

STALEXPORT SA

SA- QSr 4th quarter 2006



consolidated quarterly report for the 4th quarter 2006

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

Katowice, 28.02.2007.

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-QSr 4/2006

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 4th quarter of the current turnover year covering the period from 01.01.2006 to 31.12.2006
and for the 4th quarter of the previous turnover year covering the period from 01.01.2005 to 31.12.2005

28.02.2007

(date of publishing)

STALEXPORT Joint Stock Company (full name of the issuer)		
STALEXPORT S.A. (abridged name of the issuer)	metal sector 17 (sector acc. to Securities Stock Exchange in Warsaw)	
40-085 (kod pocztowy)	Katowice (city)	
Mickiewicza (street)	29 (number)	
032 25-30-795 (telephone)	032 25-30-795 (fax)	stalex@stalexport.com.pl (e-mail)
634-01-34-211 (NIP - Tax Identification No.)	271936361 (REGON - Statistical No.)	www.stalexport.com.pl (WWW)

Auditor: BDO Polska Sp. z o.o.

SELECTED FINANCIAL DATA	in thousand zloty		w thousand EUR	
	4 quarters 2006 01.01.2006 31.12.2006	4 quarters 2005 01.01.2005 31.12.2005	4 quarters 2006 01.01.2006 31.12.2006	4 quarters 2005 01.01.2005 31.12.2005
	I. Net income from sale of products, goods and merchandise	739 047	620 762	189 543
II. Operating profit (loss)	74 523	(49 403)	19 113	(12 670)
III. Gross profit (loss)	56 002	(83 582)	14 363	(21 436)
IV. Net profit (loss)	48 057	(102 388)	12 325	(26 259)
V. Net cash flow from operating activity	5 765	105 587	1 505	27 560
VI. Net cash flow from investment activity	15 328	(46 830)	4 001	(12 223)
VII. Net cash flow financial activity	36 729	(54 768)	9 587	(14 295)
VIII. Total net cash flow	57 822	3 989	15 092	1 041
IX. Total assets	859 805	782 886	224 422	204 345
X. Liabilities and reserves for liabilities	669 416	749 481	174 728	195 626
XI. Long-term liabilities	538 283	637 009	140 500	166 269
XII. Short-term liabilities	131 133	112 472	34 228	29 357
XIII. Equity capital	190 389	33 405	49 694	8 719
XIV. Share capital	315 524	215 524	82 356	56 255
XV. Number of shares	157 762 023	107 762 023	157 762 023	107 762 023
XVI. Profit (loss) per ordinary share (in zloty /EUR)	0,30	-0,95	0,08	-0,24
XVII. Diluted profit (loss) per ordinary share (in zloty /EUR)	-	-	-	-
XVIII. Book value per share (in zloty/EUR)	1,21	0,31	0,32	0,08
XIX. Diluted book value per share (in zloty /EUR)	-	-	-	-

Consolidated balance sheet

	31.12.2006	30.09.2006	31.12.2005
ASSETS			
I. Long-term assets	591 365	566 916	595 001
1. Tangible fixed assets	334 228	316 760	307 310
2. Intangible assets, including:	3 315	295	413
- goodwill	-	-	-
2. Goodwill of subordinated entities	-	-	-
4. Long-term receivables	-	407	509
5. Long-term investments	26 767	25 310	62 780
5.1. Real estates	10 000	10 000	56 946
5.2. Intangible assets	-	-	-
5.3. Long-term financial assets	6 767	5 310	5 834
a) in related companies	4 820	3 381	3 631
- of which shares in subordinated companies valued under the ownership rights method	3 066	3 250	3 451
- shares in subsidiary and correlated entities not covered by consolidation	1 754	131	180
b) in other entities	1 947	1 929	2 203
5.4. Other long-term investments	10 000	10 000	-
6. Assets available for sale	-	-	4 231
7. Deferred income tax assets	8 342	6 071	6 064
8. Other long-term deferred expenses	218 713	218 073	213 694
II. Current assets	268 440	271 661	187 885
1. Inventories	69 531	65 721	53 151
2. Current receivables	108 640	106 736	97 418
3. Short-term investments	4 561	58	235
4. Cash and cash equivalents	84 036	90 651	26 214
4. Short-term deferred expenses	1 672	8 495	10 867
Total Assets	859 805	838 577	782 886

	31.12.2006	30.09.2006	31.12.2005
LIABILITIES			
I. Equity capital	190 389	179 534	33 405
I.1 Equity capital falling to the shareholders of the Company	184 653	175 218	29 357
1. Stock capital	315 524	315 524	215 524
2. Not paid-up stock capital (negative value)	-	-	-
3. Own shares in treasury (negative value)	(71)	(71)	(73)
4. Reserve capital	154 236	152 807	101 675
5. Revaluation capital	19 520	16 383	16 393
6. Other reserve capitals	490	490	51 017
7. Differences in rates from re-counting of the subordinated entities	(597)	-	-
a) positive differences in rates	-	-	-
b) negative differences in rates	597	-	-
8. Prior years' profit (loss)	(352 506)	(353 251)	(252 791)
9. Net profit (loss) falling to the shareholders of the company	48 057	43 336	(102 388)
10. Net profit write-downs during the financial year (negative value)	-	-	-
I.2.Minority capitals	5 736	4 316	4 048
II. Long-term liabilities	538 283	544 836	637 009
1. Credits and loans	50 968	56 029	78 040
2. Liabilities by virtue of financial leasing	4 690	5 133	6 302
3. Liabilities by virtue of trade account payable	-	-	-
4. Other liabilities	327 506	450 748	509 714
5. Reserve by virtue of the deferred income tax	2 624	2 281	11 209
6. Reserves for other liabilities	14 030	12 764	13 418
7. Long-term interperiod settlements	138 465	17 881	18 326
IV. Short-term liabilities	131 133	114 207	112 472
1. Credits and loans	19 796	4 599	5 528
2. Liabilities by virtue of financial leasing	-	-	-
3. Liabilities by virtue of trade account payable	84 041	80 574	74 126
4. Other liabilities	21 047	20 418	19 761
5. Reserves for liabilities	1 792	3 705	6 282
6. Short-term interperiod settlements	4 457	4 911	6 775
Total liabilities	859 805	838 577	782 886

Book value	190 389	179 534	33 405
Number of shares	157 762 023	157 762 023	107 762 023
Book value per share (in zlotys)	1,21	1,14	0,31
Diluted number of shares			
Book value per share (in zlotys) - diluted			

