

Elektrim



Warsaw, 19 September 2002

Re: Rule 12g 3 – 2(b), File 82/4665

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington D.C. 20549
USA

Attention: Division of International Corporate Finance

Dear Sirs,

In accordance with the provisions of Rule 12 g 3-2 (b) we enclose documents listed below which were made public:

1. Announcement dated 5 August 2002:

Stand-alone Financial Statement of Elektrim S.A.

SA-Q 2/2002 (For issuers of securities conducting business in the sector of production, construction, trading and services)

Pursuant to § 1 section 2 and § 57 section 1 item 1 of the Ordinance of the Council of Ministers of 16 October 2001 - Journal of Laws No 139, item 1569

The Management Board of Elektrim S.A. discloses financial statement for the 2nd quarter of 2002:

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| SELECTED FINANCIAL DATA (current year) | In PLN thousand | | In EURO thousand | |
|--|---|--|--|--|
| | 2 quarters cumulative from 1.01.2002 to 30.06.2002 | 2 quarters- cumulative from 1.01.2001 to 30.06.2001 | 2 quarters- cumulative from 1.01.2002 to 30.06.2002 | 2 quarters- cumulative from 1.01.2002 to 30.06.2002 |
| I. Net sales revenues | 85 845 | 79 484 | 23 185 | 22 199 |
| II. Operating profit (loss) | -73 968 | -87 498 | -19 977 | -24 437 |
| III. Profit (loss) before taxes | -304 723 | -310 680 | -82 300 | -86 768 |
| IV. Net profit (loss) | -304 723 | -310 680 | -82 300 | -86 768 |
| V. Net cash flows from operating activities | -217 055 | 65 745 | -58 622 | 18 361 |
| VI. Net cash flows from investing activities | 443 103 | -169 580 | 119 673 | -47 361 |
| VII. Net cash flows from financing activities | -335 261 | 38 067 | -90 547 | 10 631 |
| VIII. Total net cash flows | -109 213 | -65 768 | -29 496 | -18 368 |
| IX. Total assets | 7 925 919 | 9 293 789 | 1 976 982 | 2 751 025 |
| X. Liabilities and provisions for liabilities | 4 542 149 | 5 982 523 | 1 132 960 | 1 770 868 |
| XI. Long-term liabilities | 190 429 | 2 024 194 | 47 499 | 599 175 |
| XII. Current liabilities | 2 590 989 | 1 973 678 | 646 277 | 584 222 |
| XIII. Shareholders' equity | 3 383 770 | 3 311 266 | 844 022 | 980 157 |
| XIV. Share capital | 83 770 | 83 770 | 20 895 | 24 796 |
| XV. Number of shares | 83 770 297 | 83 770 297 | 83 770 297 | 83 770 297 |
| XVI. Profit (loss) per ordinary share (in PLN/EURO) | -3,64 | -3,71 | -0,98 | -1,04 |
| XVII. Diluted profit (loss) per ordinary share (in PLN/EURO) | -3,46 | -2,78 | -0,94 | -0,78 |
| XVIII. Book value per share (in PLN/EURO) | 40,39 | 39,53 | 10,08 | 11,70 |
| XIX. Diluted book value per share (in PLN/EURO) | 38,51 | 39,53 | 9,61 | 11,70 |
| XX. Declared or paid dividend per share (in PLN/EURO) | | | | |

| BALANCE SHEET (in thousands of PLN) | As at 30.06.2002 end of quarter 2002 | As at 31.03.2002 end of prior quarter 2002 | As at 30.06.2001 end of quarter 2001 | As at 31.03.2001 end of prior quarter 2001 |
|--|--|--|---|--|
| Assets | | | | |
| I. Fixed assets | 6 349 111 | 6 365 399 | 6 701 540 | 8 072 549 |
| 1. Intangible assets, of which: | 2 814 | 3 495 | 2 532 | 2 481 |
| - goodwill | | | | |
| 2. Tangible fixed assets | 40 396 | 41 269 | 42 676 | 42 308 |
| 3. Long-term receivables | 222 070 | 240 444 | 288 927 | 318 822 |
| 3.1. From associated companies | 0 | 0 | 0 | 0 |
| 3.2. From other companies | 222 070 | 240 444 | 288 927 | 318 822 |
| 4. Long-term investment | 6 083 831 | 6 080 191 | 6 367 405 | 7 708 938 |
| 4.1. Real estate | 108 377 | 108 377 | 108 377 | 108 377 |
| 4.2. Intangible assets | | | | |
| 4.3. Long-term financial fixed assets | 5 975 454 | 5 971 814 | 6 259 028 | 7 600 561 |
| a) in associated companies, of which: | 5 969 537 | 5 965 901 | 6 253 112 | 7 434 304 |
| - shares in subsidiary companies subject to valuation by the equity method | | | | |
| b) in other companies | 5 917 | 5 913 | 5 916 | 166 257 |
| 4.4. Other long-term investment | 0 | 0 | 0 | 0 |
| 5. Long-term deferred expenses and income taxes | 0 | 0 | 0 | 0 |
| 5.1. Deferred income taxes | 0 | 0 | 0 | 0 |
| 5.2. Other deferred assets | | | | |
| II. Current assets | 1 576 808 | 1 793 194 | 2 592 249 | 1 799 483 |
| 1. Inventories | 1 808 | 1 808 | 19 169 | 19 488 |
| 2. Current receivables | 362 535 | 496 716 | 336 745 | 341 563 |
| 2.1. From associated companies | 241 568 | 181 278 | 132 779 | 167 236 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| 2.2. From other companies | 120 967 | 315 438 | 203 966 | 174 327 |
| 3. Current investment | 1 201 266 | 1 281 131 | 2 130 282 | 1 243 673 |
| 3.1. Current financial assets | 1 201 266 | 1 281 131 | 2 130 282 | 1 243 673 |
| a) in associated companies | 427 948 | 426 709 | 1 893 107 | 974 600 |
| b) in other companies | 48 335 | 53 315 | 76 151 | 71 963 |
| c) cash and cash equivalents | 724 983 | 801 107 | 161 024 | 197 110 |
| 3.2. Other current investment | | | | |
| 4. Current deferred expenses and income taxes | 11 199 | 13 539 | 106 053 | 194 759 |
| Total assets | 7 925 919 | 8 158 593 | 9 293 789 | 9 872 032 |

| Liabilities | | | | |
|---|------------------|------------------|------------------|------------------|
| I. Shareholders' equity | 3 383 770 | 3 706 834 | 3 311 266 | 3 616 968 |
| 1. Share capital | 83 770 | 83 770 | 83 770 | 83 770 |
| 2. Not paid-up share capital (negative value) | 0 | 0 | 0 | 0 |
| 3. Own shares (negative value) | 0 | 0 | 0 | 0 |
| 4. Reserve capital | 3 492 059 | 3 454 616 | 3 454 616 | 648 653 |
| 5. Revaluation reserve capital | 51 308 | 52 579 | 50 551 | 50 923 |
| 6. Other reserve capitals | 57 270 | 57 270 | 57 270 | 57 270 |
| 7. Prior years' profit (loss) | 4 086 | 78 555 | -24 261 | 2 781 703 |
| 8. Net profit (loss) | -304 723 | -19 956 | -310 680 | -5 351 |
| 9. Net profit write-offs during financial year (negative value) | 0 | 0 | 0 | 0 |
| II. Liabilities and provisions for liabilities | 4 542 149 | 4 451 759 | 5 982 523 | 6 255 064 |
| 1. Provisions for liabilities | 1 694 190 | 1 521 425 | 1 897 192 | 1 745 969 |
| 1.1. Provisions for deferred income tax | 1 361 726 | 1 361 726 | 1 538 721 | 1 538 867 |
| 1.2. Provisions for pension and allowances and similar allowances | 23 239 | 14 381 | 20 451 | 23 214 |
| a) long-term | 560 | 1 496 | 1 496 | 6 870 |
| b) current | 22 679 | 12 885 | 18 955 | 16 344 |
| 1.3. Other provisions | 309 225 | 145 318 | 338 020 | 183 888 |
| a) long-term | 0 | 0 | 0 | 0 |
| b) current | 309 225 | 145 318 | 338 020 | 183 888 |
| 2. Long-term liabilities | 190 429 | 190 429 | 2 024 194 | 2 056 564 |
| 2.1. To associated companies | 0 | 0 | 0 | 0 |
| 2.2. To other companies | 190 429 | 190 429 | 2 024 194 | 2 056 564 |
| 3. Current liabilities | 2 590 989 | 2 674 466 | 1 973 678 | 2 000 915 |
| 3.1. To associated companies | 133 952 | 81 097 | 147 681 | 202 812 |
| 3.2. To other companies | 2 453 367 | 2 589 640 | 1 821 771 | 1 793 910 |
| 3.3. Purpose funds | 3 670 | 3 729 | 4 226 | 4 193 |
| 4. Accrued expenses | 66 541 | 65 439 | 87 459 | 451 616 |
| 4.1. Negative goodwill | | | | |
| 4.2. Other accrued expenses | 66 541 | 65 439 | 87 459 | 451 616 |
| a) long-term | 64 555 | 64 555 | 64 750 | 67 298 |
| b) current | 1 986 | 884 | 22 709 | 384 318 |
| Total liabilities | 7 925 919 | 8 158 593 | 9 293 789 | 9 872 032 |

