
4.2. Reserve capital at the end of period	22 073	2 882	2 931	38
5. Revaluation capital at the beginning of period	131 812	131 812	132 879	132 879
5.1. Changes in revaluation capital	-41	0	-1 067	7 115
a) additions, of which:	0	0	248	8 787
- re-evaluation of fixed assets			248	8 787
b) reductions, of which:	41	0	1 315	1 672
- disposal of fixed assets	41		8	3
- reserve for deferred income tax by virtue of revaluation of the financial assets			1 307	1 669
5.2. Revaluation capital at the end of period	131 771	131 812	131 812	139 994

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
6. Other reserve capital at the beginning of period			51 016	51 016
6.1. Changes in other reserve capital	0	0	-51 016	0
a) additions, of which:	0	0	0	0
- profit distribution				
b) reductions, of which:	0	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	0	51 016
7. Rate differences from re-calculating the subordinated entities				
8. Prior years' profit (loss) at the beginning of period	-345 156	-345 026	-252 943	-252 943
8.1. Prior years' profit at the beginning of period	1 860	1 990		
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	1 860	1 990	0	0
a) additions, of which:	0	253	0	0
-prior years' profit distribution				
- other				
- adjustments of opening balance after auditing		253		
b) reductions, of which:	1 860	0	0	0
- transition to reserve capital				
- loss coverage	1 860			
- dividend payment				
- other				
8.3 Prior years' profit at the end of period	0	2 243	0	0
8.4 Prior years' loss at the beginning of period	347 016	347 016	252 943	252 943
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	347 016	347 016	252 943	252 943
a) additions, of which:	0	0	145 089	145 089
transition of prior years' loss to be covered			145 089	145 089
- other				
b) reductions, of which:	4 791	0	51 016	0
- loss coverage by profit, reserve and inventory capital	4 791		51 016	
8.6. Prior years' loss at the end of period	342 225	347 016	347 016	398 032
8.7. Prior years' profit (loss) at the end of period	-342 225	-344 773	-347 016	-398 032
9. Net profit (loss) falling to the shareholders of the company	-3 967	-3 840	1 860	-5 281
a) net profit per shareholders of the Company			1 860	
b) net loss per shareholders of the Company	3 967	3 840		5 281
c) charges on the profit				
II. Equity capital at the end of period (closing balance)	302 156	101 585	105 090	3 238
III. Equity capital after considering the proposed profit distribution (loss coverage)				

Cash flow account (indirect method)

	2nd quarter 2007 01.04.2007- 30.06.2007	2 quarters 2007 01.01.2007- 30.06.2007	2nd quarter 2006 01.04.2006- 30.06.2006	2 quarters 2006 01.01.2006- 30.06.2006
Cash flow account (indirect method)				
I. Net profit (loss) per the Company's shareholders	-127	-3 967	-15 216	-5 281
II. Total adjustments	-8 070	-30 064	3 386	-42 719
1. Share in net (profits) losses of subordinated companies valued under the equity method				
2. Depreciation	620	1 230	570	1 224
3. (Gain) loss on foreign exchange differences				
4. Interests and shares in profits (dividends)	-1 816	113	1 793	4 092
5. Gain (loss) on investing activities	22	-92	1 514	-6 651
6. Change in provisions	-6	-42	1 822	-7 331
7. Change in inventories	-3 657	-38 628	14 643	-6 120
8. Change in receivables	10 734	31 104	-8 300	-23 356
9. Change in current liabilities excluding loans and credits	-14 253	-33 824	-8 405	424
10. Change in deferred and accrued expenses	211	10 647	713	-3 481
11. Other adjustments	75	-572	-964	-1 520
III. Net cash flows from operating activities (I + II)	-8 197	-34 031	-11 830	-48 000

