A. INTRODUCTION TO INDIVIDUAL FINANCIAL STATEMENT

1. GENERAL INFORMATION

PZ Cormay S.A. (Company) was entered to the Entrepreneurs Register of the National Court Register kept by the District Court for the capital city Warsaw in Warsaw, XIV Business Department of the National Court Register under the number KRS 0000270105. The Company received the statistical number REGON 140777556. The seat office of the Company in Łomianki, ul. Wiosenna 22.

The duration of the Company is unlimited.

Business activity acc. to European Classification of Activity: 2095Z -Manufacture of the other chemical products n.e.c.

2. GOING CONCERN PRINCIPLE

The financial statement of the Company was prepared assuming applying the going concern principle by the Company within the period at least 12 months after balance day. As of the date of singing the financial statement the Company's Management Board does not state any facts and circumstances which may indicate the hazard for the going concern principle in the period at least 12 months after the balance date as a result of intended or forced omission or important limitation in the present business activity.

3. MERGE OF THE COMMERCIAL COMPANIES

In the reporting period for which the financial statement was prepared the Company does not merge with any other business entity.

4. APPLIED ACCOUNTING PRINCIPLES (POLICY)

4.1. Form and the base for preparing the financial statement

The financial statement was prepared pursuant to the provisions of the Act of 29th September 1994 on Accountancy (uniform text Dz. U. No. 76 of 2002 with further amendments-hereinafter referred as to AA).

The profit and loss statement was prepared in the calculation version. The cash-flow statement was prepared by indirect method.

The financial data in the financial statement was presented in thousands zlotys, unless there is stated otherwise.

4.2. Change of the accounting principles in the reporting period

In the reporting period in the Company the change concerns the value of the fixed assets charged at once in the costs. The influence of such change on the result was described in the paragraph 4.4.

4.3. Intangible assets

The intangible assets are recognized if it is possible that in the future they will cause the inflow the economic benefits to the Company, which may be directly connected with these assets. The initial presentation of the intangible assets is performed pursuant to the purchase price or manufacturing cost. After the initial presentation the intangible assets are valued pursuant to the purchase price of manufacture costs less the depreciation and impairment losses. The intangible assets are depreciated linearly in the period corresponding to the estimated period of economic utility.

The foreseen period of the economic utility is as follows:

Costs of finished R&D works	5 years
Patents, licenses and trade marks	up to 3 to 10 years
Computer software	up to 2 to 5 years
Other intangible assets	up to 2 to 5 years

The estimations concerning the period of economic utility and the depreciation method are a subject of review at the end of every fiscal year in order to verify whether the applied methods and the depreciation period comply with the foreseen time schedule of the economic benefits brought by the relevant intangible assets.

As of the balance day the Company assesses whether the balance value of the presented assets does not exceed the value of foreseen economic benefits. If there are assumptions which indicate that, the balance value of the assets is reduced to the net sale price. Impairment losses are included to the other operating costs.

4.4. *Fixed assets*

The fixed assets are valued at the purchase price, manufacturing cost or the post-revaluation value less the depreciation and the impairment losses. The lands are valued pursuant to the purchase price less the impairment losses. The post-revaluation occurs under the separate regulations. The result from the post-revaluation is charged against the revaluation capital. After the sale of liquidation of the fixed assets, the amount remained in the revaluation capital is transferred to the reserve capital. Any post-revaluation occurred during the Company's activity.

The costs incurred after putting the tangible fixed assets in use such as the repair and check costs and maintenance fees affect the financial result of the reporting period, when they were incurred. If it is possible to prove that these costs caused the increase of the expected benefits in the future due to the possession of this fixed asset over the initially planned benefits, in such case they increase the initial value of the fixed asset. The fixed assets, except for the lands, are depreciated linearly in the period corresponding to the estimated period of their economic utility.

The Company applies the foreseen utility periods as follows:

Buildings premises and civil and maritime engineering features	from 10 to 40 years
Machines and devices	from 2 to 40 years
Means of transport	from 3 to 10 years
Other fixed assets	from 2 to15 years

Fixed assets with the low initial value, it means below 1,000.- PLN are entered as the costs each time.