| | | | | |
|--|------------|------------|-------------|-------------|
| Book value | 3 383 770 | 3 706 834 | 3 311 266 | 3 616 968 |
| Number of shares | 83 770 297 | 83 770 297 | 83 770 297 | 83 770 297 |
| Book value per share (in PLN) | 40,39 | 44,25 | 39,53 | 43,18 |
| Diluted number of shares | 87 970 297 | 83 770 297 | 111 817 657 | 114 880 573 |
| Diluted book value per share (in PLN) | 38,51 | 44,25 | 39,53 | 43,18 |

If the diluted book value per share were bigger than the undiluted book value per share the lower value is taken as the diluted book value per share

| OFF-BALANCE SHEET ITEMS | As at 30.06.2002 end of quarter 2002 | As at 31.03.2002 End of prior quarter 2002 | As at 30.06.2001 end of quarter 2001 | As at 31.03.2001 End of prior quarter 2001 |
|---|---|---|---|---|
| 2. Conditional liabilities | 464 093 | 326 389 | 378 218 | 529 651 |
| 2.1. To associated companies (in virtue of) | 411 493 | 103 305 | 201 945 | 322 353 |
| - guarantees granted | 411 493 | 103 305 | 201 945 | 322 353 |
| 2.2. To other companies (in virtue of) | 52 600 | 223 084 | 176 273 | 207 298 |
| - guarantees granted | 52 600 | 223 084 | 176 273 | 207 298 |
| 3. Other (in virtue of) | | | | |
| Total off-balance sheet items | 464 093 | 326 389 | 378 218 | 529 651 |

| PROFIT AND LOSS ACCOUNT (in thousands of PLN) | 2 Q 2002 from 1.04.2002 to 30.06.2002 | 2 quarters 2002 cumulative from 1.01.2002 to 30.06.2002 | 2 Q 2001 from 1.04.2001 to 30.06.2001 | 2 quarters 2001 cumulative from 1.01.2001 to 30.06.2001 |
|--|--|--|--|--|
| I. Net sales revenues, of which: | 66 638 | 85 845 | 26 022 | 79 484 |
| - from associated companies | 1 194 | 2 726 | 4 403 | 7 317 |
| 1. Net sales of products | 2 169 | 6 643 | 5 877 | 10 360 |
| 2. Net sales of merchandise and raw materials | 64 469 | 79 202 | 20 145 | 69 124 |
| II. Cost of sales, of which: | 64 592 | 80 227 | 20 385 | 69 903 |
| - from associated companies | 99 | 262 | 241 | 911 |
| 1. Cost of products sold | -337 | 6 943 | 3 796 | 5 805 |
| 2. Value of merchandise and raw materials sold | 64 929 | 73 284 | 16 589 | 64 098 |
| III. Gross profit (loss) on sales (I-II) | 2 046 | 5 618 | 5 637 | 9 581 |
| IV. Selling expenses | 500 | 786 | -230 | 1 152 |
| V. General administrative expenses | 23 261 | 45 179 | 30 189 | 79 678 |
| VI. Profit (loss) on sales (III-IV-V) | -21 715 | -40 347 | -24 322 | -71 249 |
| VII. Other operating income | 3 730 | 5 267 | 31 160 | 47 133 |
| 1. Income on sale of non-financial fixed assets | 24 | 28 | -25 | 0 |
| 2. Subsidies | 0 | | 0 | 0 |
| 3. Other operating income | 3 706 | 5 239 | 31 185 | 47 133 |
| VIII. Other operating costs | 37 783 | 38 888 | 63 235 | 63 382 |
| 1. Loss on sale of non-financial fixed assets | 1 | 1 | 68 | 68 |
| 2. Revaluation of non-financial assets | 36 | 36 | 0 | |
| 3. Other operating costs | 37 746 | 38 851 | 63 167 | 63 314 |
| IX. Profit (loss) on operating activities (VI+VII-VIII) | -55 768 | -73 968 | -56 397 | -87 498 |
| X. Financial income | 67433 | 138946 | 192 106 | 352 795 |
| 1. Dividends and participation in profits, of which: | 0 | 0 | 681 | 681 |
| - in associated companies | 0 | 0 | 0 | |
| 2. Interest, of which: | 35279 | 50895 | 39 917 | 84 029 |
| - from associated companies | 28703 | 36086 | 7 610 | 72 280 |
| 3. Profit on disposal of investments | 0 | 0 | 0 | 1 560 |
| 4. Revaluation of investments | -4926 | 48491 | 19 036 | 20 771 |
| 5. Other | 37080 | 39560 | 132 472 | 245 754 |
| XI. Financial costs | 296432 | 369701 | 441 038 | 575 977 |
| 2. Interest, of which: | 11031 | 29075 | -30 538 | 39 639 |
| - from associated companies | 14210 | 14210 | 0 | 4 235 |
| 2. Loss on disposal of investments | 0 | 49361 | 12 650 | 26 960 |
| 3. Revaluation of investments | 0 | 0 | 97 452 | 97 452 |
| 4. Other | 285401 | 291265 | 361 474 | 411 926 |
| XII. Profit (loss) on ordinary activities (IX+X-XI) | -284 767 | -304 723 | -305 329 | -310 680 |
| XIII. Extraordinary items (XIII.1. - XIII.2.) | 0 | 0 | 0 | 0 |

| | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| 1. Extraordinary profit | 0 | 0 | 0 | 0 |
| 2. Extraordinary loss | 0 | 0 | 0 | 0 |
| XIV. Profit (loss) before taxes (XII+/-XIII) | -284 767 | -304 723 | -305 329 | -310 680 |
| XV. Corporate income tax | | | 0 | |
| a) current | 0 | | 0 | |
| b) deferred | 0 | | 0 | |
| XVI. Other obligatory profit decreases (loss increases) | | | 0 | |
| XVII. Share of profits (losses) of subsidiary companies subject to valuation by the equity method | | | 0 | |
| XVIII. Net profit (loss) (XIV-XV-XVI+/-XVII) | -284 767 | -304 723 | -305 329 | -310 680 |

| | | | | |
|---|--|-------------------|--|--------------------|
| Net profit (loss) for 12 months | | 71 749 | | 2 693 911 |
| Weighted average number of ordinary shares | | 83 770 297 | | 83 770 297 |
| Profit (loss) per ordinary share (in PLN) | | 0,86 | | 32,16 |
| Weighted average diluted number of ordinary shares | | 87 970 297 | | 111 817 657 |
| Diluted profit (loss) per ordinary share (in PLN) | | 0,82 | | 23,12 |

As the diluted net profit per share for 2 Q 2001 and 2 Q 2002 would be smaller than the undiluted net profit per share the lower value is taken as the diluted net profit per share.