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
B. Net cash flows from investing activities				
I. Cash provided by investing activities	2 149	2 290	1 037	63 240
1. Disposal of intangible assets and tangible fixed assets	17	71	55	7 021
2. Disposal of investments in real-estate and intangible assets				55 041
3. Disposal of financial assets, of which:	2 101	2 101	982	1 178
a) in related companies	2 097	2 097	332	332
- disposal of financial assets				
- dividends and shares in profits	2 097	2 097		
- payment of long-term loans granted			332	332
- interests				
- other income from financial assets				
b) in other companies	4	4	650	846
- disposal of financial assets			53	53
- dividends and shares in profits				
- payment of long-term loans granted	4	4	64	71
- interests			533	722
- other income from financial assets				
4. Other investing income	31	118		
II. Expenses	1 153	1 541	3 590	4 442
1. Purchases of intangible assets and tangible fixed assets	651	1 017	2 006	2 539
2. Investments in real-estate and intangible assets				
3. For financial assets, of which:	500	500	0	319
a) in related companies	500	500	0	319
- acquisition of financial assets	500	500		
- long-term loans granted				319
b) in other entities	0	0	0	0
- acquisition of financial assets				
- long-term loans granted				
4. Dividends and other shares in profits paid to minority				
5. Other investing expenses	2	24	1 584	1 584
III. Net cash flows from investing activities (I-II)	996	749	-2 553	58 798

	2nd quarter 2007 01.04.2007 30.06.2007	2 quarters 2007 01.01.2007 30.06.2007	2nd quarter 2006 01.04.2006 30.06.2006	2 quarters 2006 01.01.2006 30.06.2006
C. Cash flows from financing activities				
I. Inflows	1 902	208 264	68 319	68 319
1. Net inflows from issuance of shares and other capital securities and additional paid-in capital		201 081	68 319	68 319
2. Credits and loans	1 902	7 183		
3. Issuance of debt securities				
4. Other financial income				
II. Expenses	564	2 531	-7 162	13 507
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			-9 659	8 468
5. Redemption of debt securities				
6. By virtue of other financial liabilities				
7. Payments of liabilities by virtue of finance lease agreement	283	321	172	225
8. Interests	281	2 210	2 325	4 814
9. Other financial expenses				
III. Net cash flows from financing activities (I-II)	1 338	205 733	75 481	54 812
D. Total net cash flows (A.III+B.III+C.III)	-5 863	172 451	61 098	65 610
E. Change in balance-sheet cash and cash equivalents	-5 863	172 451	61 098	65 610
- of which change in cash and cash equivalents due to foreign exchange differences	-261	-216	14	16
F. Cash and cash equivalents - beginning of period	217 583	39 269	9 170	4 658
G. Cash and cash equivalents - end of period (D+F)	211 720	211 720	70 268	70 268

Off balance-sheet liabilities

	30.06.2007	31.03.2007	31.12.2006	30.06.2006
1. Contingent liabilities	0	0	0	0
1.1. From related entities (by virtue of)	0	0	0	0
- received warranties and guarantees				
1.2. From other entities (by virtue of)	0	0	0	0
- received warranties and guarantees				
2. Contingent liabilities	24 746	23 922	24 123	14 536
2.1. In favour of related entities (by virtue of)	12 952	12 326	12 326	11 731
- granted warranties and guarantees	12 952	12 326	12 326	11 731
- customs warranties				
- other				
2.2. In favour of other entities (by virtue of)	11 794	11 596	11 797	2 805
- granted warranties and guarantees	9 701	11 596	11 623	2 805
- opening of the letter of credit	2 093		174	
- bill of exchange guarantees				
2.3 Other (by virtue of)	0	0	0	0
- mortgage				
- third party goods				
- other				
Total off-balance sheet liabilities	24 746	23 922	24 123	14 536

Commentary to the consolidated quarterly report of the Capital Group of Stalexport SA for the 2nd 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 second 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 2nd quarter 2007 was drawn up according to the binding International Accounting Standards and International Financial Reporting Standards binding as at 30.06.2007, 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 2nd 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.

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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 30.06.2007 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 30.06.2007. 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 activated on the date the leasing begins, according to the lower of two values: fair value of the subject of leasing or the 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. Myslowice. The period of settlement till 2027.
- long-term liability in the company Stalexport Autostrada Małopolska S.A. Myslowice towards Krajowy Fundusz Drogowy by virtue of credit EBRD contracted by the State Treasury for the construction of the A4 motorway section Katowice – Kraków is discounted as from 31.12.2006.

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.

Change in some accounting rules in part regarding the motorway activity.

In the discussed period – in connection with the change of the strategic investor in the Capital Group of Stalexport S.A., which is the company Atlantia S.p.A. – some rules of accounting policy were changed in the part regarding the motorway activity and adjusted to the rules of the Atlantia Group.

In a result of the carried out analysis of the shown economic events the company Stalexport Autostrada Małopolska S.A. corrected the settlements:

- long-term liabilities, their discount and debt settlement,

- settlement and establishing of the reserves for the replacement of the surface which according to IAS 37 are treated as the repeating overhauls, not the modernisation of the existing third party fixed assets.