In 2008 the Company entered at once as costs the fixed assets with the initial value below 3,500.-PLN. Since 01.01.2009 the amount of the fixed assets entered at once as the costs has been changed into the amount 1,000.-PLN. The total value of the fixed assets purchased in the first quarter 2008 with the value to 3,500.-PLN was 34 k PLN. Within the period 01.01.2009 to 31.03.2009 the fixed assets with the unit price to 1,000.- PLN with the total value 2 k PLN were purchased. The amount 10 k PLN was entered as the costs without amortization principle change since 01.01.2009 concerning the initial value.

Tangible fixed assets under construction

The tangible fixed assets under construction are valued in the amount of the total costs directly related to their purchase or manufacture, included financial costs, reduced by the impairment losses. As the tangible fixed assets under construction the investment materials are presented. The tangible fixed assets are not depreciated till the construction will be completed and commencement.

4.5. *Investments in the subordinated entities and other long-term investments*

Investments in the related entities and semi-related entities and in the associated entities and other long-term investments are valued pursuant to the historical cost less the possible impairment loss.

The impairment loss of the shares in the subordinated entities is estimated as for each balance day.

The balance value of such assets every time is a subject of review in order to state whether it does not exceed the values of the future economic benefits. In case when the balance value exceeds the value of foreseen economic values, it s reduced to the net sale price. Decreasing the investment's value previously post-revaluated to the amount, by which the revaluation reserve was increased, if the difference amount from revaluation was not accounted to the day of estimation, decreases such reserve. In other cases the effects of decreasing the investments value are classified to the financial costs. The increase of the relevant investment's value related to the previous decreasing its value, classified to the financial costs, is taken to the amount of this cost as the financial revenues.

4.6. *Other short-term investments (excluding the pecuniary assets and financial assets)*

Other short-term investments excluding the pecuniary assets and financial assets are valued pursuant to the purchase price or market price depending on which one is lower, and the short-term investments for which the active market does not exists are valued at the fair value. The effects of increase or decrease of the short-term investments value evaluated pursuant to the market prices are classified correspondingly to the financial revenues or expenses.

4.7. *Lease*

The Company is a party of the leasing agreements under which it takes to the paid use or taking benefits the foreign assets or intangible assets for the agreed period.

In case of leasing agreements under which the transfer of total risk and benefits following the possession of the assets which are a subject of agreement occurs, the subject of lease is included in the assets as the fixed assets and at the same the provision in the amount equal to the value of the minimal leasing fees set as of the date of lease beginning. The leasing fees are divided between the financial costs and reducing the balance of the liabilities in the manner enabling to achieve the constant interest rate form the liability to be paid. The financial costs are presented directly in the profit and loss statement.

The fixed assets which are a subject of financial lease are depreciated in a manner specified for the own fixed assets. However when there is any doubt regarding the transfer the ownership of the subject of agreement then the fixed assets used under the financial leasing agreement are depreciated by the shorter from two periods: foreseen period of use or lease period.

4.8. *Inventory*

The stocks are valued pursuant to the lower from two values: purchase price or manufacturing cost and the net sale price.

The costs incurred in order to bring the stocks to their present location and condition are presented by FIFO method. The manufacturing costs of the finished products and products in progress are included in the costs of direct materials and workmanship and the justified part of the indirect manufacturing costs, agreed at the normal usage of the production capacity.

The net sale price is possible to be achieved as of the balance day the purchase price without the VAT tax and excise tax, reduced by the rebates, discounts and similar costs related to the adjustment of the asset to sale and execution of such sale.

4.9. *Short- and long-term receivables*

The receivables are presented in the payable amount reduced by the writes down.

The value of the receivable is written down considering the degree of possibility to be paid by making the write down. The allowances for bad debts are classified correspondingly to the other operating costs or to the financial costs – depending on the kind of receivable, to which this write down concerns.

The receivables amortized, expired or non-collectible reduce the write down.

The receivables amortized, expired or non-collectible, from which the write down was not made or the write down was made in the not full amount are classified correspondingly to the other operating costs or financial costs.

4.10. *Transactions in foreign currency*

Transactions expressed in the other currencies than polish zloty are recalculated into the polish zloty applying the exchange rate binding on the day before the transaction day.