Consolidated profit and loss account

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
I. Net incomes from sale of products, goods and merchandise	193 804	739 047	142 813	620 762
1. Net sales of products	47 382	190 017	38 029	139 728
2. Net sales of goods and merchandise	146 422	549 030	104 784	481 034
II. Cost of products, goods and merchandise sold	153 059	577 111	109 353	502 931
1. Manufacturing cost of products sold	19 584	79 925	16 931	59 922
2. Value of merchandise and goods sold	133 475	497 186	92 422	443 009
III. Gross profit (loss) on sales (I-II)	40 745	161 936	33 460	117 831
IV. Other incomes	23 068	48 926	35 911	61 718
V. Sales costs	5 620	24 651	5 754	19 191
VI. Costs of general management	26 046	78 914	18 245	54 558
VII. Other costs	9 802	32 780	142 567	155 012
VIII. Share in profits (losses) in subordinated entities evaluated by property right method	140	6	15	(191)
IX. Profit (loss) on operating activity (III+IV-V-VI-VII+/-VIII)	22 485	74 523	(97 180)	(49 403)
IX. Financial incomes	14 274	28 042	125 515	135 704
1. Dividends and shares in profits	2	99	-	17
2. Interests	8 302	14 321	1 905	8 197
3. Profit from investment sale	-	6 758	-	-
4. Updating the investment value	12	20	5 368	7 511
5. Other	5 958	6 844	118 242	119 979
X. Financial costs	30 532	46 563	139 895	169 883
1. Interests	4 096	17 609	4 327	25 579
2. Loss from investment sale	-	-	7 304	14 624
3. Updating the investment value	9 296	9 296	6 247	6 251
4. Other	17 140	19 658	122 017	123 429
XII. Profit (loss) on sales of total or part of shares in subordinated entities	-	-	-	-
XIII. Gross profit (loss) (IX + X - XI +/- XII)	6 227	56 002	(111 560)	(83 582)
XIV. Income tax	948	4 960	7 957	16 976
a) current part	3 685	16 633	5 345	14 556
b) deferred part	(2 737)	(11 673)	2 612	2 420
XV. Net profit (loss) (XIII-XIV +/- XVI), including:	5 279	51 042	(119 517)	(100 558)
XVI. Profits (losses) of minority	(558)	(2 985)	(144)	(1 830)
XVII. Profit (loss) falling to the shareholders of the company (XIV +/- XVI)	4 721	48 057	(119 661)	(102 388)
Net profit (loss)		48 057		(102 388)
Weighted average number of ordinary shares		157 762 023		107 762 023
Earning (loss) per ordinary share (in zlotys)		0,30		-0,95
Diluted weighted average number of ordinary shares				
Profit (loss) per ordinary share (in zlotys) - diluted				

Changes in consolidated equity

	31.12.2006	30.09.2006	31.12.2005
I. Equity capital at the beginning of period (opening balance)	33 405	33 405	82 057
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	33 405	33 405	82 057
1. Stock capital at the beginning of period	215 524	215 524	215 524
1.1. Changes in stock capital	100 000	100 000	-
a) additions, of which:	100 000	100 000	-
- issuance of shares	100 000	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	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:	(4 886)	(4 886)	(5 638)
consolidation adjustments	(4 886)	(4 886)	(5 638)
b) reductions, of which:	(4 886)	(4 886)	(5 638)
- settlement of not paid-up stock capital	(752)	(376)	(752)
consolidation adjustments	(4 134)	(4 510)	(4 886)
2.2. Not paid-up stock capital at the end of period	-	-	-
3. Own shares in treasury at the beginning of period	(73)	(73)	(44)
3.1. Changes in own shares in treasury	2	2	(29)
a) additions, of which:	-	-	(576)
- issue for minority shareholders	-	-	(576)
consolidation adjustments	-	-	-
b) reductions, of which:	(2)	(2)	(547)
- issue for minority shareholders	(2)	(2)	(547)
consolidation adjustments	-	-	-
3.2. Own shares in treasury at the end of period	(71)	(71)	(73)
4. Reserve capital at the beginning of period	101 675	101 675	113 153
4.1. Changes in reserve capital	52 561	51 132	(11 478)
a) additions, of which:	53 059	51 178	31 832
- shares issue above nominal value	5 886	3 894	-
- distribution of profit	47 107	47 218	30 888
- distribution of profit	-	-	347
- consolidation adjustments	58	58	562
- sale, disposal of fixed assets	8	8	35
b) reductions, of which:	498	46	43 310
- loss coverage	9	9	42 894
- exclusion of surcharges to capital	-	-	-
- consolidation adjustments	489	37	416
4.2. Reserve capital at the end of period	154 236	152 807	101 675
5. Revaluation capital at the beginning of period	16 393	16 393	43 382
5.1. Changes in revaluation capital	3 127	(10)	(26 989)
a) additions, of which:	4 752	-	7 904
- re-evaluation of fixed assets	4 752	-	7 903
- consolidation adjustments	-	-	1
b) reductions, of which:	1 625	10	34 893
- disposal of fixed assets	8	9	35
- inne	-	-	175
- consolidation adjustments	1 617	1	34 683
5.2. Revaluation capital at the end of period	19 520	16 383	16 393

	31.12.2006	30.09.2006	31.12.2005
6. Other reserve capital at the beginning of period	51 017	51 017	97 446
6.1. Changes in other reserve capital	(50 527)	(50 527)	(46 429)
a) additions, of which:	892	891	51 215
- profit distribution	892	891	-
- execution of arrangement liabilities - repayment of instalments	-	-	51 017
consolidation adjustments	-	-	198
b) reductions, of which:	51 419	51 418	97 644
- re-booking for inventory capital	-	-	-
- loss coverage	51 017	51 017	95 979
consolidation adjustments	402	401	1 665
6.2. Other reserve capitals at the end of the period	490	490	51 017
7. Rates differences from re-calculation of subordinated entities	(597)	-	-
8. Prior years' profit (loss) at the beginning of period	(252 791)	(252 791)	(404 179)
8.1. Prior years' profit at the beginning of period	2 652	2 652	10 288
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	2 652	2 652	10 288
a) additions, of which:	50 041	51 870	19 728
-prior years' profit distribution	47 450	47 912	19 469
consolidation adjustments	2 591	3 958	259
b) reductions, of which:	52 008	54 459	27 364
- transition to reserve capital	47 107	47 144	13 246
- loss coverage	425	851	-
- dividend payment	2 877	4 763	1 965
- other	892	892	783
- consolidation adjustments connected with excluding from consolidation the subsidiary companies	-	-	7 742
- consolidation adjustments	707	809	3 628
8.3 Prior years' profit at the end of period	685	63	2 652
8.4 Prior years' loss at the beginning of period	255 443	255 443	414 467
a) changes in accepted accounting principles (policies)	-	-	(95)
b) corrections of material faults	-	-	-
8.5 Prior years' loss at the beginning of the period after restatement to comparative data	255 443	255 443	414 372
a) additions, of which:	164 014	164 137	3 389
transition of prior years' loss to be covered	146 329	146 329	834
- consolidation adjustments	17 685	17 808	2 555
b) reductions, of which:	66 266	66 266	162 318
- loss coverage by profit	51 442	51 442	154 398
- consolidation adjustments	14 824	14 824	7 920
8.6. Prior years' loss at the end of period	353 191	353 314	255 443
8.7. Prior years' profit (loss) at the end of period	(352 506)	(353 251)	(252 791)
9. Net profit (loss) falling to the shareholders of the company	48 057	43 336	(102 388)
a) net profit falling to the shareholders of the company	48 057	43 336	-
b) net loss falling to the shareholders of the company	-	-	102 388
c) charges on the profit	-	-	-
10.1.Minority capital at the beginning of period	4 048	4 048	5 262
a) increases	4 606	2 430	2 618
b) decreases	2 918	2 162	3 832
10.2 Minority capital at the end of period	5 736	4 316	4 048
II. Equity capital at the end of period (closing balance)	190 389	179 534	33 405

Consolidated cash flow account (indirect method)

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
A. Cash flows from operating activities - indirect method				
I. Net profit (loss) falling to the shareholders of the Company	4 721	48 057	(119 661)	(102 388)
II. Total adjustments	8 661	(42 292)	181 327	207 975
1. Profits (losses) of minority	558	2 985	144	1 830
2. Share in net (profits) losses of subordinated companies valued under the equity method	(140)	(6)	(15)	191
3. Depreciation of which	5 040	19 679	2 963	8 980
- write-offs of goodwill of subordinated entities or neagtive goodwill of the subordinated entities	-	-	-	-
4. (Profits) losses on foreign exchange differences	-	(13)	-	-
5. Interests and shares in profits (dividends)	(3 817)	1 087	2 303	2 713
6. Profit (losses) on investing activities	655	(3 141)	(1 315)	5 994
7. Change in provisions	2 734	(6 338)	(1 082)	(1 027)
8. Change in inventories	(3 810)	(16 519)	(6 742)	19 608
9. Change in receivables	(625)	6 223	35 339	91 973
10. Change in current liabilities (excluding loans and credits)	(123 603)	(156 192)	325 209	297 945
11. Change in deferred and accrued expenses	120 343	113 289	(282 454)	(302 174)
12. Other adjustments	11 326	(3 346)	106 977	81 942
III. Net cash flows from operating activities (I+II)	13 382	5 765	61 666	105 587