| STATEMENT OF SHAREHOLDERS' EQUITY (in thousands of PLN) | 2 Q 2002 from 1.04.2002 to 30.06.2002 | 2 quarters 2002 cumulative from 1.01.2002 to 30.06.2002 | 2 Q 2001 from 1.04.2001 to 30.06.2001 | 2 quarters 2001 cumulative from 1.01.2001 to 30.06.2001 |
|--|--|--|--|--|
| I. Shareholders' Equity at the beginning of the period (opening balance) | 3 689 764 | 3 688 294 | 3 622 319 | 3 698 600 |
| a) restatement for changes in accepted accounting principles (policies) | 47 136 | 45 666 | 42 953 | 43 160 |
| b) adjustments of material misstatements | -121 761 | -121 761 | -121 761 | -121 761 |
| I.a. Shareholders' Equity at the beginning of the period (opening balance), after restatement to comparative data | 3 689 764 | 3 688 294 | 3 622 319 | 3 622 526 |
| 1. Share capital at the beginning of the period | 83 770 | 83 770 | 83 770 | 83 770 |
| 1.1. Changes in share capital | 0 | 0 | 0 | 0 |
| a) additions, of which: | 0 | 0 | 0 | 0 |
| - issue of shares | 0 | 0 | 0 | 0 |
| b) deductions (of which): | 0 | 0 | 0 | 0 |
| - amortisation of shares | 0 | 0 | 0 | 0 |
| 1.2. Share capital at the end of the period | 83 770 | 83 770 | 83 770 | 83 770 |
| 2. Unpaid share capital at the beginning of the period | 0 | 0 | 0 | 0 |
| 2.1. Change in unpaid share capital | 0 | 0 | 0 | 0 |
| a) additions | 0 | 0 | 0 | 0 |
| b) deductions | 0 | 0 | 0 | 0 |
| 2.2. Change in unpaid share capital at the end of period | 0 | 0 | 0 | 0 |
| 3. Own shares at the beginning of the period | 0 | 0 | 0 | 0 |
| 3.1. Change in own shares | 0 | 0 | 0 | 0 |
| a) additions | 0 | 0 | 0 | 0 |
| b) deductions | 0 | 0 | 0 | 0 |
| 3.2. Own shares at the end of the period | 0 | 0 | 0 | 0 |
| 4. Reserve capital at the beginning of the period | 3 454 616 | 3 454 616 | 648 653 | 648 653 |
| 4.1. Change in reserve capital | 37 443 | 37 443 | 2 805 963 | 2 805 963 |
| a) additions of which: | 59 177 | 59 177 | 2 805 963 | 2 805 963 |
| - issuance of shares above nominal value | 0 | 0 | 0 | 0 |
| - appropriation of profit (by law) | 0 | 0 | 27 115 | 27 115 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| - appropriation of profit (in excess of value required by law) | 59 177 | 59 177 | 2 778 848 | 2 778 848 |
| b) deductions (of which): | 21 734 | 21 734 | 0 | 0 |
| - coverage of loss | 21 734 | 21 734 | 0 | 0 |
| 4.2. Reserve capital at the end of the period | 3 492 059 | 3 492 059 | 3 454 616 | 3 454 616 |
| 5. Revaluation reserve at the beginning of the period | 52 579 | 51 109 | 50 923 | 51 130 |
| 5.1. Changes in revaluation reserve | -1 271 | 199 | -372 | -579 |
| a) additions (of which): | 199 | 199 | 0 | 0 |
| - adjustment to valuation of long-term financial assets | | 199 | | 0 |
| b) deductions (of which): | 1 470 | 0 | 372 | 579 |
| - disposal of tangible fixed assets | 1 470 | 0 | 372 | 579 |
| 5.2. Revaluation reserve at the beginning of the period | 51 308 | 51 308 | 50 551 | 50 551 |
| 6. Other reserve capitals at the beginning of the period | 57 270 | 57 270 | 57 270 | 57 270 |
| 6.1. Changes in other provisions | | | | |
| a) additions (of which) | | | | |
| b) deductions (of which) | | | | |
| 6.2. Other reserve capitals at the end of the period | 57 270 | 57 270 | 57 270 | 57 270 |
| 7. Retained earnings (accumulated loss) at the beginning of the period | 41 529 | 41 529 | 2 781 703 | 2 781 703 |
| 7.1. Retained earnings at the beginning of the period | 59 177 | 59 177 | 2 805 964 | 2 805 964 |
| a) restatement for changes in accepted accounting principles (policies) | 4 086 | 4 086 | | 0 |
| 7.2. Retained earnings at the beginning of the period, after restatement to comparative data | 63 263 | 63 263 | 2 805 964 | 2 805 964 |
| a) additions (of which): | | | | |
| - appropriation of retained profit | | | | |
| b) deductions (of which): | 59 177 | 59 177 | 2 805 964 | 2 805 964 |
| - transfer of retained earnings to reserve capital | 59 177 | 59 177 | | |
| 7.3. Retained earnings at the end of the period | 4 086 | 4 086 | 0 | 0 |
| 7.4. Accumulated loss at the beginning of the period | -21 734 | -21 734 | -21 734 | -21 734 |
| a) restatement for changes in accepted accounting principles (policies) | | | -2 527 | -2 527 |
| 7.5. Retained earnings at the beginning of the period, after restatement to comparative data | -21 734 | -21 734 | -24 261 | -24 261 |
| a) additions (of which): | | | | |
| - addition from loss for prior years | | | | |
| b) deductions (of which): | -21 734 | -21 734 | | |
| - coverage of loss from reserve capital | -21 734 | -21 734 | | |
| 7.6. Accumulated loss at the end of the period | 0 | 0 | -24 261 | -24 261 |
| 7.7. Retained earnings (loss) at the end of the period | 4 086 | 4 086 | -24 261 | -24 261 |
| 8. Net result | -304 723 | -304 723 | -310 680 | -310 680 |
| a) net profit | | | | |
| b) net loss | 304 723 | 304 723 | 310 680 | 310 680 |
| c) write-offs from profit | | | | |
| II. Shareholders' Equity at the end of the period (closing balance) | 3 383 770 | 3 383 770 | 3 311 266 | 3 311 266 |
| III. Shareholders' Equity following the proposed appropriation of profit (coverage of loss) | | | | |

| STATEMENT OF CASH FLOWS (in thousands of PLN) | 2 Q 2002 from 1.04.2002 to 30.06.2002 | 2 quarters 2002 cumulative from 1.01.2002 to 30.06.2002 | 2 Q 2001 from 1.04.2001 to 30.06.2001 | 2 quarters 2001 cumulative from 1.01.2001 to 30.06.2001 |
|---|--|--|--|--|
| A. Cash flows from operating activities - indirect method | | | | |
| I. Net profit (loss) | -284 767 | -304 723 | -305 329 | -310 680 |
| II. Total adjustments | 206 790 | 87 668 | 369 395 | 376 425 |
| 1. Share in net profits (losses) of companies subject to valuation by the equity method | 0 | 0 | 0 | 0 |
| 2. Depreciation and amortisation | 207 | 2 918 | 1 367 | 2 690 |
| 3. (Gain) loss on foreign exchange differences | -246 | -28 877 | -13 955 | -22 318 |
| 4. Interest and dividends | -22 172 | -19 743 | 98 200 | 124 103 |
| 5. Profit (loss) on investing activities | 0 | 49 361 | 12 743 | 25 468 |
| 6. Change in provisions | 135 738 | 136 099 | 168 644 | 154 119 |
| 7. Change in inventories | 0 | 3 763 | 319 | 319 |
| 8. Change in receivables | 136 293 | 42 375 | 172 775 | 180 216 |
| 9. Change in current liabilities (excluding loans and credits) | -53 733 | -51 592 | 21 712 | 28 385 |
| 10. Change in deferred and accrued expenses | 3 442 | -1 131 | -276 758 | -299 584 |
| 11. Other adjustments | 7 261 | -45 505 | 184 348 | 183 027 |
| III. Net cash flows from operating activities (I+/-II) | -77 977 | -217 055 | 64 066 | 65 745 |
| B. Cash flows from investing activities | | | | |
| I. Income | 400 | 443 754 | 2 945 | 10 470 |
| 1. Sale of intangibles and tangible fixed assets | 28 | 28 | 499 | 883 |
| 2. Sale of real estate and intangible assets | 0 | | 0 | |
| 3. From financial assets, of which: | 372 | 443 726 | 2 446 | 9 587 |
| a) in associated companies | 372 | 443 726 | 0 | 1 091 |
| - sale of financial assets | 0 | 443 354 | 0 | 1 000 |
| - dividends and participation in profits | 0 | | 0 | |
| - repayment of long-term loans | 0 | | 0 | |
| - interest | 372 | 372 | 0 | 1 |
| - other income from financial assets | 0 | | 0 | 90 |
| b) in other companies | 0 | | 2 446 | 8 496 |
| - sale of financial assets | 0 | | 0 | 6 050 |
| - dividends and participation in profits | 0 | | 681 | 681 |
| - repayment of long-term loans | 0 | | 1 765 | 1 765 |
| - interest | 0 | | 0 | 0 |
| - other income from financial assets | 0 | | 0 | 0 |
| 4. Other income from investing activities | 0 | | 0 | 0 |
| II. Expenses | 0 | -651 | -48 542 | -180 050 |
| 1. Acquisition of intangible and tangible fixed assets | 0 | | -1 189 | -3 183 |
| 2. Investment in real estate and intangibles | 0 | | 0 | 0 |
| 3. Financial assets, of which: | 0 | | -27 183 | -113 668 |
| a) in associated companies | 0 | | -27 183 | -113 642 |
| - acquisition of financial assets | 0 | | -27 183 | -113 642 |
| - long-term loans extended | 0 | | 0 | 0 |
| b) in other companies | 0 | -651 | 0 | -26 |
| - acquisition of financial assets | 0 | -651 | 0 | -26 |
| - long-term loans extended | 0 | | 0 | 0 |
| 4. Other investment expenses | 0 | | -20 170 | -63 199 |
| III. Net cash flows from investing activities (I+/-II) | 400 | 443 103 | -45 597 | -169 580 |
| C. Cash flows from financial activities | | | | |
| I. Income | 6 812 | 14 890 | 159 967 | 519 656 |
| 1. Net income from issuance of shares and other capital instruments and additional payment to capital | 0 | | 0 | 0 |

