

Pamapol S.A. Capital Group
REPORT FOR THE FOURTH QUARTER OF
2011

PRESENTED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS

Rusiec, 29 February 2012

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I. Information about the Pamapol S.A. Capital Group

The Pamapol Capital Group operates in the food processing industry. The Capital Group's parent company is Pamapol S.A., a leading producer on the Polish market of meat and vegetable dishes, especially prepared meals. Its beginnings go back to 1993. Pamapol S.A.'s main products in the prepared meals segment include meatballs, stuffed cabbage, beans stewed with meat in tomato sauce, tripe and goulash, and since 2009, tinned meat under the name Spichlerz Rusiecki. The Company's product offer also includes prepared soups, pâtés, and tinned meat. After taking over Warmińskie Zakłady Przetwórstwa Owocowo-Warzywnego Sp. z o.o. in Kwidzyn (WZPOW), the Capital Group's product offer increased to include tinned and frozen vegetables. Products with the "Kwidzyn" brand have been offered on the Polish and foreign market since 1934. Starting in April 2010 the portfolio of WZPOW Kwidzyn, and simultaneously of the Pamapol Group, has been joined by the **Sorella** brand - a leading brand on the domestic jam market. Taking control of WZPOW Kwidzyn also meant that the Pamapol Group has become one of the more important entities in its industry on the domestic market.

The Pamapol Group structure also includes Zakłady Przetwórstwa Owocowo-Warzywnego Ziębice Sp. z o.o. (ZPOW Ziębice). ZPOW Ziębice is a producer of tinned peas, tinned sweetcorn, tinned mixed vegetables and frozen vegetables, particularly peas, runner beans, carrots and sweetcorn. ZPOW Ziębice's production is similar to that of the plants in Kwidzyn. Acceptance thereof contributed to the reinforcement of the Capital Group's position on the frozen and tinned vegetables market. Pamapol S.A.'s intention was to restructure ZPOW Ziębice in a way similar to that of WZPOW by increasing the production capacity and lowering the cost per item of making a product. Introduction of ZPOW Ziębice to the Pamapol Group considerably increased the production possibilities regarding particular groups of vegetables, at the same time strengthening the companies' market positions. At the same time strengthening the companies' market positions, and additionally, realization of the investment financed from the EU's Rural Development Programme for the years 2007-2013 will have an impact on an even greater increase in the Company's production and storage capacities. (RB 19/2010, 29/2010, 33/2010, 42/2010)

In May 2007 the structure of the Pamapol Group was increased by a new entity, i.e. Mitmar Sp. z o.o. with its registered office in Jeziorko (currently in Głowno). The parent company acquired 60 per cent of the shares in that company, giving 60 per cent of the votes at the General Meeting of Shareholders, for a total price of PLN 14 million. Pamapol S.A. set aside PLN 10 million to increase the capital of Mitmar Sp. z o.o., and the company's owners received a total of PLN 4 million. In February 2008 Pamapol S.A. purchased the remaining shares in Mitmar. The transaction was concluded on the following terms: for 40 per cent of the shares the Company's owners received PLN 1.8 million. In effect Pamapol S.A. currently holds 100 per cent of shares in Mitmar, which give 100 per cent of votes at the general meeting of shareholders. After restructuring the Company currently pursues a business activity in the field of trading in meat, preparing frozen vegetable and vegetable/meat mixes, producing frozen prepared meals as well as providing frozen food storage and logistical services to the Group.

Another entity in the Pamapol Capital Group is Cenos Sp. z o.o. with its registered office in Września. In June 2007 Pamapol S.A. acquired a total of 700 shares from its previous owners, constituting 100 per cent of the share capital and giving 100 per cent of the votes at that company's meeting of shareholders, for a total price of PLN 10.6 million. Cenos Sp. z o.o. was established in 1991 as a result of privatising Centrala Nasienna. The company's subject of operations is, in particular, the production, shipment preparation and sale of consumer and de-icing salt, groats, rice, and also beans, peas and cornflakes. Cenos products are supplied to the biggest retail networks and wholesalers in Poland. As a result of

concluding an agreement to purchase movable assets from GALAXIA Ltd Sp. z o.o., the assortment sold by Cenos was increased to include a further group of dry goods – coffee sold under the GALAXIA brand and under the chain's own brands. The company owns two production plants located in Września as well as Świat Wodny Cenos pool complex and recreation centre.

In June 2007 Pamapol S.A. acquired a total of 1,000 shares in Huta Szkła Sławno Sp. z o.o., constituting 100 per cent of the share capital and giving 100 per cent of the votes at that company's meeting of shareholders, for a total price of PLN 1 million. Huta Szkła Sławno Sp. z o.o. was set up in April 2007. The company is situated in the Łódź Special Economic Zone, which entails the possibility of counting investment expenses incurred as qualified costs. The Company's line of business is production of glass packages: jars and bottles made from white glass. Although this Company does not pursue active production operations, this is an investment project whose realization, i.e. establishment of the production plant, depended on Pamapol S.A. issuing a subsequent batch of series C shares (the main objective of the issue presented in the prospectus was the carry out the investment involving the construction of a glassworks plant). Half of the investment was supposed to be financed by funds obtained from the issue and the other half by an investment credit (Huta Szkła Sławno had a promissory note issued by Bank PKO BP). The current financial involvement in the investment amounts to approx. PLN 5 million. Due to the fact that the issue of the series C shares was not carried out, this investment has been suspended – the Company's Management Board did not risk financing the entire investment with its own funds. As part of realization of the Pamapol Group's Strategy (sale of unproductive assets and simplification of the Group's structures) Huta Szkła Sławno has been put up for sale.

In May 2007 the founding act of Pamapol – Dystrybucja Sp. z o.o. was signed (currently Dystrybucja Sp. z o.o.). The Company's founding capital initially amounted to PLN 50,000.00 and was divided into 100 equal and indivisible shares, each one worth PLN 500.00. Shares in the share capital have been entirely acquired by Pamapol S.A. The parent company holds 100 per cent of shares in the Company's share capital and has 100 per cent of votes at the general meeting of shareholders. Pamapol - Dystrybucja Sp. z o.o. commenced operations aimed at taking over distribution and marketing tasks from other production companies of the Group. The company particularly provides services connected with commercial representation and the sale of products for and on behalf of companies in the Capital Group. On 20 December 2011 the District Court for Łódź-Śródmieście in Łódź, Division XX of the National Court Register changed the Company's name from Pamapol-Dystrybucja Sp. z o.o. to Dystrybucja Sp z o.o.