As of the balance day the assets and liabilities expressed in the currencies other than polish zloty are recalculated into the polish zloty applying the average exchange rate for this day published for this currency by the National Polish Bank. The exchange differences arisen from the recalculation are presented properly in the item of financial revenues of expenses or in cases specified by law, capitalized in the assets value.

4.11. *Pecuniary assets and equivalents of pecuniary assets*

The pecuniary assets in bank and in hand are valued pursuant to the nominal value.

The item pecuniary assets presented in the cash-flow statement consists of cash in hand and bank deposits with the maturity date not longer than 3 months which were not treated as the investment activity.

4.12. *Accruals*

The Company settles the prepaid expenses if they are related to the future reporting periods. Accrued expenses are settled in the amount of possible liabilities in the relevant reporting period.

4.13. *Share capital*

The share capital is presented in the amount specified in the Articles of Association and the court register. The differences between the fair value of payments and nominal value of shares are presented in the reserve capital. The costs incurred for the issue of new shares reduce the reserve capital due to the issue of shares exceeding their nominal value to the amount of this capital. Other costs are classified to the financial expenses.

4.14. *Provisions*

The provisions are included when the Company bears the obligation (legal or custom) resulting from the pas events and when it is sure or highly possible that fulfillment of this obligation will cause the necessity of inflow of assets expressing the economic benefits and when the reliable estimation of the liability's amount is possible to be made.

The Company creates the provisions for retirement gratuity. The provisions are made in the costs of profit and loss statement in a manner enabling to allocate the costs of retirement gratuities for the total period of employment. The expenses due to the mentioned allowances are set using the actuarial method of evaluation of the anticipated individual rights.

4.15. *Bank credits and loans and financial liabilities intended to be traded*

In the initial presence the bank credits and loans are classified according to the cost constituting the value of received pecuniary assets. Liabilities due to the loans and credits are presented in the amount of capital to be paid out.

4.16. *Deferred income tax*

The deferred income tax is set using the method of balance liabilities towards all temporary differences as of the balance day between the tax value of the assets and liabilities and their balance value indicated in the financial statement.

The provision for the deferred income tax is created in relation to all positive temporary differences.

The asset due to the deferred income tax is included in relation to all negative temporary differences in such amount in which it is possible that the income to be taxable will be achieved and that will allows using the mentioned differences and losses.

The balance value of the asset due to the deferred income tax is verified as for every balance days and is subject of reduction as far as it will be impossible to achieve the income to be taxable sufficient to partly or as a whole to cover the asset due to the deferred income tax.

4.17. *Impairment loss*

As for each balance day the Company assessed if there are the objective proofs indicating the impairment loss of assets or group of assets. If they are the Company sets the estimated, possible to be recovered value of the assets and makes the revaluation due to the impairment loss in the amount equal to the difference between the value possible to be recovered and balance value. The loss resulting from impairment is included in the profit and loss statement for the relevant period. In case when the post-revaluation of assets was made the loss reduces the value of capitals from post-revaluation and then is charged into the profit and loss statement for the relevant period.

4.18. *Presentation of revenues*

The revenues are presented in such amount in which is possible that the Company will achieve the economic benefits, which can be reliable estimated.

4.19. *Sale of goods and products*

The revenues are presented in the moment when the important risk and benefits following the right to ownership of goods or products was transferred into the purchaser. The revenues include payable or received amounts from sale reduced by the value added tax.

4.20. *Interests*

The interests' revenues are presented in the moment of their calculation if the receipt of them is not doubtful.

4.21. *Dividends*

The due dividends are classified to the financial revenues as of the date of adopting by the General Meeting of Shareholders/Partners of the Company, where the entity possesses the shares/stocks, the resolution on profit division, unless the resolution specified other date of right to dividend.

4.22. *Social assets and provisions for Company Social Benefit Fund*

The Act of 4th March 1994 (with further amendments) on the Company Social Benefit Fund states that the Company Social Benefit Fund is created by the employers engaging at least 20 workers in the calculation into the full time positions. The Company creates such fund and makes the periodical write offs in the required amount. The purpose of this Fund is to subsidize the social assets of the company and funding the social activity. The balance of the fund costs of cumulated revenues of the Fund reduced by the non-returnable expenses of the Fund.