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
B. Cash flows from investing activities				
I. Inflows	9 660	81 694	81 427	101 962
1. Disposal of intangible assets and tangible fixed assets	1 686	10 559	3 666	3 818
2. Disposal of investments in real-estate and intangible assets	-	55 041	-	13 200
3. Disposal of financial assets, of which:	7 974	16 094	399	7 582
a) in related companies	4 950	5 609	17	2 284
- disposal of financial assets	-	-	-	-
- dividends and shares in profits	4 937	5 025	-	2 221
- payment of long-term loans granted	-	532	-	-
- interests	13	52	17	63
- other income from financial assets	-	-	-	-
b) in other companies	3 024	10 485	382	5 298
- disposal of financial assets	-	53	66	555
- dividends and shares in profits	-	9	-	1
- payment of long-term loans granted	34	211	7	159
- interests	2 990	3 712	60	4 334
- other income from financial assets	-	6 500	249	249
4. Other investing income	-	-	77 362	77 362
II. Expenses	32 934	66 366	132 355	148 792
1. Purchases of intangible assets and tangible fixed assets	18 945	50 419	132 167	148 009
2. Investments in real-estate and intangible assets	-	-	-	-
3. For financial assets, of which:	13 565	13 884	188	783
a) in related companies	-	319	188	390
- acquisition of financial assets	-	-	(12)	190
- long-term loans granted	-	319	200	200
b) in other entities	13 565	13 565	-	393
- acquisition of financial assets	13 565	13 565	-	393
- long-term loans granted	-	-	-	-
4. Dividends and other shares in profits paid to minority	-	-	-	-
5. Other investing expenses	424	2 063	-	-
III. Net cash flows from investing activities (I-II)	(23 274)	15 328	(50 928)	(46 830)

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
C. Cash flows from financing activities				
I. Inflows	426	79 169	61	1 536
1. Issuance of shares and other capital securities and additional paid-in capital	751	69 070	752	992
2. Credits and loans	1	10 001	49	301
3. Issuance of debt securities	-	-	-	-
4. Other financial income	(326)	98	(740)	243
II. Expenses	(2 851)	42 440	12 564	56 304
1. Acquisition of own shares	-	-	-	23
2. Dividends and other payments to shareholders	3 781	7 211	-	4 008
3. Other than payments in favour of owners, expenses by virtue of profit distribution	-	-	-	-
4. Payments of credits and loans	(10 133)	22 586	9 448	39 043
5. Redemption of debt securities	-	-	-	-
6. Bv virtue of other financial liabilities	-	-	-	-
7. Liabilities payments by virtue of financial leasing agreements	444	1 715	622	1 699
8. Interests	3 057	10 508	2 492	10 038
9. Other financial expenses	-	420	2	1 493
III. Net cash flows from financing activities (I-II)	3 277	36 729	(12 503)	(54 768)
D. Total net cash flows (A.III+B.III+C.III)	(6 615)	57 822	(1 765)	3 989
E. Change in balance-sheet cash and cash equivalents	(6 615)	57 822	(1 765)	3 989
- of which change in cash and cash equivalents due to foreign exchange differences	180	196	(202)	-
F. Cash and cash equivalents - beginning of period	90 651	26 214	27 979	22 225
G. Cash and cash equivalents - end of period (D+F)	84 036	84 036	26 214	26 214
- of which those with restricted availability				

Off-balance sheet items

	31.12.2006	30.09.2006	31.12.2005
1. Contingent liabilities	4 067	500	500
1.1. From related entities (by virtue of)	500	500	-
- received warranties and guarantees	500	500	-
1.2. From other entities (by virtue of)	3 567	-	500
- received warranties and guarantees	-	-	500
- other	3 567	-	-
2. Contingent liabilities	34 199	32 055	10 499
2.1. In favour of related entities (by virtue of)	22 576	23 586	1 959
- granted warranties and guarantees	22 576	23 586	84
- other	-	-	1 875
2.2. In favour of other entities (by virtue of)	11 623	8 469	8 540
- granted warranties and guarantees	11 623	8 469	4 640
- bill of exchange guarantees	-	-	3 900
2.3. Other (by virtue of)	11 654	-	37 681
- mortgage	-	-	12 000
- third party goods	-	-	5 200
- other	11 654	-	20 481
Total off-balance sheet liabilities	49 920	32 555	48 680

SECURITIES AND STOCK EXCHANGE COMMITTEE

Quarterly Report SA-Q 4/2006

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 4th quarter of the current turnover year covering the period from 01.01.2006 to 31.12.2006
and for the 4th quarter of the previous turnover year covering the period from 01.01.2005 to 31.12.2005

STALEXPORT Joint Stock Company (full name of the issuer)		
STALEXPORT S. A. (abridged name of the issuer)		metal sector 17 (sector acc. To Securities Stock Exchange in Warsaw)
40-085 (postal code)		Katowice (city)
Mickiewicza (street)		29 (number)
032/25-30-795 (telephone)	032/25-30-795 (fax)	stalex@stalexport.com.pl (e-mail)
634-01-34-211 (NIP - Tax Identification No.)	271936361 (REGON))	www.stalexport.com.pl (WWW)

BDO Polska Sp. z o.o.

SELECTED FINANCIAL DATA	thousand zloty		thousand EUR	
	4 quarters 2006 01.01.2006 31.12.2006	4 quarters 2005 01.01.2005 31.12.2005	4 quarters 2006 01.01.2006 31.12.2006	4 quarters 2005 01.01.2005 31.12.2005
I. Net income from sale of products, goods and merchandise	528 041	441 964	135 426	113 350
II. Operating profit (loss)	1 696	-108 355	435	-27 790
III. Gross profit (loss)	-7 066	-141 572	-1 812	-36 309
IV. Net profit (loss)	1 990	-145 089	510	-37 211
V. Net cash flow from operating activity	-46 910	-53 943	-12 031	-13 835
VI. Net cash flow from investment activity	44 655	99 780	11 453	25 591
VII. Net cash flow from financial activity	36 866	-47 857	9 455	-12 274
VIII. Total net cash flow	34 611	-2 020	8 877	-518
IX. Total assets	520 200	518 579	135 780	135 357
X. Liabilities and reserves for liabilities	414 425	517 180	108 171	134 992
XI. Long-term liabilities	306 641	423 271	80 038	110 480
XII. Short-term liabilities	107 784	93 909	28 133	24 512
XIII. Equity capital	105 775	1 399	27 609	365
XIV. Share capital	315 524	215 524	82 356	56 255
XV. Number of shares	157 762 023	107 762 023	157 762 023	107 762 023
XVI. Profit (loss) per ordinary share (in zloty/ EUR)	0,01	-1,35	0,00	-0,35
XVII. Diluted profit (loss) per ordinary share (in zloty/ EUR)	-	-	-	-
XVIII. Book value per share (in zloty/ EUR)	0,67	0,01	0,17	0,00
XIX. Diluted book value per share (in zloty/ EUR)	-	-	-	-

Komisja Papierów Wartościowych i Giełd

Balance sheet

	31.12.2006	30.09.2006	31.12.2005
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ASSETS