The value of fixed assets does not comprise currently the repeating overhauls of surface. According to I.A.S. 37, the provision for the a/m overhauls is established, which is shown in „Reserves for other liabilities”. As a result of the changes introduced into the accounting principles the value of fixed assets and fixed assets under construction was reduced by 20,008 thousand zloty. This amount constitutes the value of the work already executed, connected with the first replacement of the surface, which dissolved the reserved established for the a/m overhaul.

The concession value – the liability towards GDDKiA – has been settled so far by long- and short-term deferred expenditure. As at the balance sheet date the concession value was evaluated (discounted) and presented in intangible assets in the amount of 89,794 thousand zloty.

As a result of change in the accounting principles in the Capital Group of Stalexport, the company Stalexport Autostrada Małopolska S.A. established the provision for the first replacing of the surface. Starting the toll collection (April 2000) was the moment of establishing the a/m provision. Transferring „forward” of the process of calculating the amortisation costs resulted in prior years’ loss and the reduction of equity capital of the company by 83,924 thousand zloty.

As on the balance sheet date a provision for optional surface overhaul before terminating the Concession Agreement was established, (so called Contingency for strengthening overlay) in the amount of 3,625 thousand zloty. According to I.A.S. 37 the Company established the provision for the first replacing the surface, which according to the financial model is to last to 2009. The value of the provision as on 30.06.2007 amounts to 99,423 thousand zloty.

The mentioned changes in accounting principles in regard to motorway activity (establishing provisions for the overhauls of the surface replacing) resulted in reduction of the financial result of the company Stalexport Autostrada Małopolska S.A. and the capital group of Stalexport S.A. by 17,085 thousand zloty.

Independently of the above mentioned changes in the accounting principles, Stalexport S.A. for the first time is disclosing in the consolidated financial report a group of assets and liabilities designed for disposal, which form the Organised Division of Enterprise “Stalexport Trade”, SSC Katowice, SC Lublin, Metalzbyt Białystok and SSC Bełchatów. The investment agreement (the preliminary sales agreement) concerning the disposal by Stalexport S.A. of assets and liabilities in regard to steel business, concluded on 31.05.2007 between Stalexport S.A. in Katowice, the Company Złomrex S.A. with seat in Poraj and the Company Stalexport Trade S.A. was the basis for designing this group of assets and liabilities for sale.

Showing the group of Stalexport Trade as the assets and liabilities designed for sale in the consolidated balance sheet resulted in higher value of cash shown in cash flow by the amount of 8,049 thousand zloty being the cash of the group of Stalexport Trade.

II. Financial results of the Capital Group and the dominant entity for 2nd quarter 2007

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

The capital group of Stalexport S.A. for 2nd quarter 2007 shows consolidated gross loss in the amount of 7,571 thousand zloty, including:

- gross profit on sale of products and services	40,226 thousand zloty
- sales and management costs	20,336 thousand zloty
- loss on other operating activity	17,385 thousand zloty
- loss on financial activity	10,168 thousand zloty

Consolidated net loss for 2nd quarter 2007 amounts to 9,015 thousand zloty including:

- loss per minority shareholders	1,260 thousand zloty
- loss per shareholders of the Company	10,275 thousand zloty

The consolidated financial result for 2nd quarter 2007 was affected by the financial results of the companies of the Capital Group, which for each company amounted to :

- Stalexport S.A.	- 128 thousand zloty
- Stalexport Serwis Centrum S.A. Katowice	268 thousand zloty
- Stalexport Centrostal S.A. Lublin	21 thousand zloty
- Stalexport Serwis Centrum Bełchatów S.A. Rogowiec	- 15 thousand zloty
- Stalexport Metalzbyt Sp. z o.o. Białystok	22 thousand zloty
- Stalexport Autostrada Małopolska S.A. Mysłowice	4,057 thousand zloty
- Stalexport Transroute Autostrada S.A. Mysłowice	2,772 thousand zloty
- Stalexport Autostrada Dolnośląska S.A. Katowice	- 167 thousand zloty

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

In 2nd quarter 2007 the incomes from sale of Stalexport S.A. amounted to 108,066 thousand zloty and were by 32% lower in comparison with the analogous period of the previous year. The decrease in export sales was the main factor of the decline in incomes from sale. In 2nd quarter 2007 Stalexport S.A. achieved gross profit on sales in the amount of 5,902 thousand zloty.