B. BALANCE SHEET

ASSETS	STATE AS FOR 31-03-2009- THE END OF THE FIRST QUARTER 2009	STATE AS FOR 31.12.2009 THE END OF THE YEAR 2008	STATE AS FOR 31-03-2008 THE END OF THE FIRST QUARTER 2008	LIABILITIES	STATE AS FOR 31-03-2009- THE END OF THE FIRST QUARTER 2009
	AA	AA	AA		AA
A. Fixed assets	7714	7744	6602	**A. Own equity**	18722
I. Intangible assets	291	306	182	**I. Share capital**	11862
1. Costs of finished R&D works	0	71	0	**II. Called up share capital (negative value)**	0
2. Goodwill	0	0	0	**III. Own shares (negative value)**	0
3. Other intangible assets	291	235	182	**IV. Supplementary capital**	4814
4. Advances for intangible assets	0	0	0	**V. Revaluation reserve**	0
II. Tangible fixed assets	7009	7066	6271	**VI. Other reserve capitals**	0
1. Fixed assets	6653	6644	5721	**VII. Profit (loss) from previous years**	1315

a) lands (including perpetual usufruct rights)	51	51	51	VIII. Net profit (loss)	731
b) buildings, premises and civil and water engineering structures	1702	1715	1735	IX. Write-off of net profit during the fiscal year (negative value)	0
c) Technical equipment and machinery	1046	1055	541	B. Liabilities and provisions for liabilities	7083
d) transport means	675	705	540	I. Provisions for liabilities	271
e) other fixed assets	3179	3118	2854	1. Reserve due to the deferred income tax	210
2. Tangible fixed assets under construction	356	422	550	2. Provision for retirement and similar benefits	33
3. Advances for tangible fixed assets under construction.	00	0	0	- long-term	33
4. FIXED ASSETS FOR SALE	0	0	0		0
III. Long-term receivables	43	0	0	- short-term	0
1. From affiliates	43	0	0	3. Other reserves	28
2. From related entities	0	0	0	long-term	0
IV. Long-term investments	220	220	70	short-term	28
1. Real property	0	0	0	II. Long-term liabilities	523
2. Intangible assets	0	0	0	1. To related entities	0
3. Long-term financial assets	220	220	70	2. To other entities	523
a) In related entities	220	220	70	a) Credits and loans	51
- shares	220	220	70	b) arising from issuance of debt securities	0
- other securities	0	0	0	c) other financial liabilities	472
- granted loans	0	0	0	d) other	0
- other long-term financial assets	0	0	0	III. Short-term liabilities	5956
b) in other entities	0	0	0	1. To related entities	0
- shares	0	0	0	a) due to deliveries and services with maturity date:	0
- other securities	0	0	0	- up to 12 months	0
- granted loans	0	0	0	- over 12 months	0
- other long-term financial assets	0	0	0	b) other	0
4. Other long-term investments	0	0	0	- Credits and loans	0
V. Long-term accruals	151	152	79	- other	0
1. Assets due to the deferred income tax	84	84	79	2. To other entities	5913
2. Other accruals	67	68	0	a) Credits and loans	1106
B. Current assets	18091	16708	11778	b) arising from issuance of debt securities	0
I. Inventory	7926	7374	5618	c) other financial liabilities	114
1. Materials	2436	1830	1771	a) due to deliveries and services with maturity date:	4100
2. Semi-finished products and products in progress,	45	68	0	- up to 12 months	4100

3. Finished products	1102	1126	1179
4. Goods	4343	4350	2668
5. Advances for deliveries	0	0	0
II. Short-term receivables	6364	5283	5308
1. Receivables from related entities	1085	1363	1085
a) due to deliveries and services with maturity date:	1085	1363	1085
- up to 12 months	1085	1363	1085
- over 12 months	0	0	0
b) other	0	0	0
2. Receivables from other entities	5279	3920	4223
a) due to deliveries and services with maturity date:	4440	3563	3586
- up to 12 months	4440	3492	3586
- over 12 months	0	71	0
b) due to taxes, subsidies, social and health insurances and other benefits	508	246	259
d) other	331	111	378
d) proceeded at court	0	0	0
III. Short-term investments	3387	3699	676
1. Short-term financial assets	3387	3699	676
a) In related entities	0	0	0
- shares	0	0	0
- other securities	0	0	0
- granted loans	0	0	0
- other short-term financial assets	0	0	0
b) in other entities	1340	0	0
- shares	0	0	0
- other securities	0	0	0
- granted loans	1340	0	0
other short-term financial assets	0	0	0
c) cash and other pecuniary assets	2047	3699	676
- Cash at hand and in bank	2047	3699	676
-other cash	0	0	0
- other pecuniary assets	0	0	0
2. other short-term investments	0	0	0
IV. Short-term accruals	414	352	