| | | | | |
|--|----------------|-----------------|-----------------|-----------------|
| 2. Credits and loans | 0 | | 7 958 | 82 066 |
| 3. Issuance of debt securities | 0 | | 152 009 | 418 756 |
| 4. Other financial income | 6 812 | 14 890 | 0 | 18 834 |
| II. Expenses | -5 359 | -350 151 | -214 522 | -481 589 |
| 1. Acquisition of own shares | 0 | | 0 | |
| 2. Dividends and payment to shareholders | 0 | | 0 | |
| 3. Other expenses relating to appropriation of profits other than payments to shareholders | 0 | | 0 | |
| 4. Repayment of credits and loans | 0 | -1 088 | -40 693 | -63 678 |
| 5. Redemption of debt securities | 0 | -340 500 | 0 | -199 247 |
| 6. Other financial liabilities | 0 | | 0 | |
| 7. Payment of liabilities due on financial leasing agreements | 0 | | 0 | |
| 8. Interest | -5 359 | -8 563 | -97 366 | -142 103 |
| 9. Other financial expenses | 0 | | -76 463 | -76 561 |
| III. Net cash flows from financial activities (I-II) | 1 453 | -335 261 | -54 555 | 38 067 |
| D. Total net cash flows (A.III+/-B.III+/-C.III) | -76 124 | -109 213 | -36 086 | -65 768 |
| E. Change in balance-sheet cash and cash equivalents, of which | -76 124 | -109 213 | -36 086 | -65 768 |
| - change in cash and cash equivalents by virtue of foreign exchange differences | | | | |
| F. Cash and cash equivalents - beginning of period | 801 107 | 834 196 | 197 110 | 226 792 |
| G. Cash and cash equivalents - end of period (F+/-D), of which: | 724 983 | 724 983 | 161 024 | 161 024 |
| - cash and cash equivalents with a restricted possibility of disposal | | 200 528 | | 149 124 |

2. Announcement dated 9 August 2002:

The Management Board of Elektrim S.A. announces that on 8 August 2002 it received the decision of the Warsaw Regional Court, XX Commercial Department, dated 7 August 2002, that the appellate proceeding commenced as a result of the appeal filed by Elektrim S.A. as debtor and Fabryka Kotłów RAFAKO S.A., Fabryki Aparatów Elektrycznych APENA S.A. and The Law Debenture Trust Corporation p.l.c. as creditors against the decision of the lower court dated 23 April 2002 relating to the discontinuation of the composition proceeding had been discontinued.

All appeals were withdrawn by 31 July 2002 (current report no 118/02).

| SELECTED FINANCIAL DATA | In PLN thousand | | In EUR thousand | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | 2 Q cumulative (current year) | 2 Q cumulative (prior year.) | 2 Q cumulative (current year) | 2 Q cumulative (prior year.) |
| | from 01.01.2002 to 30.06.2002 | from 01.01.2001 to 30.06.2001 | from 01.01.2002 to 30.06.2002 | from 01.01.2001 to 30.06.2001 |
| I. Net sales revenues | 1 069 382 | 1 755 786 | 288 819 | 490 361 |
| II. Operating profit (loss) | (106 927) | (178 578) | (28 879) | (49 874) |
| III. Profit (loss) before taxes | (383 918) | (501 996) | (103 689) | (140 199) |
| IV. Net profit (loss) | (460 773) | (393 046) | (124 446) | (109 771) |
| V. Net cash flows from operating activities | (286 753) | 323 646 | (77 446) | 90 389 |
| VI. Net cash flows from investing activities | 297 428 | (343 318) | 80 329 | (95 883) |
| VII. Net cash flows from financing activities | (58 620) | (76 530) | (15 832) | (21 374) |
| VIII. Total net cash flows | (47 945) | (96 202) | (12 949) | (26 868) |
| IX. Total assets | 6 658 103 | 10 656 659 | 1 660 748 | 3 154 444 |
| X. Liabilities and provisions for liabilities | 5 286 492 | 6 696 942 | 1 318 623 | 1 982 341 |
| XI. Long-term liabilities | 213 546 | 2 629 459 | 53 265 | 778 338 |
| XII. Current liabilities | 3 062 154 | 2 628 449 | 763 801 | 778 039 |
| XIII. Shareholders' equity | 238 276 | 729 334 | 59 434 | 215 888 |
| XIV. Share capital | 83 770 | 83 770 | 20 895 | 24 796 |
| XV. Number of shares | 83 770 297 | 83 770 297 | 83 770 297 | 83 770 297 |
| XVI. Profit (loss) per ordinary share (in PLN/EURO) | (5,50) | (4,69) | (1,49) | (1,31) |
| XVII. Diluted profit (loss) per ordinary share (in PLN/EURO) | (5,50) | (4,69) | (1,49) | (1,31) |
| XVIII. Wartość księgową na jedną akcję w (zł / EUR) | 2,84 | 8,71 | 0,71 | 2,58 |
| XVIII. Book value per share (in PLN/EURO) | 2,84 | 8,71 | 0,71 | 2,58 |
| XIX. Diluted book value per share (in PLN/EURO) | | | | |

| CONSOLIDATED BALANCE SHEET | As at | As at | As at | As at |
|--|--|---|--|---|
| | 30.06.2002 end of quarter (current year) | 31.03.2002 end of prior quarter (current year) | 30.06.2001 end of quarter (prior year) | 31.03.2001 end of prior quarter (prior year) |
| Assets | | | | |
| I. Fixed assets | 4 257 268 | 4 231 294 | 8 638 004 | 8 713 819 |
| 1. Intangible assets, of which: | 8 186 | 9 728 | 694 352 | 704 459 |
| - goodwill | 0 | 0 | 966 | 524 |
| 2. Goodwill of subsidiary companies | 1 549 560 | 1 583 112 | 3 500 482 | 3 580 900 |
| 3. Tangible fixed assets | 2 100 942 | 1 925 716 | 3 086 919 | 3 038 829 |
| 4. Long-term receivables | 222 070 | 240 444 | 289 271 | 320 610 |
| 4.1. From associated companies | 0 | 0 | 316 | 162 |
| 4.2. From other companies | 222 070 | 240 444 | 288 955 | 320 448 |
| 5. Long-term investment | 325 820 | 427 807 | 1 022 422 | 1 028 600 |
| 5.1. Real estate | 108 377 | 108 377 | 108 377 | 108 377 |
| 5.2. Intangible assets | 0 | 0 | 0 | 0 |
| 5.3. Long-term financial fixed assets | 217 443 | 319 430 | 773 072 | 770 288 |
| a) in associated companies, of which: | 209 773 | 311 226 | 681 894 | 668 496 |
| - shares in subsidiary companies subject to valuation by equity method | 136 576 | 240 781 | 616 124 | 553 919 |
| - shares in subsidiary companies not subject to consolidation | 68 725 | 65 937 | 7 956 | 54 940 |
| b) in other companies | 7 670 | 8 204 | 91 178 | 101 792 |
| 5.4. Other long-term investment | 0 | 0 | 140 973 | 149 935 |
| 6. Long-term deferred expenses and income taxes | 50 690 | 44 487 | 44 558 | 40 421 |
| 6.1. Deferred income taxes | 43 929 | 40 271 | 38 450 | 25 060 |
| 6.2. Other deferred assets | 6 761 | 4 216 | 6 108 | 15 361 |
| II. Current assets | 2 400 835 | 2 631 566 | 2 018 655 | 2 241 457 |
| 1. Inventories | 80 373 | 76 322 | 254 352 | 279 469 |
| 2. Current receivables | 702 457 | 856 907 | 870 101 | 964 075 |
| 2.1. From associated companies | 212 790 | 149 822 | 39 750 | 35 132 |