The positive result on other operating activity in the amount of 3,285 thousand zloty resulted, on incomes side, from: - dissolved updating allowance for trade receivables in the amount of 2,579 thousand zloty, writing off the receivables of EKO Stahl GmbH in the amount of 1,901 thousand zloty, - dissolving the allowance for goods in the amount of 273 thousand zloty, dissolved provision for leaves, jubilee bonuses and employee's compensations in the amount of 161 thousand zloty, interests on trade accounts receivable in the amount of 145 thousand zloty. Referring to costs the essential items were: - updating of the value of non-financial assets in the amount of 1,316 thousand zloty, - interests on liabilities in the amount of 241 thousand zloty, - establishing the reserve for leaves, jubilee bonuses and employee's compensations in the amount 290 thousand zloty and the costs of the non-effective investments in the amount of 183 thousand zloty.

Stalexport S.A. incurred a profit on financial activity in the amount of 653 thousand zloty. The biggest items of financial incomes were: interests in the amount of 2,179 thousand zloty and dividend in the amount of 2,097 thousand zloty. The biggest items of financial costs were: - interests on guarantee towards the State Treasury in the amount of 2,210 thousand zloty, - interests on executed arrangement instalment in the amount of 582 thousand zloty, and interests on credits and loans in the amount of 240 thousand zloty.

Summing up, Stalexport S.A. for 2nd quarter 2007 achieved gross loss in the amount of 128 thousand zloty.

Financial results of the commercial companies

The incomes from sale of 4 subsidiary companies conducting commercial activity in 2nd quarter 2007 amounted to 28,779 thousand zloty and were by 1,440 thousand zloty higher (by 5%) in comparison with 2nd quarter 2006. The financial results of three commercial companies were positive and amounted to 311 thousand zloty, while one company shows net loss in the amount of 15 thousand zloty, which resulted in increasing the consolidated financial result by 296 thousand zloty.

Financial results of motorway activity

The motorway activity had an essential impact upon the consolidated financial result for 2nd 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 2nd quarter 2007 amounted to 32,925 thousand zloty and were by 10% higher in comparison with 2nd quarter 2006. Consolidated net profit of both companies for 2nd quarter 2007 amounted to 6,828 thousand 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 the 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. The sum after discounting as on 30.06.2007 amounts to 121,897 thousand zloty.

As on the balance sheet date a provision for optional surface overhaul before terminating the Concession Agreement was established, (so called Contingency for strengthening overlay) in the amount of 764 thousand zloty (the total value of provision as on the balance sheet date amounts to 2,167 thousand zloty. According to I.A.S. 37 the Company SAM established the provision for the first replacing the surface, which according to the current financial model is to last to 2009. The value of the established provision as on 30.06.2007 amounts to 99,423 thousand zloty.

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 34,835 thousand zloty. The reserve by virtue of deferred income tax in the capital group of Stalexport S.A. amounts to 3,640 thousand zloty.

The balance of reserves in the group as at 30.06.2007 amounts to 109,385 thousand zloty, out of which:

- long-term ones - 105,482 thousand zloty
- short-term ones - 3,903 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 3.7658 zloty binding on 30.06.2007.

Specific items in the profit and loss account pertaining to 2nd quarter 2007 have been converted into EUR according to the rate 3.8486 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 second quarter 2007.

V. List of Shareholders having more than 5% of the total number of votes at the General Meeting of Shareholders as on 14.08.2007.

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	Percent
- Atlantia S.p.A. Rome	139,059,182	56.24%

VI. List of shares held by the managing and supervising persons in the dominant entity as on 14.08.2007

Management Board 82,430 shares
Supervisory Board 20 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 30.06.2007.

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	5,106,379.63	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 effect. There is probability of discontinuance of proceedings.
2.	60/03/Ba 73/03/Ba 5/04/Ba	4,098,183.00	SEBA Sp. z o.o.	Payment order of 10.12.2003, 27.01.2003, 30.03.2004 legally valid with executory formula. On 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. In the opinion of Stalexport S.A. there is slight possibility to recover this receivable.
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.
4.	85/06/Ba	5,157,789.57	Arkadiusz Czerwiński TOP-AR Piła	Agreement before court dated. 24.01.2007 Executive petition was filed , court executive officer took action. Simultaneously a petition was filed to Court to disclose property (assets) and a notice to Public Prosecutor's Office .
5.	86/06/S	3,540,771.81	Marek Tutlewski MEGA-Bis Wałcz	claim of 18.08.2006 court executive officer enforcement in progress Filing a petition to disclose assets and Public Prosecutor's Office was noticed.

