

Financial impact of outstanding hedging contracts

The current scenario of weakening zloty produces the decrease of fair value of these contracts in compare with end of June 2008 levels (which was clearly visible in the Q3 Report), which are not real cash losses but only accounting losses that would not be realized unless the contract is cancelled, something which is not currently envisaged by the company. In fact, even in October the Company had positive net result coming from real transactions made with these contracts. Besides, big part of losses at the financial level are anyway recovered above EBITDA through more profitable sales in Euro.

On the other hand the Company has successfully re-negotiated with its banks new risk limits to avoid that bank could cancel these contracts with subsequent real cash losses for the company or even that company has to pay cash collaterals as warranty in favor of the banks.

Contract Number	1	2	3	4	5	6
Partner	BRE Bank	BRE Bank	BZ WBK	BZ WBK	BRE Bank	BRE Bank
Amount per 1 transactions (EUR)						
PUT	100 000	100 000	100 000	100 000	100 000	100 000
CALL	300 000	300 000	300 000	300 000	300 000	200 000
Number of transactions per month	1	1	1	1	1	1
Duration (date of last transaction)	Aug 2010	Aug 2010	Aug 2010	Feb 2011	Jul 2011	Dec 2010
Strike	3.9317	3.9825	3.8000	3.7100	3.4087	3.4700