Until 27 September 2011, Naturis Sp. z o.o. with its registered office in Rusiec also belonged to the Capital Group. Naturis Sp. z o.o. was acquired by Pamapol S.A. at the beginning of October 2005 with the aim of taking over WZPOW Kwidzyn. Naturis did not pursue any active operations during the reporting period. As part of the updated strategy for 2010-2011 (current report No. 7/ 2010) a merger of Pamapol S.A. and Naturis Sp. z o.o. is planned. On 26 February 2010 the Management Boards of both companies (Pamapol S.A. and Naturis Sp. z o.o.) adopted the draft of the "Plan for the merger of the companies PAMAPOL SA and NATURIS Sp. z o.o.", and the Supervisory Board of Pamapol SA consented to the merger of the companies on the basis of the above draft plan presented by the Company's Management Board (current report No. 8/2010). The next step in the merger process was adoption by the managerial bodies of both companies (Pamapol and Naturis) of the final "Plan for the merger of the companies PAMAPOL SA and NATURIS SP. z o.o." and approval thereof by the supervisory bodies of Pamapol SA and Naturis Sp. z o.o. (current report No. 17/2011). The merger was carried out on the basis of Article 492 § 1 in connection with Article 515 § and Article 516 § 6 of the Act of 15 September 2000 - the Commercial companies code - by transferring all assets of NATURIS to PAMAPOL S.A., without increasing

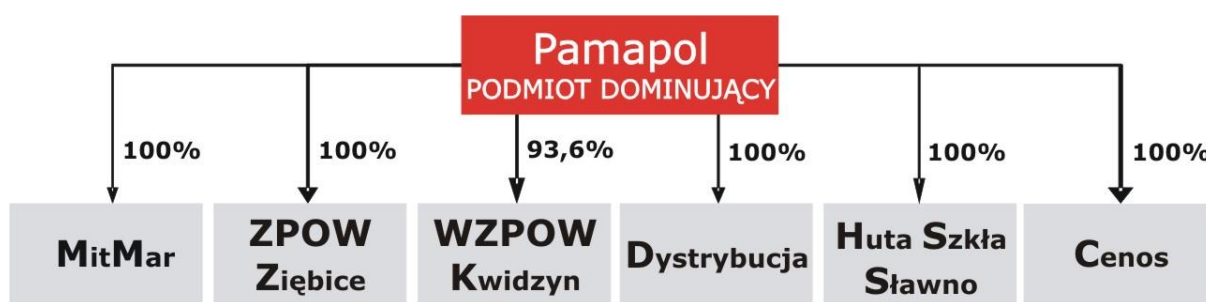
the share capital of PAMAPOL due to the fact that PAMAPOL held 100 per cent of shares in the share capital of NATURIS.

On 6 May 2011 and 20 May 2011, acting on the basis of Article 504 § 1 in connection with Article 402(1) § 1 of the Commercial companies code (CCC), the Issuer accordingly notified the shareholders for the first and second time about the intention to merge PAMAPOL SA with the subsidiary Naturis Sp. z o.o. (current report No. 18/2011, No. 21/2011).

Next, on 28 June 2011 the General Meeting of Shareholders of Pamapol S.A. adopted the resolution on the merger with Naturis Sp. z o.o. and the General Meeting of Shareholders of Naturis Sp. z o.o. adopted the resolution on the merger with Pamapol S.A. (the resolutions adopted by the Ordinary General Meeting of Shareholders of Pamapol S.A. were published by the Issuer in the current report No. 28 of 29 June 2011). On 27 September 2011 the District Court for Łódź-Śródmieście in Łódź, Division XX of the National Court Register entered the merger of PAMAPOL S.A. (the Acquiring Company) with its subsidiary NATURIS Sp. z o.o. (NATURIS, the Target Company) into the commercial register - information published in current report No. 41 of 24 October 2011.

II. Capital ties.

Structure of the Pamapol S.A. Capital Group as at 31 December 2011 and as at the moment this periodic report is published



PAMAPOL – PARENT COMPANY

Pamapol S.A.

The joint-stock company under the business name of Pamapol with registered office in Rusiec was established as a result of transformation of Pamapol limited liability company with registered office in Wieluń. The resolution concerning the transformation was adopted by the Extraordinary General Meeting of Shareholders of Pamapol Sp. z o.o. on 1.04.2004. By virtue of the decision of the District Court for Łódź-Śródmieście in Łódź, Division XX of the National Court Register of 30 June 2004, Pamapol S.A. was entered in the Commercial Register of the National Court Register under the number KRS 0000211414.

The registered office of the Company is in Rusiec, ul. Wieluńska 2. The Company's registered office is also the place where the business activity is being pursued. The duration of the Company is unlimited.

Initially the Company's share capital amounted to PLN 17,166,700.00 and was divided into 171,667 privileged series A registered shares of a face value of PLN 100.00 each, numbered from 000,001 to 171,667.

In return for the shares in the limited liability company "Pamapol" with registered office in Wieluń:

- Mariusz Szataniak acquired – 82,627 privileged series A registered shares of a face value of PLN 100.00 each, totalling – PLN 8,262,700.00,

- Paweł Szataniak acquired – 82,618 privileged series A registered shares of a face value of PLN 100.00 each, totalling – PLN 8,261,800.00,
- Wiesław Szataniak acquired – 6,422 privileged series A registered shares of a face value of PLN 100.00 each, totalling – PLN 642,200.00.

After the Extraordinary General Meeting of Shareholders changed the Company's Statute on 31.01.2006 – the Company's share capital amounted to PLN 17,166,700 and was divided into 17,166,700 ordinary series A bearer shares of a face value of PLN 1.00 each.

- Mariusz Szataniak held 8,262,700 series A shares (48.13 per cent of the share capital and the overall number of votes at the Company's General Meeting),
- Paweł Szataniak held 8,261,800 series A shares (48.13 per cent of the share capital and the overall number of votes at the Company's General Meeting),
- Wiesław Szataniak held 642,200 series A shares (3.74 per cent of the share capital and the overall number of votes at the Company's General Meeting).

On 11 February 2006 the Company's Extraordinary General Meeting of Shareholders adopted a resolution to increase the share capital from PLN 17,166,700.00 to an amount not smaller than PLN 21,666,700.00 and not higher than PLN 23,166,700.00 by way of a public issuance of series B shares. By way of a decision of the District Court for Łódź-Śródmieście in Łódź dated 14 July 2006, as a result of issuance of series B shares, the increased share capital was registered. The value of the share capital of Pamapol SA currently amounts to PLN 23,166,700.00 and is divided into 23,166,700 shares of a face value of PLN 1.00 each.

WZPOW Kwidzyn

The Company's share capital amounts to PLN 17,035,600.00 and is divided into 340,712 shares of a face value of PLN 50.00 each. On 8 December 2011 Pamapol S.A. acquired another 50 shares from the present shareholders (natural persons).

As a result of the merger of Pamapol S.A. and Narutis Sp. z o.o. and purchase of subsequent shares as at 31.12.2011 and the moment this information was prepared, Pamapol S.A. directly holds 319,078 shares in the share capital of WZPOW Kwidzyn, which lets it control 93.6 per cent of votes at the general meeting of shareholders.

No resolutions to increase the share capital have been adopted during the reporting period and as at the moment this information was prepared.

The registered office of the Company is in Kwidzyn. The duration of the Company is unspecified.

ZPOW Ziębice Sp. z o.o.

The Company's share capital amounts to PLN 26,638,000.00 and is divided into 53,276 shares of a face value of PLN 500.00 each. Pamapol S.A. holds 100 per cent of shares in the share capital of ZPOW "Ziębice" Sp. z o.o. giving 100 per cent of the votes at the meeting of shareholders of that company.

On 20 June 2011, by virtue of the resolution of the General Meeting of Shareholders, that company's share capital was increased again by PLN 900,000.00 by generating 1,800 shares of a face value of PLN 500.00 each. The said resolution was prolonged on 27 February 2012 and this action is pending registration at the competent registration court.

The registered office of the Company is in Ziębice. The duration of the Company is unspecified.

Dystrybucja Sp. z o.o.

The Company's share capital amounts to PLN 1,000,000.00 and is divided into 2,000 shares of a face value of PLN 500.00 each. Pamapol S.A. holds 100 per cent of shares in the

share capital of Pamapol - Dystrybucja Sp. z o.o. giving 100 per cent of the votes at the meeting of shareholders of that company.

No resolutions to increase the share capital have been adopted during the reporting period and as at the moment this information was prepared.