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 the 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 on 07.12.2006. . 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

VIII. Description of the essential events in the Capital Group of Stalexport SA in the period from 01.04.2007 to 30.06.2007

§ On 05.04.2007 in the current report no 39/2007, referring to the current report no 29/2007 dated 21.02.2007, the Management Board of Stalexport S.A. disclosed data concerning the subscription of ordinary bearer shares of G series of the issuer and the total amount of costs put down till 4.04.2007, which were included in the issue costs, (the cost of preparing and carrying out the offer amounted to 931,954.36 zloty), the amount of costs put down till 30.06.2007 amounted to 1,053,926.70 zloty. Because of the lack of the final settlement of the 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 08.05.2007 Stalexport S.A. received the decision of the Regional Court in Katowice dated 30.04.2007, about establishing the register pledge on cash accumulated on the bank account, in the amount of 200,999 thousand zloty for the benefit of the company Autostrade S.p.A.(at present Atlantia S.p.A.) in Rome as the pledgee.

§ On 11.05.2007 before the District Court in Katowice, XIII Economic Department the trial was held 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 Shareholders of Stalexport S.A. dated 14.02.2007. In connection with declaring the participation of the company Autostrade S.p.A.(the present name Atlantia 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).

- § On 15.05.2007 Stalexport S.A. received from Generalna Dyrekcja Dróg Krajowych i Autostrad the following letters:
- dated 11.05.2007 in regard to projecting and adapting the A2 motorway Konin-Stryków section to the standards of the toll motorway and to toll collection, in this letter GDDKiA informs that acting under art.60 d section 1 of the Act dated 29.01.2004 Law of public work (uniform text Dz. U. dated 2006 no 164, item 1163 with subsequent amendments), the consortium comprises the following companies: Stalexport Autostrada Dolnośląska S.A. (Stalexport S.A. subsidiary company in 100%), Polimex-Mostostal S.A. and Autostrade per I'Italia S.p.A. fulfilled all the conditions of participation in the a/m proceedings.
 - dated 14.05.2007 on projecting and adapting the A4 motorway Wrocław-Katowice, section Wrocław-Sośnica to the standards of toll motorway and to toll collection, in which GDDKiA informs that acting under art. 60 d section 1 of the Act dated 29.01.2004 Law of public work (uniform text Dz. U. dated 2006 no 164, item 1163 with subsequent amendments), the consortium comprises the following companies: Stalexport Autostrada Dolnośląska S.A. (Stalexport S.A. subsidiary company in 100%), Polimex-Mostostal S.A. and Autostrade per I'Italia S.p.A. fulfilled all the conditions in the a/m proceedings.
The a/m conditions were also fulfilled by two the consortia.
- § On 17.05.2007 in Regional Court in Katowice a trial was held which concerned the petition of Stalexport S.A. for registering the increase in stock capital of the Company. The Regional Court in Katowice decided to suspend the proceeding in the case of the registration of the capital of Stalexport S.A., till passing the valid decision of the District Court in Katowice in regard to the claim of NFOŚiGW concerning the reversal or cancellation of the resolutions no 2 and 3 of the EGSM of Stalexport S.A. dated 14.02.2007.
- § On 31.05.2007 in the District Court in Katowice a trial was held which concerned the claim of NFOŚiGW against Stalexport S.A. on reversal or cancellation of the Resolutions no 2 and 3 of the Extraordinary General Meeting of Shareholders of Stalexport S.A. dated 14.02.2007. Upon motion of NFOŚiGW, with which complied also Stalexport S.A., the Court decided to adjourn the case to 06.06.2007. The proxy of NFOŚiGW justified the motion for adjournment by the fact that the parties had been holding the negotiation aimed at concluding an agreement in this case and the withdrawal of the claim.
- § On 31.05.2007 the companies Stalexport S.A. in Katowice and Złomrex S.A. with seat in Poraj as well as Stalexport Trade S.A. concluded the investment agreement (the preliminary sales agreement), concerning the disposal by Stalexport S.A. of all shares of Stalexport Trade S.A. for the benefit of the company Złomrex S.A. or other purchaser, which could be the subsidiary company of Złomrex S.A., at the price corresponding the value of paid-up capital i.e. as at 31.05.2007 – 125 thousand zloty, (not more than 500 thousand zloty) and the disposal by Stalexport S.A. of the organised division of enterprise (ZCP), covering the assets and liabilities held by Stalexport S.A., connected first of all with trade and the production of steel products to Stalexport Trade. Złomrex S.A. offered Stalexport for ZCP a reference price in the amount of 122,500 thousand zloty, calculated on the base of the consolidated balance sheet of ZCP as at 30.09.2006. The selling price of ZCP will be calculated on the transaction day, on the base of the