- over 12 months	0
e) received advances for deliveries	0
f) bill-of-exchange liabilities	0
g) tax, customs, insurance and other liabilities	375
h) payroll liabilities	210
i) other	8
3. Special funds	43
IV. Prepayments	333
1. Negative goodwill	316
2. Other prepayments	17
- long-term	13
- short-term	4

			176		
Total assets	**25805**	**24452**	**18380**	**Total liabilities**	**25805**

C. PROFIT AND LOSS STATEMENT

in k PLN

PZ CORMAY S.A.	AA	AA
CALCULATION VERSION	**STATE AS FOR 31-03-2009- THE END OF THE FIRST QUARTER 2009**	**STATE AS FOR 31-03-2008 THE END OF THE FIRST QUARTER 2008**
A. Net revenues from sale and equivalents	**7309**	**5076**
I. Net revenues from sales of products	4228	2933
II. Net revenues from sales of goods and materials	3081	2143
B. Operating activity costs	**4488**	**3469**
I. Manufacturing costs of sold products	2304	1959
II. Value of goods and materials sold	2184	1510
C . Profit (loss) from sales (A-B)	**2821**	**1607**
D. Selling costs	**1703**	**894**
E. General administrative costs	**302**	**500**
F. Profits (loss) from sales (C-D-E)	**816**	**213**
G. Other operating revenues	**31**	**82**
I. Profit from sales of non-financial fixed assets	0	0
II. Subsidies	26	26
III. Other operating revenues	5	56
II Other operating costs	**12**	**8**
I. Loss from sales of non-financial fixed assets	0	2
II. Revaluation on non-financial fixed assets	0	0
III. Other operating costs	0	6
I. Profit (loss) from operating activities (F+G+H)	**835**	**287**
J. Financial revenues	**36**	**1**
I. Dividends and profit sharing	0	0
II. Interests	36	1
III. Gain on disposal of investments	0	0
IV. Revaluation on investments	0	0
V. other	0	0
K. Financial costs	**89**	**53**
I. Interests	27	35
II. Loss on disposal of investments	0	0
III. Revaluation on investments	0	0
IV. other	62	18
L. Profit (loss) from business activity (I+J-K)	**782**	**235**
M. Result on extraordinary events	**0**	**0**
I. Extraordinary profit	0	0
II. Extraordinary loss	0	0
N. Gross profits (loss) (L+/M)	**782**	**235**
O. Income tax	**52**	**66**
current	52	38
deferred	0	28
P. Net profit (loss)	**730**	**169**

D. CASH-FLOW STATEMENTS in k PLN

INDIRECT METHOD	STATE AS FOR 31-03-2009- THE END OF THE FIRST QUARTER 2009	STATE AS FOR 31-03-2008 THE END OF THE FIRST QUARTER 2008
Cash-flows from the operating activity		
Net profit/loss	730	169
Adjustments including:	-817	497
Share in profit/loss of affiliates and joint ventures settled by the property rights method		
Minority's capitals		
Fixed assets amortization	267	210
Intangible assets amortization		
Impairment loss		
Profit/loss due to the exchange differences		
Costs and revenues due to the interests		
Revenues due to the dividends		
Profit/loss from investment activity		-2
Inventory change		15
Reserve change	-552	-166
Change in receivables and accruals	-1 120	695
Change in liabilities and prepayments	587	-255
Change in liabilities due to deferred income tax		
Other adjustments		
Net cash-flows from the operating activity	-87	666
Cash-flows from investment activity		
Inflows from sales of fixed assets and intangible assets		
Net inflows from sales in affiliates and related entities		
Net inflows from sales of financial assets		
Inflows due to the interests		
Inflows due to dividends		
Payment of granted loans		
Expenses to purchase to tangible fixed assets and intangible assets	-423	-469
Net expenses to purchase the subsidiaries and affiliates		