The registered office of the Company is in Rusiec. The duration of the Company is unspecified.

Mitmar Sp. z o.o.

The Company's share capital amounts to PLN 10,500,000.00 and is divided into 105,000 shares of a face value of PLN 100.00 each. Pamapol S.A. holds 100 per cent of shares in the share capital of Mitmar Sp. z o.o. giving 100 per cent of the votes at the meeting of shareholders of that company.

No resolutions to increase the share capital have been adopted during the reporting period and as at the moment this information was prepared.

The registered office of the Company is in Głowno. The duration of the Company is unspecified.

Cenos Sp. z o.o.

The Company's share capital amounts to PLN 13,050,000.00 and is divided into 26,100 shares of a face value of PLN 500.00 each. Pamapol S.A. holds 100 per cent of shares in the share capital of Cenoss Sp. z o.o. giving 100 per cent of the votes at the meeting of shareholders of that company.

No resolutions to increase the share capital have been adopted during the reporting period and as at the moment this information was prepared.

The registered office of the Company is in Września. The duration of the Company is unspecified.

Huta Szkła Sławno Sp. z o.o.

The Company's share capital amounts to PLN 3,000,000.00 and is divided into 3,000 shares of a face value of PLN 1,000.00 each. Pamapol S.A. holds 100 per cent of shares in the share capital of Huta Szkła Sławno Sp. z o.o. giving 100 per cent of the votes at the meeting of shareholders of that company.

No resolutions to increase the share capital have been adopted during the reporting period and as at the moment this information was prepared.

The registered office of the Company is in Sławno. The duration of the Company is unspecified.

Description of changes in the structure of the Pamapol Capital Group

As at the day this information was published the structure of the Pamapol S.A. Capital Group did not change.

Information about branches

The entities comprising the Pamapol Capital Group do not have any branches in Poland or abroad.

III. Composition of the managerial and supervisory bodies of the Capital Group.

Composition of the managerial and supervisory bodies of the Parent company

Management Board of the Company

As at the day this information was published the Management Board is composed of:

- | | |
|-----------------------|--|
| - Krzysztof Półgrabia | - President of the Management Board |
| - Mariusz Szataniak | - Vice-president of the Management Board |
| - Roman Żuberek | - Vice-president of the Management Board |

Supervisory Board

As at the day this information was published the Supervisory Board is composed of:

- | | |
|---------------------|--|
| - Paweł Szataniak | - Chairman of the Supervisory Board |
| - Rafał Tuzimek | - Independent Member of the Supervisory Board,
- Deputy Chairman of the Supervisory Board |
| - Ewa Szataniak | - Secretary of the Supervisory Board |
| - Justyna Szataniak | - Member of the Supervisory Board |
| - Michał Wrzesiński | - Independent Member of the Supervisory Board |

A detailed description of the composition of the managing and supervisory bodies of the Pamapol Capital Group's companies can be found in the Management Board's Report on the activity of the Pamapol Capital Group for the first half of 2011. During the reporting period and as at the moment this quarterly report was published the composition of the managing and supervisory bodies of the Pamapol Capital Group's companies, except for Huta Szkła Sławno Sp. z o.o., did not change.

On 3 October 2011 the Meeting of Shareholders of Huta Szkła Sławno dismissed Mr. Janusz Chojnacki from the position of the President of the Management Board and appointed Mr. Grzegorz Szprycha to the Management Board to whom it assigned the function of the President of the Management Board.

IV. Purchase of own shares.

During the period covered by this information and as at the day this information was prepared the Company did not purchase its own shares and did not take any steps aimed at purchasing its own shares.

V. Shareholders holding at least 5 per cent of the total number of votes at the General Meeting of Shareholders.

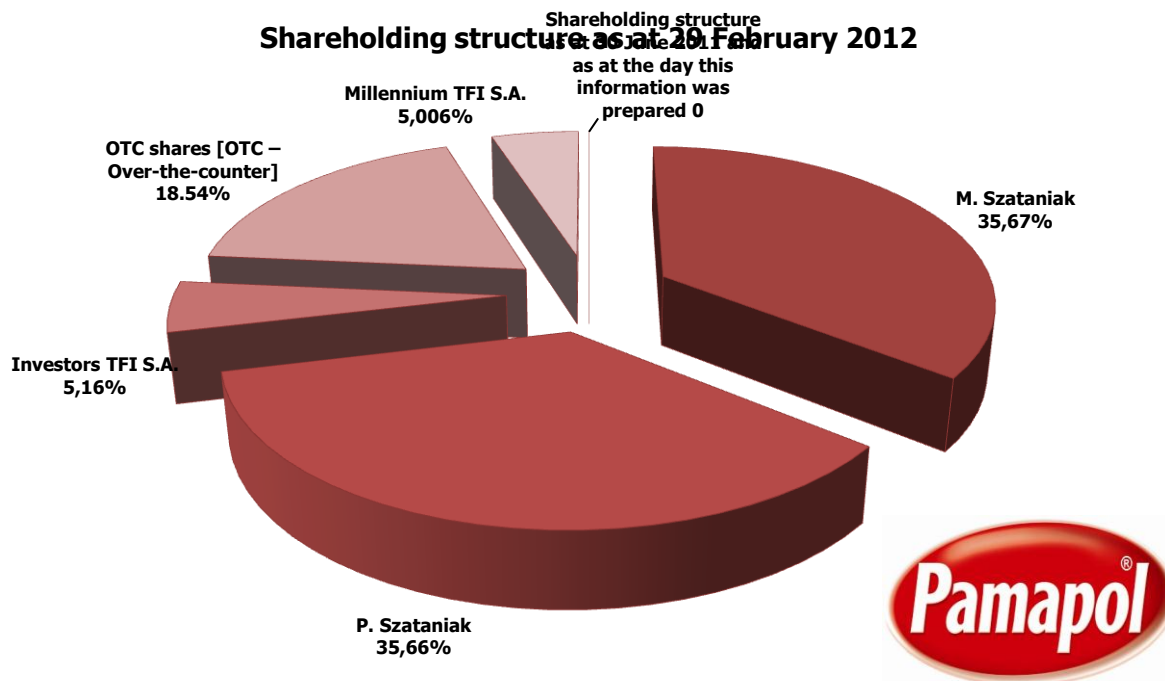
List of shareholders holding at least 5 per cent of the total number of votes at the General Meeting of Shareholders as at 29 February 2012

As at 29 February 2012 the list of shareholders holding at least 5 per cent of the total number of votes at the General Meeting of Shareholders looks as follows:

1. Paweł Szataniak - holds 8,261,800 series A ordinary bearer shares, which constitutes 35.66 per cent of the share capital of Pamapol S.A. These shares entitle him to 8,261,800 votes at the General Meeting of Shareholders, constituting 35.66 per cent of the total number of votes.
2. Mariusz Szataniak - holds 8,262,700 series A ordinary bearer shares, which constitutes 35.67 per cent of the share capital of Pamapol S.A. These shares entitle him to 8,262,700 votes at the General Meeting of Shareholders, constituting 35.67 per cent of the total number of votes.
3. Funds managed by Investors Towarzystwo Funduszy Inwestycyjnych S.A. hold 1,195,450 series B ordinary bearer shares, which constitutes 5.16 per cent of the share capital of Pamapol S.A. These shares entitle them to 1,195,450 votes at the General Meeting of Shareholders, constituting 5.16 per cent of the total number of votes.
4. Millennium Fundusz Inwestycyjny Otwarty, represented by Millennium Towarzystwo Funduszy Inwestycyjnych S.A., holds 1,159,729 series B ordinary bearer shares, which constitutes 5.0060 per cent of the share capital of Pamapol S.A. These shares entitle it to 1,159,729 votes at the General Meeting of Shareholders, constituting 5.0060 per cent of the total number of votes.