I. Long-term assets	327 042	302 804	338 653
1. Tangible fixed assets	56 108	53 750	49 069
2. Intangible assets	95	141	212
3. Long-term receivables	32 680	407	509
4. Long-term investments	238 159	248 506	286 664
4.1 Real estates	10 000	10 000	56 945
4.2 Intangible fixed assets			
4.3 Long-term financial assets	227 959	238 306	229 519
a) in related companies	226 405	236 499	227 712
- of which shares in subordinated companies valued under the ownership rights method	32	32	32
b) in other entities	1 554	1 807	1 807
4.4. Other long-term investments	200	200	200
5. Assets available for sale			2 199
6. Deferred income tax assets			
7. Other long-term deferred expenses			
II. Short-term assets	193 158	224 504	179 926
1. Inventories	57 578	52 524	43 810
2. Short-term receivables	91 109	119 298	130 814
3. Short-term investments	4 546	58	235
4. Cash and cash equivalents	39 269	52 194	4 658
5. Short-term deferred expenses	656	430	409
Assets in total	520 200	527 308	518 579

	31.12.2006	30.09.2006	31.12.2005
LIABILITIES			
I. Equity capital	105 775	107 550	1 399
1. Share capital	315 524	315 524	215 524
2. Not paid-up share capital (negative value)			
3. Own shares in treasury (negative value)	-21	-21	-23
4. Reserve capital	3 485	3 937	35
5. Revaluation capital	131 813	139 989	132 879
6. Other reserve capitals			51 016
7. Prior years' profit (loss)	-347 016	-347 016	-252 943
8. Profit (loss) per shareholders of the Company	1 990	-4 863	-145 089
9. Net profit write-downs during the financial year (negative value)			
II. Long-term liabilities	306 641	323 905	423 271
1. Credits and loans	41 388	46 029	78 040
2. Liabilities by virtue of financial leasing	668	753	995
3. Liabilities by virtue of trade account payable			
4. Other liabilities	224 641	231 953	291 508
5. Reserve by virtue of the deferred income tax	29 382	31 760	38 687
6. Reserves for other liabilities	9 817	12 663	13 283
7. Long-term interperiod settlements	745	747	758
III. Short-term liabilities	107 784	95 853	93 909
1. Credits and loans	27 548	12 962	12 747
2. Liabilities by virtue of financial leasing			
3. Liabilities by virtue of trade account payable	67 296	67 146	65 571
4. Other liabilities	7 604	8 142	4 360
5. Reserves for liabilities	1 738	2 991	5 459
6. Short-term interperiod settlements	3 598	4 612	5 772
Total liabilities	520 200	527 308	518 579

Book value	105 775	107 550	1 399
Number of shares	157 762 023	157 762 023	107 762 023
Book value per one share (in zlotys)	0,67	0,68	0,01
Diluted number of shares			
Book value per one share (in zlotys) - diluted			

Profit and loss account

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
I. Net incomes from sale of products, goods and merchandise	139 103	528 041	99 939	441 964
1. Net sales of products	14 975	65 078	11 894	46 933
2. Net sales of goods and merchandise	124 128	462 963	88 045	395 031
II. Cost of products, goods and merchandise sold	128 781	484 085	92 765	408 692
1. Manufacturing cost of products sold	14 812	63 628	12 258	43 892
2. Value of merchandise and goods sold	113 969	420 457	80 507	364 800
III. Gross profit (loss) on sales (I-II)	10 322	43 956	7 174	33 272
IV. Other operating incomes	19 759	34 417	33 292	54 798
V. Sales costs	4 079	18 663	4 373	12 760
VI. Costs of general management	7 510	30 557	8 368	31 369
VII. Other operating costs	4 911	27 457	141 987	152 296
VIII. Profit (loss) on operating activity (III+IV-V-VI-VII)	13 581	1 696	-114 262	-108 355
IX. Financial incomes	8 828	22 608	120 552	133 249
1. Dividends and shares in profits	764	2 189		2 205
2. Interests	7 593	12 546	489	7 328
3. Profit from investment sale		6 758		
4. Updating the investment value		8	1 435	1 560
5. Other	471	1 107	118 628	122 156
X. Financial costs	16 015	31 370	136 038	166 466
1. Interests	3 757	16 685	4 410	24 570
2. Loss from investment sale			1 200	8 279
3. Updating the investment value	9 296	9 296	7 924	7 928
4. Other	2 962	5 389	122 504	125 689
XI. Gross profit (loss) (VIII + IX - X)	6 394	-7 066	-129 748	-141 572
XII. Income tax	-459	-9 056	4 130	3 517
a) current part				
b) deferred part	-459	-9 056	4 130	3 517
XIII. Net profit (loss) (XI +/- XII)	6 853	1 990	-133 878	-145 089
Net profit (loss)		1 990		-145 089
Average weighted number of ordinary shares		157 762 023		107 762 023
Profit (loss) per one ordinary share (in zloty)		0,01		-1,35
Average weighted diluted number of ordinary shares				
Diluted profit (loss) per one ordinary share (in zloty)				

Changes in equity capital

	31.12.2006	30.09.2006	31.12.2005
I. Equity capital at the beginning of period (opening balance)	1 399	1 399	-28 963
a) changes in accepted accounting principles (policy)			
b) corrections of material faults			
I.a. Equity capital at the beginning of period (opening balance), after restatement to comparative data	1 399	1 399	-28 963
1. Stock capital at the beginning of period	215 524	215 524	215 524
1.1. Changes in stock capital	100 000	100 000	0
a) additions, of which:	100 000	100 000	0
- issuance of shares	100 000	100 000	
- increase in basic capital			
b) reductions, of which:	0	0	0
- cancellation of shares			
- decrease in basic capital			
1.2. Stock capital at the end of period	315 524	315 524	215 524
2. Not paid-up stock capital at the beginning of period			
2.1. Changes in not paid-up stock capital	0	0	0
a) additions, of which:	0	0	0
b) reductions, of which:	0	0	0
2.2. Not paid-up stock capital at the end of period	0	0	0
3. Own shares in treasury at the beginning of period	-23	-23	
3.1. Changes in own shares in treasury	2	2	-23
a) additions, of which:	0	0	-570
- issue for minority shareholders			-570
b) reductions, of which:	-2	-2	-547
- issue for minority shareholders	-2	-2	-547
3.2. Own shares in treasury at the end of period	-21	-21	-23
4. Reserve capital at the beginning of period	35	35	42 343
4.1. Changes in reserve capital	3 450	3 902	-42 308
a) additions, of which:	3 902	3 902	35
- shares issue above nominal value	3 894	3 894	
- distribution of profit			
- distribution of profit (in excess of value required by law)			
- other			
- sale, liquidation of fixed assets	8	8	35
b) reductions, of which:	452	0	42 343
- loss coverage			42 343
- exclusion of surcharges to capital			
- costs of the capital increase	452		
4.2. Reserve capital at the end of period	3 485	3 937	35
5. Revaluation capital at the beginning of period	132 879	132 879	8 457
5.1. Changes in revaluation capital	-1 066	7 110	124 422
a) additions, of which:	248	8 787	153 651
- re-valuation of fixed assets		8 787	153 651
- dissolving the tax allowance	248		
b) reductions, of which:	1 314	1 677	29 229
- disposal of fixed assets	8	8	35
- reserve for deferred income tax by virtue of revaluation of the financial assets		1 669	29 194
- adjustment of revaluation of financial assets	1 306		
5.2. Revaluation capital at the end of period	131 813	139 989	132 879