| | | | | |
|---|------------------|------------------|-------------------|-------------------|
| 2.2. From other companies | 489 667 | 707 085 | 830 351 | 928 943 |
| 3. Current investment | 1 510 593 | 1 598 474 | 729 446 | 759 220 |
| 3.1. Current financial assets | 1 509 720 | 1 598 474 | 729 446 | 759 220 |
| a) in associated companies | 427 948 | 426 709 | 333 786 | 384 982 |
| b) in other companies | 147 490 | 132 259 | 136 174 | 76 981 |
| c) cash and cash equivalents | 934 282 | 1 039 506 | 259 486 | 297 257 |
| 3.2. Other current investment | 873 | 0 | 0 | 0 |
| 4. Current deferred expenses and income taxes | 107 412 | 99 863 | 164 756 | 238 693 |
| Total assets | 6 658 103 | 6 862 860 | 10 656 659 | 10 955 276 |

| | | | | |
|--|------------------|------------------|-------------------|-------------------|
| Liabilities | | | | |
| I. Shareholders' equity | 238 276 | 633 768 | 729 334 | 1 048 451 |
| 1. Share capital | 83 770 | 83 770 | 83 770 | 83 770 |
| 2. Not paid-up share capital (negative value) | 0 | 0 | 0 | 0 |
| 3. Own shares (negative value) | 0 | 0 | 0 | 0 |
| 4. Reserve capital | 689 161 | 618 587 | 855 062 | 898 672 |
| 5. Revaluation reserve capital | 78 396 | 81 434 | 81 402 | 81 968 |
| 6. Other reserve capitals | 48 886 | 40 446 | 53 224 | 57 798 |
| 7. Exchange translation differences in subsidiary companies | 6 240 | 6 268 | 60 101 | 48 861 |
| a) foreign exchange gains | 11 068 | 11 012 | 64 283 | 51 492 |
| b) foreign exchange loss | (4 828) | (4 744) | (4 182) | (2 631) |
| 8. Prior years' profit (loss) | (207 404) | (145 378) | (11 179) | (48 005) |
| 9. Net profit (loss) | (460 773) | (51 359) | (393 046) | (74 613) |
| 10. Net profit write-offs during financial year (negative value) | 0 | 0 | 0 | 0 |
| II. Shareholders' equity in minorities | 1 118 907 | 1 140 040 | 3 209 640 | 3 204 599 |
| III. Negative goodwill of subsidiary companies | 14 428 | 11 956 | 20 744 | 22 964 |
| IV. Liabilities and provisions for liabilities | 5 286 492 | 5 077 096 | 6 696 941 | 6 679 262 |
| 1. Provisions for liabilities | 1 099 654 | 942 376 | 1 237 614 | 1 088 711 |
| 1.1. Provisions for deferred income tax | 579 049 | 575 178 | 651 672 | 644 273 |
| 1.2. Provisions for pension and similar allowances | 63 572 | 65 767 | 76 966 | 81 060 |
| a) long-term | 40 182 | 52 310 | 56 855 | 60 233 |
| b) current | 23 390 | 13 457 | 20 111 | 20 827 |
| 1.3. Other provisions | 457 033 | 301 432 | 508 976 | 363 378 |
| a) long-term | 8 439 | 8 439 | 126 769 | 121 762 |
| b) current | 448 594 | 292 993 | 382 207 | 241 616 |
| 2. Long-term liabilities | 213 546 | 209 906 | 2 629 458 | 2 664 901 |
| 2.1. To associated companies | 0 | 0 | 0 | 0 |
| 2.2. To other companies | 213 546 | 209 906 | 2 629 458 | 2 664 901 |
| 3. Current liabilities | 3 062 154 | 3 036 353 | 2 628 449 | 2 665 902 |
| 3.1. To associated companies | 19 572 | 14 338 | 768 753 | 364 032 |
| 3.2. To other companies | 3 022 313 | 3 001 515 | 1 810 542 | 2 253 422 |
| 3.3. Special funds | 20 269 | 20 500 | 49 154 | 48 448 |
| 4. Accrued expenses | 911 138 | 888 461 | 201 420 | 259 748 |
| 4.1. Negative goodwill | 0 | 0 | 2 388 | 2 605 |
| 4.2. Other accrued expenses | 911 138 | 888 461 | 199 032 | 257 143 |
| a) long-term | 77 133 | 81 094 | 109 032 | 81 749 |
| b) current | 834 005 | 807 367 | 90 000 | 175 394 |
| Total liabilities | 6 658 103 | 6 862 860 | 10 656 660 | 10 955 276 |

| | | | | |
|--|-------------------|-------------------|--------------------|--------------------|
| Book value | 238 276 | 633 768 | 729 334 | 1 048 451 |
| Number of shares | 83 770 297 | 83 770 297 | 83 770 297 | 83 770 297 |
| Book value per share (in PLN) | 2,84 | 7,57 | 8,71 | 12,52 |
| Diluted number of shares | 87 970 297 | 83 770 297 | 111 817 657 | 114 880 573 |
| Diluted book value per share (in PLN) | 2,84 | 7,57 | 8,71 | 12,52 |

If the diluted book value per share were bigger than the undiluted book value per share the lower value is taken as the diluted book value per share.

| OFF-BALANCE-SHEET ITEMS (in thousands of PLN) | As at 30.06.2002 end of quarter (current year) | As at 31.03.2002 end of prior quarter (current year) | As at 30.06.2001 end of quarter (prior year) | As at 31.03.2001 end of prior quarter (prior year) |
|--|---|---|---|---|
| 1. Conditional receivables | 339 246 | 326 746 | 155 092 | 148 237 |
| 1.1. From associated companies (in virtue of) | 6 187 | 9 244 | 1 434 | 1 606 |
| - guarantees received | 1 900 | 9 244 | 1 250 | 1 606 |
| - other conditional receivables | 4 287 | 0 | 184 | 0 |
| - other off-balance sheet receivables | 0 | 0 | 0 | 0 |
| 1.2. From other companies (in virtue of) | 333 059 | 317 502 | 153 658 | 146 631 |
| - guarantees received | 261 216 | 261 148 | 88 323 | 92 477 |
| - other conditional receivables | 23 907 | 6 258 | 14 958 | 4 362 |
| - other off-balance sheet receivables | 47 936 | 50 096 | 50 377 | 49 792 |
| 2. Conditional liabilities | 632 337 | 635 572 | 623 058 | 549 428 |
| 2.1. To associated companies (in virtue of) | 81 895 | 202 619 | 49 129 | 18 852 |
| - guarantees received | 47 659 | 202 619 | 14 408 | 18 852 |
| - other conditional receivables | 34 236 | 0 | 34 721 | 0 |
| - other off-balance sheet receivables | 0 | 0 | 0 | 0 |
| 2.2. To other companies (in virtue of) | 550 442 | 432 953 | 573 929 | 530 576 |
| - guarantees granted | 310 560 | 360 675 | 308 740 | 362 868 |
| - other conditional receivables | 136 929 | 36 160 | 191 302 | 93 386 |
| - other off-balance sheet receivables | 102 953 | 36 118 | 73 887 | 74 322 |
| 3. Other (in virtue of) | 6 538 | 6 112 | 17 425 | 18 434 |
| Total off-balance sheet items | 978 121 | 968 430 | 795 575 | 716 099 |