Description of changes in the shareholding structure

From the day the last periodic report was published (i.e. 14 November 2011) until this quarterly report was published, to the Company's knowledge the structure of the shareholders holding at least 5 per cent of the total number of votes at the General Meeting of Shareholders did not change.



VI. Shareholding in Pamapol S.A. by managing and supervising persons.

Shareholding in Pamapol S.A. by managing and supervising persons as at the day the report for the fourth quarter of 2011 was published, i.e. 29 February 2012

1. Paweł Szataniak - Member of the Supervisory Board - holds 8,261,800 series A ordinary bearer shares,
2. Mariusz Szataniak – Vice-president of the Management Board Pamapol S.A. - holds 8,262,700 series A ordinary bearer shares,
3. Krzysztof Półgrabia – President of the Management Board of Pamapol S.A. - holds 33,071 series B ordinary bearer shares,
4. Roman Żuberek – Vice-president of the Management Board of Pamapol S.A. - holds 1,204 series B ordinary bearer shares.

Changes in the shareholding in Pamapol S.A. by managing and supervising persons from the day the previous quarterly report was published (i.e. 14 November 2011)

From the day the last periodic report was published (i.e. 14 November 2011) until the day this quarterly report was published, to the Company's knowledge the shareholding by the managing and supervising persons did not change.

VII. Information about dividends.

In Q4 of 2011 Pamapol SA did not declare or pay any dividends.

VIII. Information concerning employment.

The headcount structure as at **31 December 2010** in the Pamapol Group looked as follows:

Company	Number of employees	<i>including seasonal workers</i>
Pamapol S.A.	548	0
WZPOW Kwidzyn	343	3
ZPOW Ziębice	241	29
PAMAPOL - LOGISTIC	44	0
MITMAR	189	0
CENOS	219	0
PAMAPOL - DYSTRYBUCJA (currently DYSTRYBUCJA)	46	0
HUTA SZKŁA SŁAWNO	1	0
NATURIS	1	0
Total	1 632	32

The headcount structure as at **31 December 2011** in the Pamapol Group looked as follows:

Company	Number of employees	<i>including seasonal workers</i>
Pamapol S.A.	524	0
WZPOW Kwidzyn	362	0
ZPOW Ziębice	216	35
MITMAR	176	0
CENOS	227	0
DYSTRYBUCJA	55	0
HUTA SZKŁA SŁAWNO	1	0
Total	1 561	35

IX. Description of the Capital Group's line of business.

The basic line of business of the Parent company is:

- processing and preserving of meat, excluding poultry meat
- processing and preserving poultry meat
- production of meat products, including poultry meat products
- other processing and preserving of fruit and vegetables
- manufacture of condiments and seasonings
- manufacture of prepared meals and dishes
- manufacture of other food products n.e.c.
- wholesale of meat and meat products
- retail sale of fruit and vegetables in specialised stores
- retail sale of meat and meat products in specialised stores

- retail sale of other food products in specialised stores
- freight transport by road

The line of business of the Capital Group also includes:

- processing of fruit and vegetables (WZPOW Kwidzyn and ZPOW Ziębice)
- wholesale of meat and meat products (Mitmar)
- services associated with storage of chilled and frozen products (Mitmar)
- manufacture of condiments and seasonings (Cenos)
- manufacture of dried foods (Cenos)
- mandated wholesale (Pamapol- Dystrybucja)
- advertising (Pamapol- Dystrybucja)
- manufacture of glass and glass products (Huta Szkła Sławno)

X. Information concerning the periods for which the consolidated and the standalone financial statement and the comparative data are being presented.

Full consolidation covers the financial statements of the Parent company Pamapol S.A. and the subsidiaries: WZPOW Kwidzyn Sp. z o.o., ZPOW Ziębice Sp. z o.o., Mitmar Sp. z o.o., Cenos Sp. z o.o., Dystrybucja Sp. z o.o., Huta Szkła Sławno Sp. z o.o. Financial statements of the Parent company and all of its subsidiaries are consolidated for the entire period covered by the report.

The attached consolidated financial statements have been drawn up for the following periods:

1. The balance sheet as at 31.12.2011 and as comparative data as at 31.12.2010
2. Statement of income:
 - a. for the period from 01.10.2011 to 31.12. 2011 (data for Q4 of 2011),
 - b. for the period from 01.01.2011 to 31.12.2011 (data cumulatively for four quarters),
 - c. data for a comparative period: from 1.01.10 to 31.12.10 (cumulatively),
 - d. data for a comparative period: from 01.10.10 to 31.12.10 (data for Q4 of 2010)
3. Statement of cash flow:
 - a. for the period from 01.01.2011 to 31.12.2011 (data cumulatively for four quarters),
 - b. data for a comparative period: from 1.01.10 to 31.12.10 (cumulatively).
4. Statement of changes in equity for the period from 1.01.2011 to 31.12.2011 as a comparative data from 1.01.2010 to 31.12.2010.

The standalone financial statements have been drawn up for the following periods:

1. The balance sheet as at 31.12.2011 and as comparative data as at 30.09.2011 and 31.12.2010
2. Statement of income:
 - a. for the period from 1.10.11 to 31.12.11 (data for Q4 of 2011),
 - b. for the period from 01.01.2011 to 31.12.2011 (data cumulatively for four quarters),
 - c. data for a comparative period: from 1.01.10 to 31.12.10 (cumulatively),
 - d. data for a comparative period: from 01.10.10 to 31.12.10 (data for Q4 of 2010)
3. Statement of cash flow:

- a. for the period from 01.01.2011 to 31.12.2011 (data cumulatively for four quarters),
 - b. for the period from 1.10.11 to 31.12.11 (data for Q4 of 2011),
 - c. data for a comparative period: from 1.01.10 to 31.12.10 (cumulatively).
 - d. data for a comparative period: from 01.10.10 to 31.12.10 (data for Q4 of 2010)
4. Statement of changes in equity for the period from 1.01.2011 to 31.12.2011 and from 1.10.2011 to 31.12.2011 and as comparative change data from 1.01.2010 to 31.12.2010 and from 1.10.2010 to 31.12.2010

XI. Changes in accounting principles (policy).

Companies comprising the Pamapol Group, i.e. Pamapol S.A., WZPOW Kwidzyn Sp. z o.o., ZPOW Ziębice Sp. z o.o., Mitmar Sp. z o.o. and Cenoss Sp. z o.o., Dystrybucja Sp. z o.o., Huta Szkła Sławno Sp. z o.o. apply Polish accounting principles to draw up financial statements pursuant to the Accounting Act.

The data obtained from the standalone financial statements have been adjusted for the purpose of consolidation to the data compliant with the IFRS – the main differences are associated with revaluation to the fair value of assets of WZPOW Kwidzyn Sp. z o.o., ZPOW Ziębice Sp. z o.o., Cenoss Sp. z o.o. and Mitmar Sp. z o.o.

Other adjustments are associated with the way various positions in the financial statements are presented – above all, the statement of cash flows and the statement of changes in equity, so that they comply with the IFRS. The comparative data have been disclosed accordingly.

The consolidated financial statement of the Pamapol Group and the standalone financial statement of the parent company drawn up as at Q4 of 2011 is not subject to an audit by the auditors.