	31.12.2006	30.09.2005	31.12.2005
6. Other reserve capital at the beginning of period	51 016	51 016	95 979
6.1. Changes in other reserve capital	-51 016	-51 016	-44 963
a) additions, of which:	0	0	51 016
- profit distribution			
- execution of arrangement liabilities, instalments repayment			51 016
b) reductions, of which:	51 016	51 016	95 979
- re-booking for inventory capital			
- loss coverage	51 016	51 016	95 979
- other			
6.2. Other reserve capitals at the end of the period	0	0	51 016
7. Prior years' profit (loss) at the beginning of period	-252 943	-252 943	-391 266
7.1. Prior years' profit at the beginning of period			12 876
a) changes in accepted accounting principles (policies)			
b) corrections of material faults			
7.2 Prior years' profit at the beginning of period, after restatement to comparative data	0	0	12 876
a) additions, of which:	0	0	0
-prior years' profit distribution			
- other			
b) reductions, of which:	0	0	12 876
- transition to reserve capital			
- loss coverage			12 876
- dividend payment			
- other			
7.3 Prior years' profit at the end of period	0	0	0
7.4 Prior years' loss at the beginning of period	252 943	252 943	404 142
a) changes in accepted accounting principles (policies)			
b) corrections of material faults			
7.5 Prior years' loss at the beginning of the period after restatement to comparative data	252 943	252 943	404 142
a) additions, of which:	145 089	145 089	0
transition of prior years' loss to be covered	145 089	145 089	
- other			
b) reductions, of which:	51 016	51 016	151 199
- loss coverage by profit	51 016	51 016	151 199
7.6. Prior years' loss at the end of period	347 016	347 016	252 943
7.7. Prior years' profit (loss) at the end of period	-347 016	-347 016	-252 943
8. Net profit (loss) falling to the shareholders of the company	1 990	-4 863	-145 089
a) net profit per shareholders of the Company	1 990		
b) net loss per shareholders of the Company		4 863	145 089
c) charges on the profit			
II. Equity capital at the end of period (closing balance)	105 775	107 550	1 399

Cash flow account (indirect method)

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
A. Net cash flows from operating activities - indirect method				
I. Net profit (loss) per the Company's shareholders	6 853	1 990	-133 878	-145 089
II. Total adjustments	-16 105	-48 900	66 382	91 146
1. Profits (losses) of minority				
2. Depreciation	637	2 449	635	2 376
3. (Gain) loss on foreign exchange differences		-13		
4. Interests and shares in profits (dividends)	-1 027	3 379	2 175	2 436
5. Gain (loss) on investing activities	365	-3 137	-1 419	5 615
6. Change in provisions	-707	-9 304	29	-584
7. Change in inventories	-5 054	-13 768	-2 612	16 058
8. Change in receivables	-4 084	7 534	-28 340	33 458
9. Change in current liabilities excluding loans	-9 838	-28 461	51 441	31 125
10. Change in deferred and accrued expenses	-5 341	-9 620	-58 359	-76 868
11. Other adjustments	8 944	2 041	102 832	77 530
III. Net cash flows from operating activities (I + II)	-9 252	-46 910	-67 496	-53 943

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
B. Net cash flows from investing activities				
I. Cash provided by investing activities	5 465	76 775	81 356	101 747
1. Disposal of intangible assets and tangible fixed assets	1 683	8 742	3 657	3 729
2. Disposal of investments in real-estate and intangible assets		55 041		13 200
3. Disposal of financial assets, of which:	3 782	12 992	337	7 456
a) in related companies	764	2 521	0	2 204
- disposal of financial assets				
- dividends and shares in profits	764	2 189		2 204
- payment of long-term loans granted		332		
- interests				
- other income from financial assets				
b) in other companies	3 018	10 471	337	5 252
- disposal of financial assets		53	23	511
- dividends and shares in profits				1
- payment of long-term loans granted	33	211	6	158
- interests	2 985	3 707	60	4 334
- other income from financial assets		6 500	248	248
4. Other investing income			77 362	77 362
II. Expenses	16 277	32 120	997	1 967
1. Purchases of intangible assets and tangible fixed assets	2 287	16 173	807	1 777
2. Investments in real-estate and intangible assets				
3. For financial assets, of which:	13 565	13 884	190	190
a) in related companies	0	319	190	190
- acquisition of financial assets			190	190
- long-term loans granted		319		
b) in other entities	13 565	13 565	0	0
- acquisition of financial assets	13 565	13 565		
- long-term loans granted				
4. Other investing expenses	425	2 063		
III. Net cash flows from investing activities (I-II)	-10 812	44 655	80 359	99 780

	4th quarter 2006 01.10.2006 31.12.2006	4 quarters 2006 01.01.2006 31.12.2006	4th quarter 2005 01.10.2005 31.12.2005	4 quarters 2005 01.01.2005 31.12.2005
C. Cash flows from financing activities				
I. Inflows	0	68 319	0	0
1. Net inflows from issuance of shares and other capital securities and additional paid-in capital		68 319		
2. Credits and loans				
3. Issuance of debt securities				
4. Other financial income				
II. Expenses	-7 139	31 453	12 529	47 857
1. Acquisition of own shares				23
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	-9 946	21 851	10 073	38 638
5. Redemption of debt securities				
6. By virtue of other financial liabilities				
7. Payments of liabilities by virtue of finance lease agreement	85	327	221	221
8. Interests	2 722	9 275	2 235	8 975
9. Other financial expenses				
III. Net cash flows from financing activities (I-II)	7 139	36 866	-12 529	-47 857
D. Total net cash flows (A.III+B.III+C.III)	-12 925	34 611	334	-2 020
E. Change in balance-sheet cash and cash equivalents	-12 925	34 611	334	-2 020
- of which change in cash and cash equivalents due to foreign exchange differences	180	196	-78	124
F. Cash and cash equivalents - beginning of period	52 194	4 658	4 324	6 678
G. Cash and cash equivalents - end of period (D+F)	39 269	39 269	4 658	4 658
- of which those with restricted availability				

Off balance-sheet liabilities

	31.12.2006	30.09.2006	31.12.2005
1. Contingent liabilities	0	0	0
1.1. From related entities (by virtue of)	0	0	0
- received warranties and guarantees			
1.2. From other entities (by virtue of)	0	0	0
- received warranties and guarantees			
2. Contingent liabilities	23 949	21 805	4 474
2.1. In favour of related entities (by virtue of)	12 326	13 336	84
- granted warranties and guarantees	12 326	13 336	84
- customs warranties			
- other			
2.2. In favour of other entities (by virtue of)	11 623	8 469	4 390
- granted warranties and guarantees	11 623	8 469	4 390
- opening of the letter of credit			
- bill of exchange guarantees			
2.3 Other (by virtue of)	0	0	0
- mortgage			
- third party goods			
- other			
Total off-balance sheet liabilities	23 949	21 805	4 474

Commentary to the consolidated quarterly report of the Capital Group of Stalexport SA for the 4th quarter of the year 2006

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 fourth quarter 2006 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 4th quarter 2006 was drawn up according to the binding International Accounting Standards and International Financial Reporting Standards binding as at 31.12.2006, 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 4th quarter 2006):

- 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 held share.

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 available for sale

Assets available for sale is the group of assets for which the Company's management has been looking for purchasers and it is probable that the assets will be sold within one year or they are immediately available for sale.

Assets by virtue of deferred income tax

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

Short-term assets

Inventories

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

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

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

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

Short-term receivables

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

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

Short-term investments

Short-term investments comprise:

- securities which are shown in purchase prices according to the method first in – first out and are subject to revaluation as on the balance sheet date, according to stock exchange listing as on 31.12.2006 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 29.12.2006. 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 received cash,
- arrangement liabilities – were recorded in connection with concluded agreement by Stalexport S.A. with creditors after taking into consideration of 40 % depreciation resulting from concluded arrangement proceedings;
- leasing liabilities – are evaluated on the date the leasing begins, according to the lower of two values: fair value of the subject of leasing or current value of minimum leasing charges,
- liabilities towards the State Treasury shown in the amount due for payment according to the concluded agreement,
- deferred income tax reserve – established for put down interests on receivables, for evaluation of land in perpetual usufruct and other evaluations of assets,
- reserves for other liabilities – established when the Company has legal duty resulting from the past events and when it is probable that the fulfilment of this duty results in outflow of means and that reliable evaluation of the amount of this liability can be made,
- long-term interperiod settlements – comprise long-term settlements of incomes by virtue of rents for Passengers Servicing Centres and lease of light pipes in the company Stalexport Autostrada Małopolska S.A. Mysłowice. The period of settlement till 2027.
- long-term liability in the company Stalexport Autostrada Małopolska S.A. Mysłowice towards the Krajowy Fundusz Drogowy by virtue of credit EBRD contracted by the State Treasury for the construction of the A4 motorway section Katowice – Kraków was discounted on 01.01.2006 and on 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.