price formula approved by both parties, and next verified by the independent expert, the company Ernst & Young. As the agreement is of complicated character, it comprises a lot of conditions precedent, the basic ones were presented in the current report no 47/2007 dated 01.06.2007.

- § On 04.06.2007 Stalexport S.A. received from the proxy of the company Autostrade S.p.A. a notification on change of the name of Atlantia S.p.A. As at 04.06.2007 Atlantia S.p.A. (previous name Autostrade S.p.A.) held 34,159,378 shares of Stalexport S.A., which constituted 21.65% in stock capital of the Company.
- § On 06.06.2007 in the District Court in Katowice a trial was held which concerned the claim of NFOŚiGW against Stalexport S.A. on reversal of cancellation of the Resolutions no 2 and 3 of the EGSM of Stalexport S.A. dated 14.02.2007. During trial the plaintiff - NFOŚiGW filed a trial letter about withdrawing the claim along with abandonment of a claim. The District Court decided to discontinuance of the proceedings under Art. 355 § 1 of the Civil Code.
- § On 11.06.2007 Stalexport S.A. received from NFOŚiGW a notification about disposing of shares of Stalexport S.A. on Warsaw Stock Exchange. According to the letter received, after the a/m transaction NFOŚiGW held 14,077,530 shares of Stalexport S.A., which constituted 8.92% in stock capital of the Company and gave the right to the same number of votes at GSM of Stalexport S.A. Before the a/m transaction NFOŚiGW held 18,022,835 shares of the Company, which constituted 11.42% in stock capital of Stalexport S.A. and gave right to the same number of votes at the GSM of Stalexport S.A.
- § On 13.06.2007 in the current report no 54/2007 the Management Board of Stalexport S.A. disclosed the Evaluation of the Company's situation made by the Supervisory Board, resulting from applying the Rules of Best Practices - „the Rule no 18”. The Supervisory Board of Stalexport S.A., acting according to the Rules of Best practices approved by the Company made the concise evaluation of the Company's situation. This evaluation was carried out on the base of the knowledge of the members of the Supervisory Board up-to-date on the date of its drawing up.
- § On 18.06.2007 Stalexport S.A. received a legally valid decision of the District Court in Katowice about discontinuance of the proceedings which concerned the case of the claim of NFOŚiGW against Stalexport S.A. on reversal or cancellation of the resolutions 2 and 3 of the EGSM of Stalexport S.A. dated 14.02.2007.
- § On 20.06.2007 the first supplement to the Investment Agreement was signed, which comprises a draft of the Sales Agreement. of Shares and the Organised Division of Enterprise (ZCP), the same the condition of sub-point „a” was fulfilled, mentioned in the current report no 47/2007 dated 01.06.2007.
- § On 25.06.2007 Stalexport S.A. received the decision of the District Court Katowice-East, VIII Economic Department of the National Judicial Register dated 25.06.2007, (corrected by the decision of the Court dated 3.07.2007), concerning an increase in capital of the Company. The Court's decision concerned:
 1. an increase in stock capital of the company from the amount of 315,524,046 zloty to the amount of 494,524,046 zloty, i.e. by the amount of 179,000,000 zloty.

2. an increase in the number of shares from 157,762,023 to 247,262,023 i.e. by 89,500,000 ordinary bearer shares with nominal value of 2 zloty each.

As a result of an increase in stock capital of Stalexport S.A., the estimated shareholding holding above 5% share in the stock capital in the total number of votes at the GSM of the Company was as follows:

- Atlantia S.p.A. Rome 123,659,378, which constitutes 50,01% in the total number of votes
- Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej 14,077,530, which constitutes 5,69% in the total number of votes.