| CONSOLIDATED PROFIT AND LOSS ACCOUNT | 2 Q (current year) from 01.04.2002 to 30.06.2002 | 2 Q cumulative (current year) from 01.01.2002 to 30.06.2002 | 2 Q (prior year) from 01.04.2001 to 30.06.2001 | 2 Q cumulative (prior year) from 01.01.2001 do 30.06.2001 |
|--|---|--|---|--|
| I. Net sales revenues, of which: | 501 099 | 1 069 382 | 904 403 | 1 755 786 |
| - from associated companies | 723 | 2 613 | 6 153 | 9 124 |
| 1. Net sales of products | 81 494 | 263 788 | 654 844 | 1 267 053 |
| 2. Net sales of merchandise and raw materials | 419 605 | 805 594 | 249 559 | 488 733 |
| II. Cost of sales, of which: | 469 966 | 969 398 | 796 061 | 1 522 111 |
| - from associated companies | 100 | 263 | 4 070 | 8 408 |
| 1. Cost of products sold | 60 247 | 193 490 | 577 783 | 1 075 825 |
| 2. Value of merchandise and raw materials sold | 409 719 | 775 908 | 218 278 | 446 286 |
| III. Gross profit (loss) on sales (I-II) | 31 133 | 99 984 | 108 342 | 233 675 |
| IV. Selling expenses | 65 137 | 76 265 | 33 987 | 76 364 |
| V. General administrative expenses | 45 460 | 90 818 | 121 290 | 240 449 |
| VI. Profit (loss) on sales (III-IV-V) | (79 464) | (67 099) | (46 935) | (83 138) |
| VII. Other operating income | 7 908 | 12 115 | 59 298 | 88 125 |
| 1. Income on sale of non-financial fixed assets | 36 | 262 | 829 | 1 017 |
| 2. Subsidies | 105 | 202 | 376 | 959 |
| 3. Other operating income | 7 767 | 11 651 | 58 093 | 86 149 |
| VIII. Other operating costs | 48 230 | 51 943 | 92 346 | 183 565 |
| 1. Loss on sale of non-financial fixed assets | 1 | 1 | 956 | 1 058 |
| 2. Revaluation of non-financial assets | 36 | 36 | 0 | 0 |
| 3. Other operating costs | 48 193 | 51 906 | 91 390 | 182 507 |
| IX. Profit (loss) on operating activities (VI+VII-VIII) | (119 786) | (106 927) | (79 983) | (178 578) |
| X. Financial income | 91 254 | 118 192 | 197 303 | 366 829 |
| 1. Dividends and participation in profits, of which: | 0 | 102 | 694 | 694 |
| - in associated companies | 0 | 0 | 681 | 681 |
| 2. Interest, of which: | 40 330 | 62 046 | (126 404) | 6 286 |
| - from associated companies | 28 698 | 36 081 | (20 031) | 19 011 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| 3. Profit on disposal of investments | 2 143 | 3 774 | 37 792 | 39 911 |
| 4. Revaluation of investments | 5 | 363 | 12 044 | 14 206 |
| 5. Other | 48 776 | 51 907 | 273 177 | 305 732 |
| XI. Financial costs | 287 663 | 339 528 | 385 313 | 625 677 |
| 1. Interest, of which: | 221 | 19 522 | 125 909 | 234 203 |
| - from associated companies | 2 278 | 2 278 | 0 | 4 235 |
| 2. Loss on disposal of investments | 0 | 1 | 13 294 | 27 618 |
| 3. Revaluation of investments | 36 | 23 398 | 98 316 | 98 697 |
| 4. Other | 287 406 | 296 607 | 147 794 | 265 159 |
| XII. Profit (loss) on disposal of all or part of shares in subsidiary companies | 0 | 9 783 | (12 659) | 117 161 |
| XIII. Profit (loss) on ordinary activities (IX+X-XI+/-XII) | (316 195) | (318 480) | (280 652) | (320 265) |
| XIV. Extraordinary items (XIII.1. - XIV.2.) | 0 | 46 | (150) | (319) |
| 1. Extraordinary profit | 0 | 61 | 469 | 540 |
| 2. Extraordinary loss | 0 | 15 | 619 | 859 |
| XV. Amortisation of goodwill of subsidiary companies | 33 552 | 67 104 | 104 746 | 185 807 |
| XVI. Amortisation of negative goodwill of subsidiary companies | 818 | 1 620 | 2 220 | 4 395 |
| XVII. Profit (loss) before taxes (XIII+/-XIV-XV+XVI) | (348 929) | (383 918) | (383 328) | (501 996) |
| XVIII. Corporate income tax | (22 892) | (15 427) | (2 690) | 3 962 |
| a) current | (23 448) | (10 754) | 9 670 | 28 545 |
| b) deferred | 556 | (4 673) | (12 360) | (24 583) |
| XIX. Other obligatory profit decreases (loss increases) | (84) | 13 | 129 | 129 |
| XX. Share of profits (losses) of subsidiary companies subject to valuation by equity method | (111 102) | (109 306) | 77 735 | 148 386 |
| XXI. Profit (loss) in minorities | 27 641 | 17 037 | (15 401) | (35 345) |
| XXII. Net profit (loss) (XVII-XVIII-XIX+/-XXI) | (409 414) | (460 773) | (318 433) | (393 046) |
| EBITDA | (74 560) | (50 747) | (1 756) | (30 763) |

| | | |
|---|-------------------|--------------------|
| Net profit (loss) for 12 months | (497 396) | (967 526) |
| Weighted average number of ordinary shares | 83 770 297 | 83 770 297 |
| Profit (loss) per ordinary share (in PLN) | (5,94) | (11,55) |
| Weighted average diluted number of ordinary shares | 87 970 297 | 111 817 657 |
| Diluted profit (loss) per ordinary share (in PLN) | (5,94) | (11,55) |

With regard to the fact that diluted net profit per share in 2 Q 2001 and 2 Q 2002 would be lower than undiluted net profit per share the lower value is taken as the diluted book value per share.

| CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY | 2 Q | 2 Q | 2 Q | 2 Q |
|--|--|---|--|--|
| | (current year) from 01.04.2002 to 30.06.2002 | cumulative (current year) from 01.01.2002 to 30.06.2002 | (prior year) from 01.04.2001 to 30.06.2001 | cumulative ((prior year) from 01.01.2001 to 30.06.2001 |
| I. Shareholders' Equity at the beginning of the period (opening balance) | 575 016 | 530 494 | 1 052 699 | 1 050 461 |
| a) restatement for changes in applied accounting principles (policies) | 57 032 | 150 463 | (6 165) | 85 895 |
| b) adjustments of material misstatements | 0 | 0 | 0 | 0 |
| I.a. Shareholders' Equity at the beginning of the period (opening balance), after restatement to comparative data | 632 048 | 680 957 | 1 046 534 | 1 136 356 |
| 1. Share capital at the beginning of the period | 83 770 | 83 770 | 83 770 | 83 770 |
| 1.1. Changes in share capital | 0 | 0 | 0 | 0 |
| a) additions, of which: | 0 | 0 | 0 | 0 |
| - issue of shares | 0 | 0 | 0 | 0 |
| - increase in nominal value of shares | 0 | 0 | 0 | 0 |
| - other | 0 | 0 | 0 | 0 |
| b) deductions (of which): | 0 | 0 | 0 | 0 |
| - amortisation of shares | 0 | 0 | 0 | 0 |
| - other | 0 | 0 | 0 | 0 |