II. Financial results of the capital group and the dominant entity for 4th 2006

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

The capital group of Stalexport S.A. for 4th quarter 2006 shows consolidated gross profit in the amount of 4,721 thousand zloty including:

- gross profit on sale of products and services	40,745 thousand zloty
- sales and management costs	31,666 thousand zloty
- profit on other operating activity	13,266 thousand zloty
- loss on financial activity	16,258 thousand zloty

Consolidated net profit for 4th qtr 2006 amounts to 5,279 thousand zloty including:

- profit per minority shareholders	558 thousand zloty
- profit per shareholders of the Company	4,721 thousand zloty

The consolidated financial result of 4th quarter 2006 was affected by the financial results of the companies of the capital group, which for each companies were as follows:

- Stalexport S.A.	6,853 thousand zloty
Stalexport Serwis Centrum S.A. Katowice	166 thousand zloty
- Stalexport Centrostal S.A. Lublin	113 thousand zloty
Stalexport Serwis Centrum Bełchatów S.A. Rogowiec	-39 thousand zloty
- Stalexport Metalzbyt Sp. z o.o. Białystok	7 thousand zloty
Stalexport Autostrada Małopolska S.A. Mysłowice	- 1,790 thousand zloty
- Stalexport Transroute Autostrada S.A. Mysłowice	1.206 thousand zloty
- Stalexport Autostrada Dolnośląska S.A. Katowice	12 thousand zloty

Financial results of the dominant entity - Stalexport SA

In 4th quarter 2006 the incomes from sale of Stalexport S.A. amounted to 139,103 thousand zloty and were by 39 % higher in comparison with the analogous period of the previous year.

An increase in export sale and products (reinforcement elements) were the main factors of an increase in incomes from sale. In 4th quarter 2006 Stalexport S.A. achieved gross profit on sales in the amount of 10,322 thousand zloty.

The positive result on other operating activity in the amount of 14,848 thousand zloty resulted, on incomes side: - dissolving updating allowance for trade receivables in the amount of 14,020 thousand zloty, adjustment of allowance for the receivables of Huta Kosciuszko in the amount of 2,000 thousand zloty, and interests calculating by virtue of trade receivables in the amount of 1,656 thousand zloty. Referring to costs, the other essential items were: - establishing the allowance

updating receivables in the amount of 1,850 thousand zloty, - establishing the reserve for leaves, jubilee bonuses and employee's compensations in the amount of 562 thousand zloty, and – booking the stale receivables in the amount of 519 thousand zloty.

Stalexport S.A. incurred a loss on financial activity in the amount of 7,187 thousand zloty. The biggest items of financial costs were: interests on executed arrangement instalment in the amount of 956 thousand zloty), established allowances for interests in the amount of 2,274 thousand zloty and interests on credits in the amount of 2,333 thousand zloty. The considerable items of financial incomes are: amortised interests on credits in the amount of received 2,981 thousand zloty and dividend in the amount of 763 thousand zloty received from Stalexport Autoroute S.a.r.l. – subsidiary entity with seat in Luxembourg.

Summing up, Stalexport S.A. for 4th qtr 2006 achieved net profit in the amount of 6,853 thousand zloty, while for 4th qtr 2005 it showed net loss in the amount of 133,878 thousand zloty.

For three quarters 2006 gross loss amounts to 13,460 thousand zloty, while the net result shows loss in the amount of 4,863 thousand zloty.

Cumulative net profit for 4th quarters 2006 amounts to 1,990 thousand zloty, while for 4th quarters 2005 the Company incurred a loss in the amount of 145,089 thousand zloty.

Financial results of the commercial companies

The incomes from sale of 4 subsidiary companies conducting commercial activity in 4th quarter 2006 amounted to 24,052 thousand zloty and were by 271 thousand zloty higher (by 1%) in comparison with 4th quarter 2005. The financial results of three commercial companies were positive and amounted to 286 thousand zloty, while one company shows net loss in the amount of 39 thousand zloty, which resulted in increasing the consolidated financial result by 247 thousand zloty.

Financial results of motorway activity

The motorway activity had an essential impact upon the consolidated financial result for 4th quarter 2006, 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 4th quarter 2006 amounted to 31,286 thousand zloty and were by 25% higher in comparison with 4th quarter 2005..

Consolidated net loss of both companies for 4th quarter 2006 amounts to 597 thousand zloty. Net loss in the amount of 1,790 thousand zloty in the 4th qtr 2006 in company SAM S.A. resulted from discounting the liability of the Company towards Krajowy Fundusz Drogowy (The National Road Fund) and establishing the allowance for overhaul.

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

The amount of the liability after the discount at the beginning of 2006 amounted to 96,364 thousand zloty. The difference between the nominal and the fair values in the amount of 127,506 thousand zloty was transferred to interperiod settlement of the incomes (incomes of future periods).

As a result of the discounting the liabilities on 31.12.2006 the financial costs in the amount of 11,130 thousand zloty incurred. The sum of the liability of EBRD on the balance sheet date amounts to 107,494 thousand zloty.

The incomes of future periods established on 01.01.2006 were settled on the balance sheet date increasing the financial income in the amount of 5,796 thousand zloty. .

The allowance in the amount of 4,114 thousand zloty for possible overhaul of the surface before termination of the Concession Agreement (so called. Contingency for strengthening overlay) was also established on the balance sheet date. The applied discounting methods of long-term liabilities and establishing additional allowances negative affected the financial result of SAM S.A. in the amount of ca 9.5 m 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 8,342 thousand zloty. The reserve by virtue of deferred income tax in the capital group of Stalexport S.A. amounts to 2,624 thousand zloty.

The balance of reserves in the group as at 31.12.2006 amounts to 15,822 thousand zloty, out of which:

- long-term ones - 14,030 thousand zloty
- short-term ones - 1,792 thousand zloty

In comparison with 3rd quarter 2006 the balance of reserves decreased by 647 thousand zloty, while in comparison with the analogous period of the previous year it decreased by 3,878 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 3,8312 zloty binding on 29.12.2006.

Specific items in the profit and loss account pertaining to 4th quarter 2006 have been converted into EUR according to the rate 3,8991 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 fourth quarter 2006.

V. List of Shareholders having more than 5% of the total number of votes at the General Meeting of Shareholders on 28.02.2007

According to the best knowledge of the Management Board the shareholders having more than 5% of the total number of votes authorizing them to participate in the General Meeting of Shareholders of Stalexport S.A. are as follows:

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

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

VI. List of shares held by the group of persons managing and supervising the dominant entity as at 14.02.2007

Management Board	81,690 shares
Proxies	5,750 shares
Supervisory Board	60 shares

VII. Specification of judicial proceedings pending in court as at 31.12.2006

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

Item Case number Amount in zloty Adverse party legal status

1.	93/00/Ba	4,135,410.85	Bike-Sport Sp z o.o. Gliwice	Adjudging decision of 19.07.2001 payment to be enforced 4,135,410.85-zł of main receivable and also interests and proceedings costs. By decision of court executive officer the executive proceedings were discontinued because of the change of seat of the company on 13.07.2005. A motion to levy the execution from bank accounts and movables which are in the new seat of the debtor. Seizure of the bank accounts without effects. There is probability of
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discontinuance of proceedings.