XII. Agreements significant to the Group's business activity.

This chapter presents significant agreements concluded by the Issuer and its subsidiaries during Q4 of 2011 as well as significant agreements concluded after that period as at the day this information was prepared.

XII.A. Trade agreements of Pamapol S.A. concluded during the period covered by this information.

During the period covered by this information Pamapol S.A. did not conclude significant trade agreements.

XII.B. Trade agreements of Pamapol S.A. concluded during the period not covered by this information.

During the period not covered by this information Pamapol S.A. did not conclude significant trade agreements.

XII.C. Significant agreements of Pamapol S.A. concluded outside of the normal course of business activity during the period covered by this information.

During the period covered by this information Pamapol S.A. did not conclude significant agreements outside of the normal course of business activity.

XII.D. Significant agreements of Pamapol S.A. concluded outside of the normal course of business activity during the period not covered by this information.

On 14 February 2012 an annex (Annex) to the credit agreement in the form of a multi-purpose credit line in the amount of PLN 17 million was signed between the Issuer and Powszechna Kasa Oszczędności Bank Polski S.A. with registered office in Warsaw (Bank). The Issuer informed about the conclusion of the credit agreement in the form of a multi-purpose credit line (Credit) in the current report No. 41/2010 of 20 December 2010.

Pursuant to the tenor of the Annex the value and purpose of the Credit has changed.

As part of the limit the Bank grants PAMAPOL S.A. (Borrower):

- a credit in current account up to PLN 9 million,
- a non-renewable working capital up to the amount of PLN 9 million.

The amounts of the credit in current account and the non-renewable working capital will, according to the Annex, be allotted towards paying off debts ensuing from credits taken out by the Issuer at the bank in the preceding years and remaining to be repaid as at the day this report was published, and towards financing the Issuer's on-going business activities, including towards establishing a potential bail on fiscal transactions concluded with the Bank as part of the Client's Transactional Limit.

The way the Credit is being secured has also changed. Pursuant to the Annex the Credit will currently be secured against:

- contractual collective mortgage in the amount of PLN 18 million, and collective bail mortgage up to PLN 4,320,000.00 on developed land properties owned by the Borrower, located in Rusiec and Poźdzeniec,
- registered pledge on the Borrower's chattels entered in the pledge register kept by the District Court for Łódź – Śródmieście in Łódź, and on the chattels of the subsidiary – Warmińskie Zakłady Przetwórstwa Owocowo – Warzywnego Sp. z o.o. with registered office in Kwidzyn, entered in the pledge register kept by the District Court for Gdańsk – Północ in Gdańsk, i.e. on machinery and equipment worth not less than PLN 6 million,
- registered pledge on the Borrower's chattels, i.e. inventories (finished products and goods) worth not less than PLN 12 million, entered in the pledge register kept by the District Court for Łódź-Śródmieście in Łódź,
- registered pledge on the Borrower's chattels, i.e. inventories (materials, semi-products and products in progress) worth not less than PLN 5 million, and until this pledge is successfully established, in the form of a transfer of ownership of the inventories,
- assignment of cash receivables from an insurance agreement for the above real estate, machines and equipment and inventories,
- a blank promissory note issued by the Borrower together with a blank promissory note agreement,

- a registered pledge on financial assets which are not the property of the Borrower.

The other terms and conditions of the Credit did not change significantly as a result of this Annex being signed.

Moreover, on 14 February 2012 the Issuer also submitted a declaration on submission to enforcement on the basis of a bank enforcement order which the Bank may issue up to PLN 36 million.

At the same time, i.e. on 14 February 2012, the Issuer submitted a declaration on submission to execution against the subject matter of the aforementioned registered pledges and transfer of ownership. The Bank may apply to endorse these orders with an executory formula until 20 December 2015.

XII.E. Trade agreements of subsidiaries concluded during the period covered by this information.

During the period covered by this information the subsidiaries did not conclude significant trade agreements.

XII.F. Trade agreements of subsidiaries concluded during the period not covered by this information.

During the period not covered by this information the subsidiaries did not conclude significant trade agreements.

XII.G. Significant agreements of subsidiaries concluded outside of the normal course of business activity during the period covered by this information.

On 28 December 2011 the Issuer's subsidiary – CENOS Sp. z o.o. with registered office in Września (CENOS) received a confirmation of conclusion of term forward exchange contracts from Bank BZ WBK S.A. (Bank).

As part of the aforementioned transactions, on 28 December 2011 CENOS concluded 13 contracts for a base amount of USD 2,600,000.00 at the average term exchange rate of USD/PLN 3.3922 and execution dates falling in the period from 5 January 2012 to 29 March 2012 and 13 contracts for a base amount of EUR 100,000.00 for the purchase of a total of EUR 1,300,000.00 at the average exchange rate EUR/PLN 4.4279 and execution dates falling in the period from 3 January 2012 to 27 March 2012. The total value of the aforementioned transactions involving the purchase of USD is PLN 8,819,700.00 and transactions involving the purchase of EUR is PLN 5,756,320.00.

The value of all forward exchange contracts concluded by CENOS through the Bank during the period from 7 April 2011, the date on which the Issuer published the current report No. 12/2011 dated 8 April 2011, to 28 December 2011, reached PLN 24,268,455.00, and thus exceeded 10 per cent of the Issuer's equities and fulfilled the criterion of the master agreement. Exchange contracts with the highest value during that period are the contracts described above.

The aforementioned exchange contracts are contracts with a real currency delivery. The term contracts were concluded on market terms that do not deviate from the terms

commonly applied to this type of contracts and do not contain provisions concerning contractual penalties.

Exchange contracts concluded by CENOS with the Bank before 28 December 2011 have been reconciled in accordance with the agreed execution dates, whereas the Issuer and other subsidiaries did not conclude forward exchange contracts with the Bank during the period in question.

All exchange contracts referred to above were concluded on the basis of the exchange risk hedging policy adopted by the PAMAPOL Capital Group (Group), in accordance with which the management boards of the Group's companies may conclude forward contracts related to specific import or export contracts up to the value of the given contract.

XII.H. Significant agreements of subsidiaries concluded outside of the normal course of business activity during the period not covered by this information.

During the period not covered by this information the subsidiaries did not conclude significant agreements outside of the normal course of business activity.

XIII. Information about proceedings currently under way concerning liabilities or debts of the Parent company or subsidiaries.

During the reporting period no proceedings concerning liabilities and debts of Pamapol S.A. or its subsidiaries whose total value would account for at least 10 per cent of the equity of Pamapol S.A. were under way before a court, body in charge of arbitration proceedings or a public administration body.

XIV. Pamapol Group's Marketing.

PRODUCT

PAMAPOL

In the period covered by this information conception work on new products in the prepared liquid soups category was commenced. The product line will be composed of 7 most popular Polish soup flavours, which will be available in large glass jars with a sleeve label.

In the fourth quarter of 2011 work on launching a new product line in the pâté category was finished. These products are pasteurised and offered in an innovative package, and the line is comprised of 5 flavour options: the Mazovian pâté, poultry pâté, poultry pâté with tomatoes, home-made pâté with mushrooms and poultry pâté with pepper.

KWIDZYN

In the fourth quarter of 2011 conception work concerning the refreshment of the logotype and revitalisation of the packages of the Kwidzyn brand was finished. The first product line which debuted in the new graphical design were tinned vegetables in 400g tins and vegetables in Tetra Recart cartons with an added value of 30 per cent free.

CENOS

During the reporting period conception work on the implementation of 2 new product lines for the Cenoss brand was under way, whose launch is planned for the second quarter of 2012.