| | | | | |
|--|------------------|-----------------|-----------------|----------------|
| 1.2. Share capital at the end of the period | 83 770 | 83 770 | 83 770 | 83 770 |
| 2. Unpaid share capital at the beginning of the period | 0 | 0 | 0 | 0 |
| 2.1. Change in unpaid share capital | 0 | 0 | 0 | 0 |
| a) additions | 0 | 0 | 0 | 0 |
| b) deductions | 0 | 0 | 0 | 0 |
| 2.2. Unpaid share capital at the end of period | 0 | 0 | 0 | 0 |
| 3. Own shares at the beginning of the period | 0 | 0 | 0 | 0 |
| 3.1. Change in own shares | 0 | 0 | 0 | 0 |
| a) additions | 0 | 0 | 0 | 0 |
| b) deductions | 0 | 0 | 0 | 0 |
| 3.2. Own shares at the end of the period | 0 | 0 | 0 | 0 |
| 4. Reserve capital at the beginning of the period | 618 587 | 851 609 | 898 672 | 929 667 |
| 4.1. Change in reserve capital | 70 574 | (162 448) | (43 610) | (74 605) |
| a) additions of which: | 70 574 | 536 015 | 12 679 | 59 587 |
| - issuance of shares above nominal value | 0 | 0 | 0 | 0 |
| - appropriation of profit (by law) | 15 230 | 15 230 | 5 206 | 5 206 |
| - appropriation of profit (in excess of value required by law) | 5 745 | 470 253 | 7 394 | 53 884 |
| - capital contributed additionally | 0 | 0 | 0 | 0 |
| - reclassification from revaluation reserve capital relating to sold and liquidated fixed assets | 529 | 539 | 77 | 100 |
| - accountancy re-adjustment of sold company | 0 | 0 | 0 | 0 |
| - other | 49 070 | 49 993 | 2 | 397 |
| b) deductions (of which) | 0 | 698 463 | 56 289 | 134 192 |
| - coverage of loss | 0 | 0 | 54 626 | 131 272 |
| - accountancy re-adjustment of sold company | 0 | 697 663 | 0 | 1 242 |
| - other | 0 | 800 | 1 663 | 1 678 |
| 4.2. Reserve capital at the end of the period | 689 161 | 689 161 | 855 062 | 855 062 |
| 5. Revaluation reserve capital at the beginning of the period | 81 433 | 79 655 | 81 968 | 82 494 |
| 5.1. Changes in revaluation reserve capital | (3 037) | (1 259) | (566) | (1 092) |
| a) additions (of which) | 287 | 3 132 | 124 | 139 |
| - revaluation | 88 | 88 | 0 | 0 |
| - foreign currency translation differences on foreign branches | 0 | 347 | 124 | 124 |
| - other | 199 | 2 697 | 0 | 15 |
| b) deductions (of which) | 3 324 | 4 391 | 690 | 1 231 |
| - disposal of tangible fixed assets | 529 | 539 | 77 | 100 |
| - accountancy re-adjustment of sold companies | 0 | 0 | 0 | 0 |
| - deferred tax | 0 | 1 048 | 0 | 0 |
| - foreign currency translation differences on foreign branches | 1 317 | 1 322 | 296 | 501 |
| - other | 1 478 | 1 482 | 317 | 630 |
| 5.2. Revaluation reserve capital at the end of the period | 78 396 | 78 396 | 81 402 | 81 402 |
| 6. Other reserve capitals at the beginning of the period | 40 446 | 39 801 | 57 798 | 57 817 |
| 6.1. Changes in other reserve capitals | 8 440 | 9 085 | (4 574) | (4 593) |
| a) additions (of which): | 8 440 | 9 096 | 2 703 | 2 713 |
| - accountancy readjustment of previous year's result | 0 | 10 | 1 499 | 1 509 |
| - restructuring agreement | 0 | 0 | 0 | 0 |
| - other | 8 440 | 9 086 | 1 204 | 1 204 |
| b) deductions (of which): | 0 | 11 | 7 277 | 7 306 |
| - accountancy readjustment of sold companies | 0 | 11 | 0 | 0 |
| - restructuring agreement | 0 | 0 | 0 | 0 |
| - other | 0 | 0 | 7 277 | 7 306 |
| 6.2. Other reserve capitals at the end of the period | 48 886 | 48 886 | 53 224 | 53 224 |
| 7. Exchange translation differences on subsidiary companies | 6 240 | 6 240 | 60 101 | 60 101 |
| 8. Retained earnings (accumulated loss) at the beginning of the period | (163 185) | (49 327) | (48 822) | 957 374 |
| 8.1. Retained earnings at the beginning of the period | 1 681 984 | 1 518 034 | 1 537 034 | 1 494 610 |
| a) restatement for changes in accepted accounting principles (policies) | (81 504) | (4 791) | (2 294) | (15 920) |
| b) adjustments of material misstatements | 0 | 0 | 0 | 0 |

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| 8.2. Retained earnings at the beginning of the period, after restatement to comparative data | 1 600 480 | 1 513 243 | 1 534 740 | 1 478 690 |
| a) additions (of which): | 0 | 564 822 | 0 | 102 977 |
| - appropriation of retained profit | 0 | 564 822 | 0 | 102 977 |
| - accountancy re-adjustment of sold company | 0 | 0 | 0 | 0 |
| - other | 0 | 0 | 0 | 0 |
| b) deductions (of which) | 62 495 | 540 080 | 19 458 | 66 385 |
| - appropriation of profits | 55 822 | 520 345 | 13 617 | 60 544 |
| - accountancy re-adjustment of sold company | 0 | 0 | 0 | 0 |
| - other | 6 673 | 19 735 | 5 841 | 5 841 |
| 8.3. Retained earnings at the end of the period | 1 537 985 | 1 537 985 | 1 515 282 | 1 515 282 |
| 8.4. Accumulated loss at the beginning of the period | (1 845 169) | (1 567 361) | (1 585 856) | (537 236) |
| a) restatement for changes in accepted accounting principles (policies) | 97 591 | 49 030 | 1 194 | 15 195 |
| b) adjustments of material misstatements | 0 | 0 | 0 | 0 |
| 8.5. Retained earnings at the beginning of the period, after restatement to comparative data | (1 747 578) | (1 518 331) | (1 584 662) | (522 041) |
| a) additions (of which) | 0 | (994 503) | (1 237) | (1 141 736) |
| - addition from loss for previous years to be covered | 0 | (994 491) | 0 | (1 139 738) |
| - accountancy re-adjustment of sold company | 0 | 0 | 0 | 0 |
| - other | 0 | (12) | (1 237) | (1 998) |
| b) deductions (of which) | (2 189) | (767 445) | (59 438) | (137 316) |
| - coverage of loss | 0 | 0 | (57 636) | (57 636) |
| - accountancy re-adjustment of sold company | 0 | (739 651) | 0 | (1 232) |
| - other | (2 189) | (27 794) | (1 802) | (78 448) |
| 8.6. Accumulated loss at the end of the period | (1 745 389) | (1 745 389) | (1 526 461) | (1 526 461) |
| 8.7. Retained earnings (loss) at the end of the period | (207 404) | (207 404) | (11 179) | (11 179) |
| 8. Net result | (460 773) | (460 773) | (393 046) | (393 046) |
| a) net profit | 0 | 0 | 0 | 0 |
| b) net loss | (460 773) | (460 773) | (393 046) | (393 046) |
| c) write-offs from profit | 0 | 0 | 0 | 0 |
| II. Shareholders' Equity at the end of the period (closing balance) | 238 276 | 238 276 | 729 334 | 729 334 |
| III. Shareholders' Equity following the proposed appropriation of profit (coverage of loss) | | | | |

| CONSOLIDATED STATEMENT OF CASH FLOWS | 2 Q | 2 Q | 2 Q | 2 Q |
|---|---|--|---|---|
| | (current year) from 01.04.2002 to 30.06.2002 | cumulative (current year) from 01.01.2002 to 30.06.2002 | (prior year) from 01.04.2001 to 30.06.2001 | cumulative ((prior year) from 01.01.2001 to 30.06.2001 |
| A. Cash flows from operating activities - indirect method | | | | |
| I. Net profit (loss) | (409 414) | (460 773) | (318 433) | (393 046) |
| II. Total adjustments | 336 806 | 174 020 | 536 903 | 716 692 |
| 1. Profit (loss) in minorities | (27 641) | (17 037) | 15 401 | 35 345 |
| 2. Share of net profits (losses) of companies subject to valuation by the equity method | 111 102 | 109 306 | (77 735) | (148 386) |
| 3. Depreciation and amortisation | 77 960 | 121 664 | 180 754 | 329 227 |
| - depreciation of goodwill of subsidiary companies or negative goodwill of subsidiaries | 32 734 | 65 484 | 102 527 | 181 412 |
| 4. (Gain) loss on foreign exchange differences | 124 | (28 341) | (19 819) | (32 545) |
| 5. Interest and dividends | (21 466) | (17 925) | 151 572 | 192 770 |
| 6. Profit (loss) on investing activities | (3 755) | 7 992 | 21 980 | (97 347) |
| 7. Change in provisions | 138 759 | 137 884 | 172 910 | 189 739 |
| 8. Change in inventories | (3 779) | (4 658) | 23 580 | 20 628 |
| 9. Change in receivables | 188 075 | 1 260 | 240 933 | 277 489 |
| 10. Change in current liabilities (excluding loans and credits) | (172 937) | (159 393) | 90 804 | 76 004 |
| 11. Change in deferred and accrued expenses | 37 679 | 5 831 | (27 273) | (19 403) |
| 12. Other adjustments | 12 685 | 17 437 | (236 204) | (106 829) |
| III. Net cash flows from operating activities (I+/-II) | (72 608) | (286 753) | 218 470 | 323 646 |