§ On 27.06.2007 in the current report no 62/2007 Stalexport S.A. disclosed that in connection with registering, by the Court, the increase in the capital of the Company to the amount of 494,524,046 zloty, the Expert Auditor acting, under art.54 of the Act on accounting – information on the events occurring after the date of balance sheet, changed the Opinion for the shareholders of Stalexport S.A. dated 01.06.2007 and the opinion for the shareholders of the Capital Group of Stalexport S.A. dated 04.06.2007. The change consisted in removing the entry in regard to subsection the continuance of the Company's activity of generating sufficient financial means. The text of the changed BDO opinions was enclosed to the current report no 62/2007.

§ On 28.06.2007 in the seat of the Company the XIV Ordinary General Meeting of Shareholders of Stalexport S.A. was held. The shareholders attending the OGSM represented 45,708,363 shares/votes out of total number of 157,762,023 shares/votes, which constituted 29.61% of share capital of the Company.

The shareholders which represented above 5% share in the total capital:

Atlantia S.p.A. – 34,159,378 i.e. 21.65 % and PKO BP S.A. – 8,559,364 i.e. 5.43%.

The XIV OGSM of Stalexport S.A. passed the following resolutions:

- in regard to an election of the Scrutinisers,
- in regard to approving the report of the Management Board on Company's activity for 2006,
- in regard to approving the report of the Management Board on the activity of the Capital Group of the Company for 2006,
- in regard to approving the financial report of the Company for the turnover year 2006,
- in regard to approving the financial report of the Capital Group of the Company for the turnover year 2006,
- in regard to granting discharge to the members of the Management Board for the turnover year 2006,
- in regard to granting discharge to the members of the Supervisory Board for the turnover year 2006,
- in regard to the profit distribution for the turnover year 2006 and designing the inventory capital for covering the prior years' loss, (under art. 395 § 2 point 2 of the Commercial companies code and § 24 section 1 point 2 of the Company's Charter, the XIV OGSM decided to design the net profit for the turnover year 2006 in the amount of 1,859,679.00 zloty and the inventory capital in the amount of 2,930,849.03 zloty for covering the prior years' loss).
- in regard to applying the Best Practices Rules,
- in regard to determining the number of the members of the Supervisory Board for the VI term (under art.385 § 1 of the Commercial companies code and § 14 section 2 of the Company's Charter, the XIV OGSM decided, that the Supervisory Board of the VI term would consist of 9 members).

According to point 18 of the agenda, the OGSM appointed the Supervisory Board consisting of 9 members, i.e. Mrs. Katarzyna Galus, Mr. Jerzy Sroka, Mr. Konrad Tchórzewski, Mr. Giuseppe Palma, Mr. Galliano Di Marco, Mr. Bogusław Leśnodorski, Mr. Dario V. Cipriani, Mr. Christopher Melnyk and Mr. Mateusz van Wollen. The joint term of the members of the Supervisory Board of the VI term will last three successive years, i.e. 2007-2009 and their mandates expire the day the OGSM is held which approves the financial report for the last full turnover year of performing the function of the member of the Supervisory Board. The full text of the resolutions of the XIV OGSM was disclosed in the current report no 63/2007.

- § On 28.06.2007 the Supervisory Board of Stalexport S.A. was formed. Mr. Galliano Di Marco was appointed the Chairman of the Supervisory Board, Mr. Bogusław Leśnodorski – Vice-Chairman, while Jerzy Sroka – the Secretary. The newly-appointed Supervisory Board appointed the Management Board in the existing composition for the successive 3-year term. Simultaneously the Supervisory Board of the Company applying the Rules of Best Practices, appointed the Audit and Remuneration Committees. The names of the members of the Supervisory Board, which are in the composition of the appointed Committees, were presented in the current report no 64/2007.
- § On 29.06.2007 the Management Board of Stalexport S.A. received a notification from PKO BP S.A. Branch Office of the Brokerage House of PKO BP in Warsaw, that in connection with an increase in stock capital of Stalexport S.A. PKO BP S.A. share in capital and the total number of shares on the GSM of Stalexport S.A. was changed. At present PKO BP S.A. holds 8,559,364 shares of Stalexport S.A., which constitutes 3.46% share in stock capital and in the total number of shares at the GSM of Stalexport S.A.