COMMUNICATION

CONSUMER

POS

The Sales Department of Dystrybucja Sp. z o.o. (former Pamapol Dystrybucja Sp. z o.o.) has been fitted out with POS materials such as: pallet skirts, price label holders and promotional tapes which are supposed to serve better communication at points of sales.

Original display stands have been prepared for the Spichlerz Rusiecki brand, whose aim is to effectively promote products at medium and large retailers and selected modern channel outlets.

TRADE MARKETING

Several trade campaigns addressed to distributors and retailers were run during the period in question. The mechanism of the above campaigns was based on giving an extra rebate and on giving out a material prize if a specific product set was bought. The most important campaigns were:

- Promotion for the retailers for Kwidzyn tinned vegetables "10+1 container gratis"
- Promotion for Sorella jams "10+1 container gratis"
- Price promotion together with pallet expositions for Kwidzyn tinned vegetables
- Price promotion for Cenoss brand products from the groat and rice category
- Promotion for the distributors concerning Pamapol prepared meals

TRADE FAIRS

The most important trade fair event in the fourth quarter of 2011 was the Anuga 2011 Food Fair in Cologne (Germany). The Pamapol Capital Group also presented its products during this largest and most prestigious food fair in the world. Over 6,500 exhibitors from 100 countries presented their products during last year's Anuga food fair. The entire fair took place at the Koelnmesse, a trade fair centre having an area of 284 thousand m², and was

attended by over 155 thousand people. During the trade fair the Pamapol Capital Group presented the entire line of products of all its brands: Pamapol, Spichlerz Rusiecki, Kwidzyn, Cenos, o'Sole, Sorella, Galaxia, as well as a wide range of activities of Mitmar in the meat sector.

The Sales Department continuously participates in regional trade fairs organised by the distributors, during which they present the Group's offer, organise food samplings and collect orders. In the fourth quarter of 2011 the Pamapol Group participated in trade fairs organised by:

- Rabat Pomorze - Gdańsk
- Rarytas – Malbork
- Tradis – Białystok
- DEF – Białystok
- Wiomar – Łomża
- Borowski – Białystok
- R&R – Kielce
- Grupa Alfa – Białka Tatrzańska
- Specjał – Rzeszów
- Mazex – Tomaszów Lub.

INTERNET

On-line services related to the Capital Group's food brands are systematically refreshed and updated. They have been developed with the brand's distributors and consumers in mind and contain information on the trade offer, current promotions and new products.

PRINTED MATTER

A joint product catalogue for all brands from the Dystrybucja Sp. z o.o. portfolio was updated during the period in question. The catalogue contains necessary trade and logistical information, visuals of the products, and constitutes a complete work tool for the sales department.

XV. Information about extraordinary events affecting the results being achieved by the Pamapol Group.

No extraordinary events affecting the results being achieved by Pamapol S.A. occurred in Q4 of 2011 and as at the moment this information was prepared.

XVI. Description of transactions with related entities.

Mutual trade settlements based on market principles are occurring between the companies from the Pamapol Group. No transactions with related entities which might have a negative impact on the financial result of each company occurred during the period covered by this information. The transactions with related entities had only a form of trade settlements. It should be pointed out that in connection with the execution of AMA's contract by Pamapol's companies, Cenos and Mitmar - deliveries of food for the poorest people to charity organisations, an agreement for sub-production was concluded between companies from the Group: Pamapol S.A. and Mitmar – Pamapol S.A. as the sub-contractor for Mitmar (product: tomato soup with rice). Information about the afore-mentioned agreement was published by the Issuer in current report No. 9 of 14 February 2011. The value of the agreement concluded between Pamapol S.A. and Mitmar is approximately PLN 10 million. Thus, sales between these companies definitely increased during 2011, this is an effect of realisation of the contract for AMA.

What is important is the fact that the Group's package supply policy has changed since mid 2011. The supply of packages to the companies from the Group was centralised. Currently, Pamapol is the central distributor of packages and subsequently a given batch of packages is resold (on market conditions) to subsidiaries – mainly vegetable companies. It must be added that vegetable companies have their own granted limits of package supply, nevertheless this does not fully satisfy their package needs. Pamapol was granted much higher package supply limits (as a long-standing and regular client) and as a result the entire Group receives the necessary number of packages. Furthermore, it must be emphasised that the centralisation of package purchase within the Group also made it possible to fully control such activities. As a result the number of transactions between the subsidiaries changed due to the change in the way the packages are distributed within the Group.

XVII. Selected financial data of the Pamapol S.A. Capital Group.

XVII.A. Selected consolidated financial data of the Pamapol Group.

An analysis of selected consolidated data of the Pamapol Group is presented in this sub-chapter.

XVII.A.A. Consolidated revenues from sales.

The consolidated revenues from sale of products, goods and materials of the Pamapol Group for Q4 of 2011 amounted to PLN 162 million (growth by 13 per cent from year to year), including:

- revenues from sale of products and services - PLN 143 million, which accounts for 88 per cent of total revenues, growth in revenues in this category by 21 per cent from year to year,

- revenues from sale of goods and materials - PLN 19 million, which accounts for 12 per cent of total revenues, drop in revenues in this category by 24 per cent from year to year,

The consolidated revenues from sale of products, goods and materials of the Pamapol Group cumulatively for Q1-Q4 of 2011 amounted to PLN 661 million (growth by 20 per cent from year to year), including:

- revenues from sale of products and services - PLN 527 million, which accounts for 80 per cent of total revenues, growth in revenues in this category by 20 per cent from year to year,
- revenues from sale of goods and materials - PLN 135 million, which accounts for 20 per cent of total revenues, drop in revenues in this category by 22 per cent from year to year,

The following companies have an impact on the consolidated revenues from sale of products and materials of the Pamapol S.A. Group:

1. Pamapol S.A.
2. WZPOW Kwidzyn Sp. z o.o.
3. ZPOW Ziębice Sp. z o.o.
4. Mitmar Sp. z o.o.
5. Cenoss Sp. z o.o.
6. Dystrybucja Sp. z o.o.

On 28 June 2011, the Issuer disposed of Pamapol Logistic and, therefore, the cumulative sales data include revenues of Pamapol Logistic up to the moment the sales transaction was concluded.

The revenues from sale of products and services include basic products found in the offer of each individual company from the Group, which are presented in detail in sub-chapters concerning an analysis of revenues from sales of each individual company from the Group, whereas revenues from sale of services include five basic services:

- storage services at freezing and refrigerated storage facilities (Mitmar)
- rental services (Pamapol)
- transportation services – Mitmar
- pool services – Cenoss has a Water Park

Revenues from sale of goods and materials are broken down into four basic groups:

- revenues from sale of prepared products manufactured by other manufacturers (cucumbers, sweet peppers, beet, horseradish, cabbage, stewed fruit, mustards, vegetable salads) and then sold by Pamapol's sales department,
- revenues from sale of packages (sale of Pamapol's goods),
- revenues from sale of seed to the growers by WZPOW Kwidzyn and ZPOW Ziębice,
- revenues from the sale of meat (sale of goods by Mitmar).

Exceptionally, in 2011 revenues from the sale of goods and materials include revenues generated by Pamapol, Cenoss and Mitmar from the sale of barley they received for the execution of the contract with the Agricultural Market Agency. As at the day this information was drawn up the companies fully reconciled the receipt of barley from the AMR's intervention warehouses.