| | | | | |
|---|------------------|------------------|------------------|--------------------|
| B. Cash flows from investing activities | | | | 0 |
| I. Income | 384 254 | 897 476 | 249 551 | 290 844 |
| 1. Sale of intangibles and tangible fixed assets | 51 956 | 51 985 | 1 378 | 2 118 |
| 2. Sale of real estate and intangible assets | 0 | 0 | 0 | 0 |
| 3. From financial assets, of which: | 412 341 | 841 778 | 245 382 | 283 044 |
| a) in associated companies | 373 | 419 509 | 2 724 | 2 367 |
| - sale of financial assets | 373 | 419 509 | 278 | (79) |
| - dividends and share in profits | 0 | 0 | 681 | 681 |
| - repayment of long-term loans | 0 | 0 | 1 765 | 1 765 |
| - interest | 0 | 0 | 0 | 0 |
| - other income from financial assets | 0 | 0 | 0 | 0 |
| b) in other companies | 411 968 | 422 269 | 242 658 | 280 677 |
| - sale of financial assets | 411 405 | 419 278 | 237 421 | 274 896 |
| - dividends and share in profits | 0 | 102 | 37 | 37 |
| - repayment of long-term loans | 378 | 436 | 251 | 309 |
| - interest | 185 | 205 | 4 949 | 5 435 |
| - other income from financial assets | 0 | 2 248 | 0 | 0 |
| 4. Other income from investing activities | (80 043) | 3 713 | 2 791 | 5 682 |
| II. Expenses | (411 992) | (600 048) | (397 201) | (634 162) |
| 1. Acquisition of intangible and tangible fixed assets | (57 375) | (87 502) | (95 722) | (178 701) |
| 2. Investment in real estate and intangibles | (342) | (518) | 0 | 0 |
| 3. On financial assets, of which: | (348 799) | (506 552) | (292 927) | (332 581) |
| a) in associated companies | 0 | 0 | (46 135) | (61 664) |
| - acquisition of financial assets | 0 | 0 | (46 135) | (61 664) |
| - long-term loans extended | 0 | 0 | 0 | 0 |
| b) in other companies | (348 799) | (506 552) | (246 792) | (270 917) |
| - acquisition of financial assets | (348 799) | (506 552) | (246 792) | (270 917) |
| - long-term loans extended | 0 | 0 | 0 | 0 |
| 4. Dividends and other share in profits paid to minorities | 0 | 0 | 0 | 0 |
| 5. Other investment expenses | (5 476) | (5 476) | (8 552) | (122 880) |
| III. Net cash flows from investing activities (I+/-II) | (27 738) | 297 428 | (147 650) | (343 318) |
| C. Cash flows from financial activities | | | | 0 |
| I. Income | 9 559 | 20 387 | 504 149 | 1 015 447 |
| 1. Net income from issuance of shares and other capital instruments and additional payment to capital | 450 | 450 | (107) | 0 |
| 2. Credits and loans | 800 | 3 500 | 252 319 | 589 748 |
| 3. Issuance of debt securities | 0 | 0 | 248 124 | 400 033 |
| 4. Other financial income | 8 309 | 16 437 | 3 813 | 25 666 |
| II. Expenses | (14 437) | (79 007) | (612 740) | (1 091 977) |
| 1. Acquisition of own shares | 0 | 0 | 0 | 0 |
| 2. Dividends and payment to shareholders | 0 | 0 | 0 | 0 |
| 3. Other expenses relating to appropriation of profits other than payments to shareholders | 0 | 0 | 0 | 0 |
| 4. Repayment of credits and loans | (6 903) | (65 595) | (252 498) | (536 626) |
| 5. Redemption of debt securities | 0 | 0 | (169 613) | (279 876) |
| 6. Other financial liabilities | 27 | 0 | 0 | 0 |
| 7. Payment of liabilities due on financial leasing agreements | (1 185) | (2 503) | (1 150) | (4 913) |
| 8. Interest | (6 376) | (10 909) | (113 505) | (193 696) |
| 9. Other financial expenses | 0 | 0 | (75 974) | (76 866) |
| III. Net cash flows from financial activities (I-II) | (4 878) | (58 620) | (108 591) | (76 530) |
| D. Total net cash flows (A.III+/-B.III+/-C.III) | (105 224) | (47 945) | (37 771) | (96 202) |
| E. Change in balance-sheet cash and cash equivalents, of which: | (105 224) | (47 945) | (37 771) | (96 202) |
| - change in cash and cash equivalents by virtue of foreign exchange differences | 0 | 0 | (69) | (523) |
| F. Cash and cash equivalents - beginning of period | 1 039 506 | 982 227 | 297 257 | 355 688 |
| G. Cash and cash equivalents - end of period (F+/-D), of which: | 934 282 | 934 282 | 259 486 | 259 486 |
| - cash and cash equivalents with a restricted possibility of disposal | (256) | 200 528 | 23 661 | 161 181 |

4. Announcement dated 19 August 2002 :

The Management Board of Elektrim S.A. announces that on 19 August 2002, the agreement dated 12 May 2002 executed between Elektrim S.A., BRE Bank S.A. and Eastbridge NV has been amended. Pursuant to the above agreement, the consortium of BRE Bank S.A. and Eastbridge NV were granted exclusivity right to negotiations relating to the transfer by Elektrim S.A. of 49% of shares in Elektrim Telekomunikacja Sp. z o.o. and 49% of shares in Carcom Warszawa Sp. z o.o. and one share in Polska Telefonía Cyfrowa sp. z o.o.

The Exclusivity Agreement has been prolonged until 26 August 2002.
All other provisions of the agreement remain unchanged.

5. Announcement dated 23 August 2002:

The Management Board of Elektrim S.A. announces that on 23 August 2002 it received the decision of the Warsaw Regional Court dated 23 August 2002 awarding that the decision of the Warsaw Regional Court dated 7 August 2002 on discontinuing the appellate proceeding commenced as a result of the appeal filed by Elektrim S.A. as debtor and Fabryka Kotłów RAFAKO S.A., Fabryki Aparatów Elektrycznych APENA S.A. and The Law Debenture Trust Corporation p.l.c. as creditors against the decision of the lower court dated 23 April 2002 on discontinuing the composition proceeding has become final and effective. (Current report no 119).

6. Announcement dated 23 August 2002:

The Management Board of Elektrim S.A. announces that on 22 August 2002 it withdrew claims filed on 25 April 2002 in the Warsaw Regional Court against BRE Bank S.A. claiming payment of PLN 62,706,593.54 plus interest accrued until the date of payment, and against PeKaO S.A. claiming payment of PLN 35,075,324.80 plus interest accrued until the date of payment (current report no 57/02, 61/02 and 80/02).

The reason for the withdrawal is the high court fees and the cost of legal services, as well as the termination of the composition proceeding.

7. Announcement dated 27 August 2002:

The Management Board of Elektrim S.A. announces that the exclusivity for the consortium of BRE Bank S.A. and Eastbridge N.V. granted by the agreement dated 12 May 2002 has not been prolonged. The exclusivity period expired on 26 August 2002. (current report no 86/02, 114/02 and 120/02).

8. Announcement dated 28 August 2002:

The Management Board of Elektrim S.A. announces that on 27 August 2002 it was notified that pursuant to the decision of the Regional Prosecutor's Office in Warsaw dated 14 August 2002, the investigation had been commenced relating to using confidential information in the period from 28 August 2001 to 9 January 2002 in public trading of securities relating to the financial and economic status of Elektrim S.A. by entities acquiring Elektrim's shares on the Stock Exchange, i.e. act under art. 176 section 2 of the Law on Public Trading of Securities of 27 August 1997. (Current report no 21/02). The investigation represents the continuation of the investigation referred to in current report no 33/02.

9. Announcement dated 29 August 2002:

On 28 August, 2002, Elektrim S.A. gave notice to the holders of the PLN 1,795,024,000 (Euro 440,000,000) 3.75% Euro-Linked Exchangeable Bonds due 2004 of Elektrim Finance B.V. irrevocably and unconditionally guaranteed by Elektrim S.A., that the Restructuring Date for the Bonds will be 4 September 2002. On that date, the conditions precedent to the modifications referred to in the Extraordinary Resolution of the Bondholders, dated 31 July 2002, will be satisfied or waived and the various restructuring documents implementing the Extraordinary Resolution will be executed. Accordingly, the accounts of the holders of the Bonds will be blocked beginning 2 September 2002 through 6 September 2002.

Yours faithfully,

PREZES ZARZĄDU

Wojciech Janczyk