IX. Events after the consolidated balance sheet date

- § On 02.07.2007 Stalexport S.A. received a notification from NFOŚiGW, that in connection with the Decision of the District Court in Katowice dated 25.06.2007 on an increase in capital of the Company and with disposal of 1,793,916 shares of Stalexport S.A. on WSE by, the share of NFOŚiGW in stock capital of Stalexport S.A. changed. At present NFOŚiGW holds 12,283,614 shares of Stalexport S.A., which constituted 4.97% of stock capital of the Company and gives right to the same number of votes at the GSM of Stalexport S.A.
- § On 11.07.2007 Stalexport S.A. received a notification from the shareholder Julius Baer Investment Management LLC with seat in New York, (in connection with Company being commissioned to manage foreign securities portfolios) as a result of registering the increase in stock capital of the Company Stalexport S.A. on 25.06.2007 the share of Julius Baer Investment Management LLC in capital and in the total number of votes at WSE of Stalexport S.A. was changed. Currently Julius Baer Investment Management LLC holds on behalf of its clients 10,321,882 shares of the Company Stalexport S.A., which constitutes 4.17% of stock capital and 4.17% of votes at the GSM of Stalexport S.A. One of the clients of Julius Baer Investment Management LLC is the Julius Baer International Equity Fund, which holds 10,000,000 shares of Stalexport S.A. out of 10,321,882 shares held on the behalf of its clients by Julius Baer Investment Management LLC. The mentioned 10,000,000 shares constitute 4.04% of stock capital of Stalexport S.A. and gives the right to exercise 4.04% votes at the GSM of Stalexport S.A. The share portfolios mentioned

above are managed by Julius Baer Investment Management LLC, on the basis of investment advisory agreements entered into between the company Julius Baer Investment Management LLC and its clients, for this reason Julius Baer Investment Management LLC may not be considered to be a shareholder of Stalexport S.A.

- § On 01.08.2007 Stalexport S.A. received the report of the Warsaw Stock Exchange in which the company was informed that on 01.08.2007, within the tender offer to acquire the shares of the company Stalexport S.A., listed on WSE a transaction for 15,399,804 shares was concluded. .
- § On 08.08.2007 Stalexport S.A. received the notification from the shareholder, i.e. from the company Atlantia S.p.A. with seat in Rome, that as a result of settling on 06.08.2007 the stock exchange transaction, which is the result of subscriptions made in the tender offer to acquire the shares of the company Stalexport S.A. with seat in Katowice, Atlantia S.p.A. acquired 15,399,804 shares of Stalexport S.A. As a result of acquiring of the a/m shares Atlantia S.p.A. holds at present 139,059,182 shares of Stalexport S.A., which constitutes 56.24% shares in the company's capital and in total number of shares at the GSM of Stalexport S.A. Before the a/m transaction Atlantia S.p.A. held 123,659,378 shares of Stalexport S.A. , which constituted 50.01% of share capital of the Company and 50,01% of total number of votes at the GSM of Stalexport S.A.
- § In the 3rd quarter 2007 Stalexport S.A. concluded the export contract for steel products to South and North America for total amount of ca 27 m zloty.

X. Contingent liabilities

Contingent liabilities of the capital group of Stalexport S.A. as at 30.06.2007 amount to 42,392 thousand zloty, out of which:

- | | |
|--|-----------------------|
| • by virtue of granted warranties and guarantees | 32,903 thousand zloty |
| out of which for the benefit of: | |
| - related entities covered by consolidation | 22,952 thousand zloty |
| - related entities not covered by consolidation | - |
| - other entities | 9,951 thousand zloty |
| • by virtue of other liabilities | 9,489 thousand zloty |
| out of which for the benefit of: | |
| - related entities | - |
| - other entities | 9,489 thousand zloty |

The dominant company **Stalexport S.A.** holds the contingent liabilities for the total amount of 24,746 thousand zloty, by virtue of granted guarantees and sureties for the benefit of:

- | | |
|---|-----------------------|
| - related entities | 12,952 thousand zloty |
| - other entities | 9,701 thousand zloty |
| by virtue of other liabilities for the benefit of | |
| - other entities | 2,093 thousand zloty |

The amount of guarantees granted by Stalexport S.A. in comparison with 2nd quarter 2006 increased by 10,210 thousand zloty. Granting the guarantee of good performance in the amount of

13,583 thousand zloty for National Bank of Ukraine through Fortis Bank Polska S.A. was the main reason of an increase in contingent liabilities.