- | | | | | |
|----|---------------------------------|--------------|-------------------------------------|--|
| 2. | 60/03/Ba
73/03/Ba
5/04/Ba | 3,706,329.58 | SEBA Sp. z o.o. | Payment order of 10.12.2003, 27.01.2003, 30.03.2004 legally valid with executory formula
01.09.2005 District Court in Katowice declared it insolvent covering liquidation of the debtor's assets. Court executive Officer discontinued the executive proceedings receivable was notified in bankruptcy proceedings X GUP 26/5/1 |
| 3. | 25/04/Ba | 2,006,500.00 | Mirosław Cwięka
FHP MIMEX Mielec | payment order of 11.04.2004
decision of court executive officer of 16.05.2006 termination due to the fact that from enforcement one will not get higher sum than costs of enforcement. Decision of execution from real estate. |
| 4. | 150/06/ Ba | 2,807,241.00 | Hydrobudowa-6 | date of trial was appointed on 15.02.2007 |
| 5. | 85/06/Ba | 5,130,789.57 | Arkadiusz Czerwiński
TOP-AR Piła | Agreement before court dated 24.01.2007. |
| 6. | 86/06/S | 3,530,771.81 | Marek Tutlewski
MEGA-Bis Wałcz | claim of 04.08.2006
sentence of 18.08.2006
Executory formula of 15.09.2006
Agreement dated 24.01.2007 |
-

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

On 24.03.2004 before District Court in Warsaw a trial was held, by action of Stalexport Transroute Autostrada S.A. against President of the Anti-monopoly Office, for appeal of STA S.A. against the decisions of President of Anti-monopoly Office no RKT 6/2003 issued on 21.03.2003. The Court passed a judgement, according to which the appeal lodged by the company was totally dismissed. The Company lodged a cassation to the Court of Appeal in this matter, and the date of a trial was assigned for September 20, 2006. The Court of Appeal dismissed the appeal, the penalty was paid by the

company on 25.10.2006. Despite penalty payment the Management Board of Stalexport Autostrada S.A. is planning to lodge cassation with the Supreme Court.

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

VIII. Description of essential events in the Capital Group of Stalexport SA in the period from 01.10.2006 - 31.12.2006

- § On 04.10.2006 Stalexport S.A. received from the representative of the company Julius Baer Investment Management LLC („the Company”) a notification of purchasing of shares resulting in the crossing of the threshold of 5 % at the GSM of Stalexport S.A. by the clients – represented by the above mentioned Company, with seat in New York, at 330 Madison Avenue, NY 10017, USA. In result of an open market transaction on 29.09.2006, the clients of „the Company” hold in aggregate 7,925,631 shares/votes at the GSM, what constitutes 5,02% of the total number of shares/votes at the GSM. Before this transaction the clients of „the Company” held in aggregate 7,600,631 shares/votes, what constituted 4,82 % of the total number of shares/votes at the GSM.
- § On 09.10.2006 Stalexport S.A. received from Julius Baer Internationale Equity Fund with seat in New York at 330 Madison Avenue, NY 10017, NY 10017, USA („the Company”) a notification of purchasing of shares resulting in the crossing of the threshold of 5 % at the GSM of Stalexport S.A.. In result of an open market transaction on 04.10.2006, the Company” hold in aggregate 8,409,631 shares/votes at the GSM, what constitutes 5,33% of the total number of shares/votes at the GSM of the Company Stalexport S.A. Before this transaction „the Company” held in aggregate 7,799,631 shares/votes, what constituted 4,94 % of the total number of shares/votes at the GSM.
- § On 9.10.2006 Stalexport S.A. received the decision of the District Court in Katowice X-Economic Department dated 30.06.2006 on acceptance of the arrangement with the creditors of the company CENTROZAP S.A. in Katowice. A parcel of shares of CENTROZAP SA issued for 90,431,165 bearer shares of C series with total nominal value of 9,043,116.50 zloty. Nominal value of 1 share amounts to 0.10 zloty. The a/m shares constitute 8.34% in stock capital of CENTROZAP S.A. and were subscribed by STALEXPORT S.A. within the agreement with creditors of CENTROZAP S.A., accepted by Court’s decision dated 30.06.2006. The shares were subscribed at price of 0.15 zloty per one share and were covered by arrangement liabilities.
- § On 20.10.2006 the Extraordinary General Meeting of Shareholders of Stalexport S.A. was held in the seat of the company. The shareholders which attended the EGSM represented 83,498,995 shares out of total number of 157,762,023 shares/votes, which constituted 52,93% of the share

capital of the Company. The detailed contents of the resolutions passed by the EGSM was revealed in current report no 80/2006.

- § Upon motion of Mr. Emil Wąsacz, the Supervisory Board of the company Stalexport S.A. at the meeting on October 21st, 2006 – *taking into account his current personal situation* decided to suspend Mr. Emil Wąsacz in duties of the Chairman of the Management Board of Stalexport S.A. for the period from November 1st, 2006 to December 31st, 2006. During this period Mr. Emil Wąsacz will still perform the function of the General Director of the Company. During this period Mr. Emil Wąsacz will still perform the function of the General Director of the Company. Simultaneously the Supervisory Board has put Mr. Mieczysław Skołożyński, Vice-Chairman of the Management Board of the Company, in charge of performing the duty of the Chairman of the Management Board for the period from November 1st, 2006 to December 31st, 2006.
- § On 14.11.2006 Stalexport S.A. signed with Fortis Bank Polska S.A. with seat in Warsaw the agreement on renewable credit concluded within the agreement on financing (the Agreement of general outline) of 16.05.2006. The credit amounts to 15 m zloty. It is assigned for financing of purchase of steel profiles from the supplier of the Company. First period of availability of the credit: till 11.05.2007. Interest rate: WIBOR 1M + bank margin. Collaterals of the credit were defined in the Agreement of general outline. The criterion of recognising the agreements as the significant ones is the value of these agreements subject, which exceeds 10 % of the shareholders' equity of the issuer.
- § On 17.11.2006 Stalexport S.A. received from the proxy of the company Autostrade S.p.A. with seat in Rome the decision of the Anti-Monopoly Office (UOKiK) of 13.11.2006 on giving the consent on accumulation, which consists in taking over by Autostrade S.p.A. with seat in Rome (Italy) the control of the company Stalexport S.A. with seat in Katowice. The same one of the conditions of subscribing the successive shares issue by Autostrade S.p.A. has been fulfilled.
- § On 17.11.2006 STALEXPORT S.A. was excluded from trading in segment PLUS according to the resolution of the Management Board of Warsaw Stock Exchange no 468/2006. This decision results from non-committing by the Company the rule no 20 of the Best Practices which concerns the participation of the appropriate number of independent members in the Supervisory Board.
- § On 28.11.2006 on the basis of the report of the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), Stalexport S.A. was informed about approval, by the a/m Authority, of the issue prospectus of shares of F series in connection with the intent to apply for admitting the shares of F series to the trading on regulated market (Brokerage Firm of BRE Bank S.A. was the offeror). The approved prospectus concerns the shares subscribed by the Bank syndicate and Autostrade S.p.A. within the target capital..
- § On 12.12.2006 the Supervisory Board of Stalexport S.A. according to the authorization of included in the Resolution no 5 of the EGSM dated 20.10.2006 chose the company Ernst & Young S.A. with seat in Warsaw as the expert for specific matters.