Expenses to purchase of short-term financial assets		
Granted loans	-1 340	
Other		
Net cash-flows from investment activity	-1 763	-469
Net cash-flow from financial activities		
Inflows from credits and loans	99	184
Net inflows from issue shares, bonds, bill of exchange and debentures		
Payment of credits and loans	99	-90
Payments of the liabilities due to the financial lease agreements		
Dividends paid out to the shareholders		
Dividends paid out to minority shareholders		
Own shares purchase		
Paid interests		
Other		
Net cash-flow from financial activities	198	94
Increase/decrease of cash and their equivalents	-1 652	291
Cash, equivalents and overdrafts at the opening balance	3 699	386
Balance change of pecuniary assets a+b+c	-1 652	291
Profit/loss due to the exchange differences concerning the valuation of the cash and equivalents and overdrafts		
Cash, equivalents and overdrafts at the closing balance	2 047	676

E. CHANGES IN EQUITY

				in k P
ITEM	**DESCRIPTION**	**STATE AS FOR 31-03-2009- THE END OF THE FIRST QUARTER 2009**	**STATE AS FOR 31.12.2009 THE END OF THE YEAR 2008**	**STATE A FOR 31-0 2008 THE END THE FIR QUARTE 2008**
I	**Opening balance of equity**	**17991**	**12118**	**6**
	- adjustment of fundamental errors	0	0	
I a	**Opening balance of equity after adjustments**	**17991**	**12118**	**6**
1	**Opening balance of share capital**	**11862**	**9877**	**9**
1.1.	Changes in share capital	0	1985	
	a) increase (due to)	0	1985	

	- Shares issue	0	1985	
	- Shares issue above the nominal value	0	0	
	b) decrease (due to)	0	0	
1.2.	**Closing balance of share capital**	**11862**	**11862**	**9**
2	**Opening balance of called up share capital**	**0**	**0**	
2.1.	Change in called up share capital	0	0	
	a) increase (due to)	0	0	
2.2.	**Closing balance of called up share capital**	**0**	**0**	
3	**Opening balance of own shares (stocks)**	**0**	**0**	
	a) increase (due to)	0	0	
	b) decrease (due to)	0	0	
3.1.	**Closing balance of own shares (stocks)**	**0**	**0**	
4	**Opening balance of supplementary capital**	**4814**	**673**	
4.1.	Changes in supplementary capital		4141	
	a) increase (due to)		4141	
	- Shares issue above the nominal value		2572	
	- Profit division (statutory)		1569	
	b) decrease (due to)		0	
	share issuance costs		0	
	-		0	
4.2.	**Closing balance of supplementary capital**	**4814**	**4814**	
5.	**Opening balance of revaluation reserve**		**0**	
5.2.	**Closing balance of revaluation reserve**		**0**	
6.	**Opening balance of other reserve capitals**		**0**	
6.2.	**Closing balance of other reserve capitals**		**0**	
7.	**Opening balance of profit(loss) from previous years**	**1315**	**0**	**1**
7.1	Opening balance of profit(loss) from previous years	**1315**	**0**	**1**
	- adjustment of fundamental errors	**0**	**0**	
7.2	Opening balance of profit(loss) from previous years after adjustments	**1315**	**0**	**1**
7.3.	**Closing balance of profit from previous years**	**1315**	**0**	**1**
7.4.	Opening balance of profit(loss) from previous years	0	-1	
	- adjustment of fundamental errors	0	0	
7.5.	Opening balance of profit(loss) from previous years after adjustments	0	-1	
	a) increase (due to)	0	0	
	- loss from previous years brought forward	0	0	
7.6.	**Closing balance of profit from previous years**	**0**	**-1**	
8.	**Net result**	**731**	**1316**	

	a) net profit	731	1316	
	b) net loss	0	0	
	c) write-offs on profit	0	0	
II	**Closing balance of equity**	**18722**	**17991**	**12**
III	**Equity including proposed profit distribution (loss coverage)**	**18722**	**17991**	**12287**