Seasonability of sales

Sales of Pamapol S.A. as well as its production companies is characterised by seasonability. At Pamapol S.A. the months in which the highest sales are observed are June, July and August, whereas lower sales are observed during the first quarter, however, the difference between the best and the worst quarter does not exceed 25 per cent. On the other hand, at WZPOW Kwidzyn and ZPOW Ziębice the lowest sales are observed in the summer months, and the sales culmination occurs before Christmas and Easter. The difference in sales between the best and the worst quarter amounted to as much as 50 per cent in both cases.

Seasonability is significantly lower at other companies from the Capital Group. Increased sales at Mitmar and Cenoss can be observed during the pre-holiday periods. Moreover, Cenoss observes increased sales of edible salt in the summer months and of road salt in the winter months.

Table 1

Consolidated revenues from sales broken down by product line groups on a quarterly basis from year to year

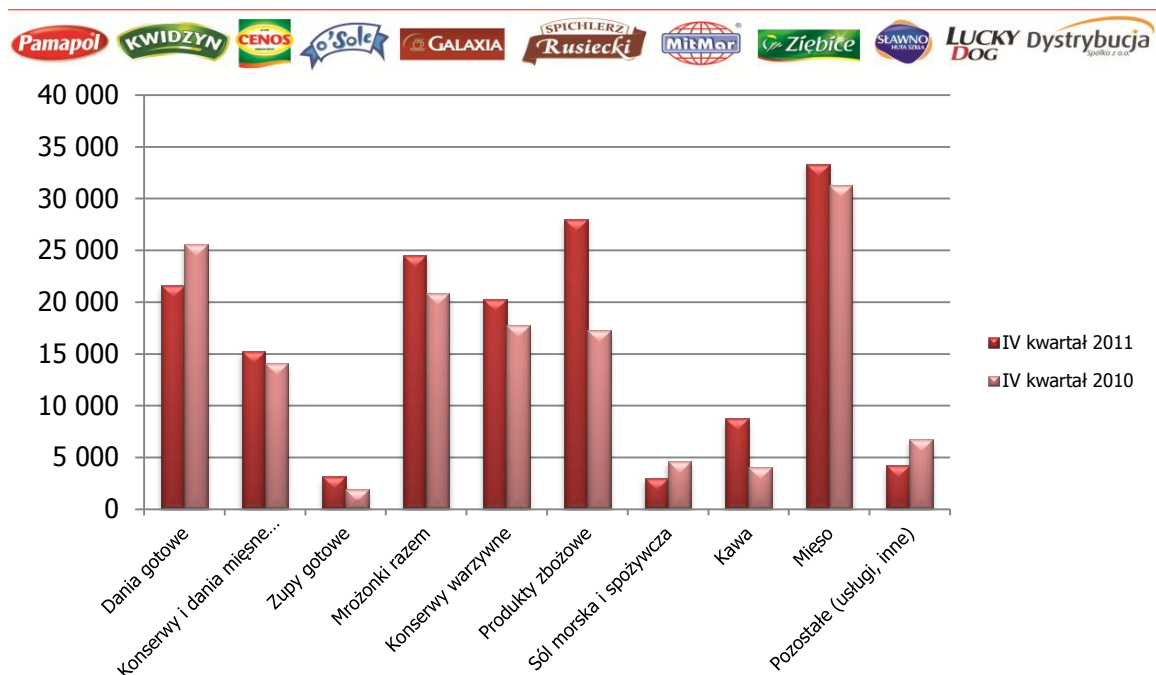
Data in thousands of PLN

Product categories	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year	Nominal change year/year
Prepared meals	21 593	13%	25 548	18%	-15%	-3 955
Tinned food and meat dishes (including pâtés)	15 240	9%	14 083	10%	8%	1 157
Prepared soups	3 153	2%	1 880	1%	68%	1 273
Total frozen foods	24 526	15%	20 841	14%	18%	3 685
including:						
Frozen foods - bulk (export + domestic)	7 844	5%	8 453	6%	-7%	-608
Frozen foods - preparation (export + domestic)	16 681	10%	12 388	9%	35%	4 293
Tinned vegetables	20 309	13%	17 763	12%	14%	2 546
Grain products	28 045	17%	17 265	12%	62%	10 780
Sea and table salt	3 032	2%	4 602	3%	-34%	-1 570
Coffee	8 759	5%	4 034	3%	117%	4 725
Meat	33 340	21%	31 289	22%	7%	2 051
Other (services, other)	4 240	3%	6 705	5%	-37%	-2 466
<i>including: barley sales</i>	<i>2</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>-</i>	<i>-</i>
TOTAL	162 237	100%	144 011	100%	13%	18 226

Figure 1

Consolidated revenues from sales broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Dania gotowe – Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

Zupy gotowe – Prepared soups

Mrożonki razem – Total frozen foods

Konserwy warzywne – Tinned vegetables

Produkty zbożowe – Grain products

Sól morską i spożywcza – Sea and table salt

Kawa – Coffee

Mięso – Meat

Pozostałe (usługi, inne) – Other (services, other)

Table 2

Consolidated revenues from sales broken down by product line groups on cumulative basis from year to year

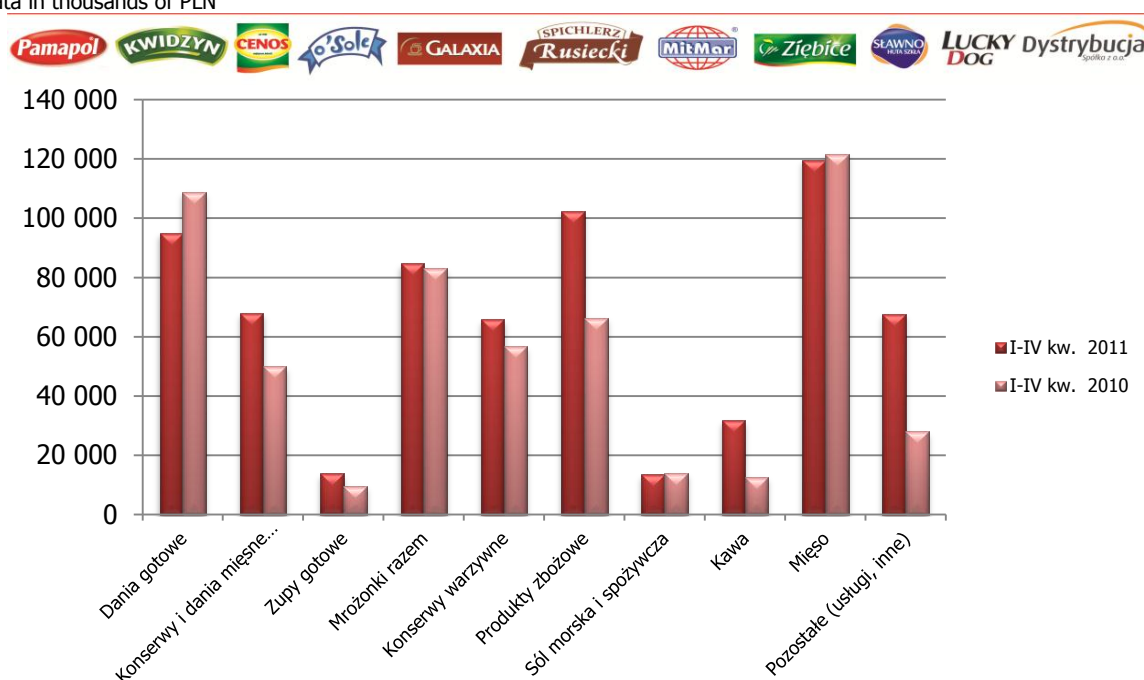
Data in thousands of PLN

Product categories	Q1-Q4 2011	Share in the given category	Q1-Q4 2010	Share in the given category	per cent change cumulatively year/year	Nominal change year/year
Prepared meals	94 961	14%	108 748	20%	-13%	-13 787
Tinned food and meat dishes (including pâtés)	68 022	10%	49 972	9%	36%	18 050
Prepared soups	13 735	2%	9 553	2%	44%	4 182
Total frozen foods	84 698	13%	83 175	15%	2%	1 523
including:						
Frozen foods - bulk (export + domestic)	35 298	5%	35 060	6%	1%	238
Frozen foods - preparation (export + domestic)	49 400	7%	48 115	9%	3%	1 285
Tinned vegetables	65 680	10%	56 744	10%	16%	8 936