- § On 20.12.2006 the Extraordinary General Meeting of Shareholders of Stalexport S.A. was held in the seat of the company Stalexport S.A. in Katowice. The shareholders attending the EGSM represented 84,667,335 shares out of the total number of 157,762,023 shares/votes, which constituted 53,67% of the share capital of the Company. After approving the agenda and passing the resolution no 1 in regard to not electing the Scrutinisers, upon the motion of the shareholder NFOŚiGW, the EGSM decided to break up the debate of the EGSM till 27.12.2006.
- § On 21.12.2006 Stalexport S.A. approved so called „ short list” of investors in the process of disposal of the steel business Stalexport Trade, on which there is five investors, which were admitted to carrying out the due diligence of the Company. According to the schedule, due diligence began on 08.01.2007.
- § The Management Board of Stalexport S.A. concluded with Beskidzki Dom Maklerski an agreement on performing by it the function of the “animator” of the issuer (WSE report dated 20.12.2006). The agreement becomes valid as from 01.01.2007. Simultaneously Stalexport S.A. informs that on 31.12.2006 was the last day of performing by Dom Maklerski Banku Handlowego S.A. the duties as the “animator” of the issuer.
- § On 21.12.2006 Stalexport S.A. received a signed agreement for delivery of prefabricated reinforcement for the domestic customer – the company Warbud S.A. with seat in Warsaw, with total net value of ca 24 m zloty, which is to be executed in 2007.
- § On 27.12.2006 the Extraordinary General Meeting of Shareholders was held in the seat of Stalexport S.A. in Katowice at 29 Mickiewicza Street, which was broken up on 20.12.2006. The shareholders present at the EGSM represented 76,669,834 shares out of the total number of 157,762,023 share/votes, which constituted 48,60% of share capital of the Company. The EGSM did not pass the resolution in regard to an increase in stock capital of the Company in any version proposed by the shareholders. The resolution in regard to changes in the composition of the Supervisory Board Stalexport S.A. was passed. The EGSM recalled Mr. Przemysław Majka and Mr. Tadeusz Sadowski from the composition of the Supervisory Board, Mr. Alexander Neuber and Mr. Jeffery Grady were appointed in their place. Moreover, the EGSM passed the resolution in regard to convening the Extraordinary General Meeting of Shareholders of Stalexport S.A. on 14.02.2007.
- § On 28.12.2006 Stalexport S.A. received the decision of the District Court in Katowice dated 07.12.2006 (File ref. XIII GC 227/06/B) dismissing the claim of Concordia Sp. z o.o. against Stalexport S.A. to state the invalidity or reversal of the resolutions no 20 and 21 of the EGSM dated 13.07.2006. The court decided to dismiss a claim considering reversal of the resolutions no 20 and 21 of the EGSM dated 21.07.2006 at the next EGSM of the Company on 20.10.2006 and as well as because the District Court in Katowice did not receive the claim of the shareholder NFOŚiGW to reverse or to cancel the resolutions passed at the EGSM on 20.10.2006.
- § In December 2006 r. Stalexport S.A. concluded an agreement with the company Hutmen S.A. for the purchase of non-ferrous metal products, for export to the Ukrainian customer. The total value of the agreement amounts to 47.5 m zloty, and the execution date – till the end of 2007. Moreover, export contracts for deliveries of steel products to Argentina and Uruguay were concluded, with value of ca 27 m zloty, execution December 2006-January 2007.

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

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

- § On 26.01.2007 Stalexport S.A. received the resolution of the National Depository for Securities dated 26.01.2007 in which it was informed that the Management Board of the Depository decides to assimilate on 31.01.2007 the 50,000,000 shares with code PLSTLEX00043 with 107,762,023 shares of the Company Stalexport S.A. marked with code PLSTLEX00019. As from 31.01.2007 157,762,023 shares of the company Stalexport S.A. are marked with code PLSTLEX00019 Simultaneously referring to the report no 91 dated 29.11.2006 concerning the approval of the issue prospectus of shares of F series, the Management Board of Stalexport S.A. informs that from 19.12.2006 to 31.01.2007 the Polish Financial Supervision Authority approved all Annexes (from 1 to 15) to the issue prospectus of shares of F series.
- § On 6.02.2007 referring to the report no 37 dated 27.06.2006 concerning signing of the Agreement with Autostrade S.p.A. in Rome and the resolution no 5 of the EGSM of Stalexport S.A. dated 20.10.2006 in regard to appointing the expert for specific matters and the resolution of the Supervisory Board dated 12.12.2006 in regard to choosing the company Ernst & Young as the expert for specific matters, the Management Board of Stalexport S.A. in current report no 22/2007 disclosed the report of the Expert for specific matters. Regarding the Investment Agreement concluded on 26.06.2006 by Stalexport S.A. Katowice.
- § On 14.02.2007 the Extraordinary General Meeting of Shareholders was held in the seat of the Company Stalexport S.A.. The shareholders present at the EGSM represented 65,427,821 shares out of total number of 157,762,023 shares/votes, which constituted 41,47% of share capital of the Company. The EGSM passed the resolutions in regard to appointing the Scrutinisers, to an increase in stock capital of the Company by the amount of 179,000,000 zloty, from the amount of 315,524,046 zloty to the amount of 494,524,046 zloty, by issuing 89,500,000 new shares of G series, in regard to applying for admitting the shares of G series trading on regulated market and their dematerialisation as well as to authorize the Management Board to conclude with National Depository for securities S.A. an agreement on registering the securities, mentioned in art. 5 section 8 of the Act dated 29.07.2005 on trading in financial instruments. Simultaneously the EGSM recalled Mr. Jeffery Grady from the composition of the Supervisory Board of Stalexport S.A. , and appointed Mr. Konrad Tchórzewski in his place. The detailed contents of the passed resolutions passed by the EGSM on 14.02.2007 was disclosed in the report no 26/2007.
- § In first quarter 2007 Stalexport S.A. concluded export contracts for the deliveries of steel products to North America for the total amount of ca 16 m zloty.

X. Contingent liabilities Contingent liabilities

Contingent liabilities of the capital group of Stalexport S.A. as at 31.12.2006 amount to 45,853 thousand zloty, out of which: :

- by virtue of granted warranties and guarantees 34,199 thousand zloty
out of which for the benefit of:
- related entities covered by consolidation 22,326 thousand zloty
- related entities not covered by consolidation 250 thousand zloty

- other entities	11,623 thousand zloty
• by virtue of other liabilities	1,654 thousand zloty
out of which for the benefit of:	
- related entities	-
- other entities	11,654 thousand zloty

The dominant company Stalexport S.A. holds the contingent liabilities for the total amount of 23,949 thousand zloty, by virtue of granted guarantees and sureties for the benefit: :

- related entities	12,326 thousand zloty
- other entities	11,623 thousand zloty.

The amount of guarantees granted by Stalexport S.A. in comparison with 4th quarter 2005 increased by 19,475 thousand zloty. Granting the guarantee in the amount of 12,293 thousand zloty to the related entity - Stalexport Transroute Autostrada S.A. (subsidiary in 55%) of Stalexport Autoroute S.a.r.L. with in Luksembourg (subsidiary company 100%) of Stalexport SA. - was the main reason for the increase in liabilities

The only binding version is the Polish original that should be referred to in matters of interpretation.

ZARZĄD :

**Prezes Zarządu Dyrektor Generalny
Emil Wąsacz**

28.02.2007 r.

Data



Podpis

**Wiceprezes Zarządu Dyrektor Finansowy
Mieczysław Skołożyński**

28.02.2007 r.

Data

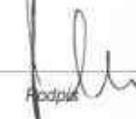


Podpis

**Członek Zarządu Dyrektor Handlowy
Urszula Dzierżoń**

28.02.2007 r.

Data



Podpis

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

**Prokurent Główny Księgowy
Małgorzata Michałunio-Kępyś**

28.02.2007 r.

Data



Podpis