Grain products	102 253	15%	66 358	12%	54%	35 895
Sea and table salt	13 373	2%	13 976	3%	-4%	-603
Coffee	31 754	5%	12 591	2%	152%	19 164
Meat	119 586	18%	121 717	22%	-2%	-2 131
Other (services, other)	67 691	10%	27 864	5%	143%	39 827
<i>including: barley sales</i>	<i>42 457</i>		<i>0</i>			
TOTAL	661 754	100%	550 697	100%	20%	111 057

Figure 2
Consolidated revenues from sales broken down by product line groups on cumulative basis from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Dania gotowe – Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

Zupy gotowe – Prepared soups

Mrożonki razem – Total frozen foods

Konserwy warzywne – Tinned vegetables

Produkty zbożowe – Grain products

Sól morską i spożywczą – Sea and table salt

Kawa – Coffee

Mięso – Meat

Pozostałe (usługi, inne) – Other (services, other)

The main product lines in the structure of the product portfolio are prepared meals, frozen vegetables, meat and grain products. For the first time the latter category is listed among main product lines having greatest share in sales. During the fourth quarter of 2011 the vegetable segment is the Group's main segment (frozen vegetables + tinned

vegetables). The Management Board intends to continue focusing strongly on the growth of sales in this line group because this market is characterised by the highest growth potential. Additionally, Pamapol's segment (prepared meals + tinned vegetables + prepared soups) and the dried products segment will have similar figures. Cumulatively for four quarters of 2011 the Pamapol segment constitutes the main source of revenues from sales, whereas vegetables constitute the second segment in the Group. Higher sales achieved in the fourth quarter of 2011 in the vegetables segment are associated with sales seasonability, where high sales volumes are observed in the vegetables group (pre-Christmas season and limited availability of fresh vegetables on the market), whereas for Pamapol S.A. this is a period of lower buying activity of the consumers. The position "other revenues from sales" includes sale of barley made in 2011, whereas barley sales did not have an impact on the value of revenues in the fourth quarter of 2011 because Pamapol, Mitmar and Cenoss picked up all the barley from the EU's intervention warehouses by the end of the third quarter of 2011. As at the balance sheet date the value of revenues from the sale of barley amounted to PLN 42,457,000.00. It should be pointed out that the companies disclosed revenues from the sale of barley in accordance with the value of the batch of barley picked up every month – the pickup timetable has been agreed with the AMA and upon conclusion of the barley sales agreements with their counterparties the companies adjusted the agreements to the terms and conditions of the agreement with AMA (barley pickup timetables). In accordance with the agreement with the Agricultural Market Agency the companies were obliged to pick up all the barley by the end of August 2011, whereas deliveries of products to charity organisations were made until the end of December 2011.

In connection with the sale of shares in Pamapol – Logistic by Pamapol S.A. in Q3 of 2011 and during future reporting periods revenues of that Company will not be disclosed under the Group's revenues. That company's revenues had a very low share in overall revenues of the Pamapol Group.

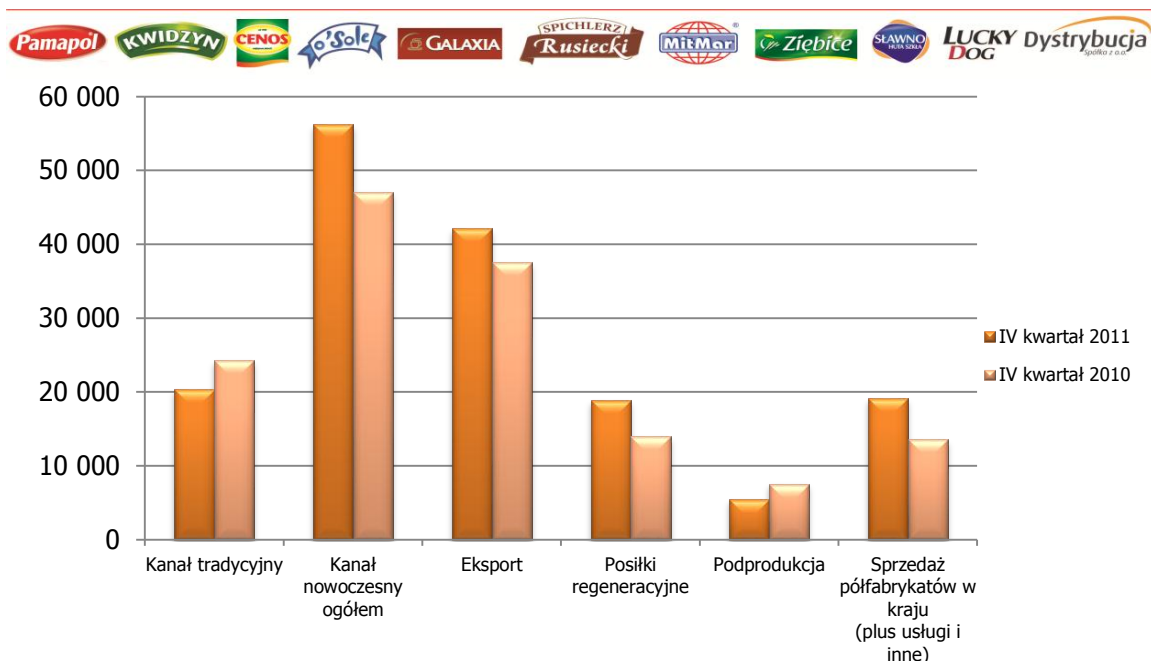
Table 3
Consolidated revenues from sales broken down by distribution channels on a quarterly basis from year to year

Data in thousands of PLN

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year	Nominal change year/year
Traditional channel	20 369	13%	24 315	17%	-16%	-3 946
Modern channel in total	56 236	35%	47 087	33%	19%	9 150
including brands of the Pamapol Group	12 672	8%	13 203	9%	-4%	-530
chain's own brands	43 564	27%	33 884	24%	29%	9 680
Export	42 148	26%	37 584	26%	12%	4 564
including meat export	17 213	11%	15 119	10%	14%	2 093
Energy meals	18 861	12%	13 940	10%	35%	4 921
Sub-production	5 467	3%	7 550	5%	-28%	-2 083
Sale of half-products on domestic market (plus services and other)	19 156	12%	13 535	9%	42%	5 620
<i>including: barley sales</i>	<i>2</i>	<i>0%</i>	<i>0</i>	<i>0%</i>		
Total sales	162 237	100%	144 011	100%	13%	18 226

Figure 3
Consolidated revenues from sales broken down by distribution channels on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Podprodukcja – Sub-production

Sprzedaż półfabrykatów w kraju (plus usługi i inne) – Sale of half-products on domestic market (plus services and other)

Table 4

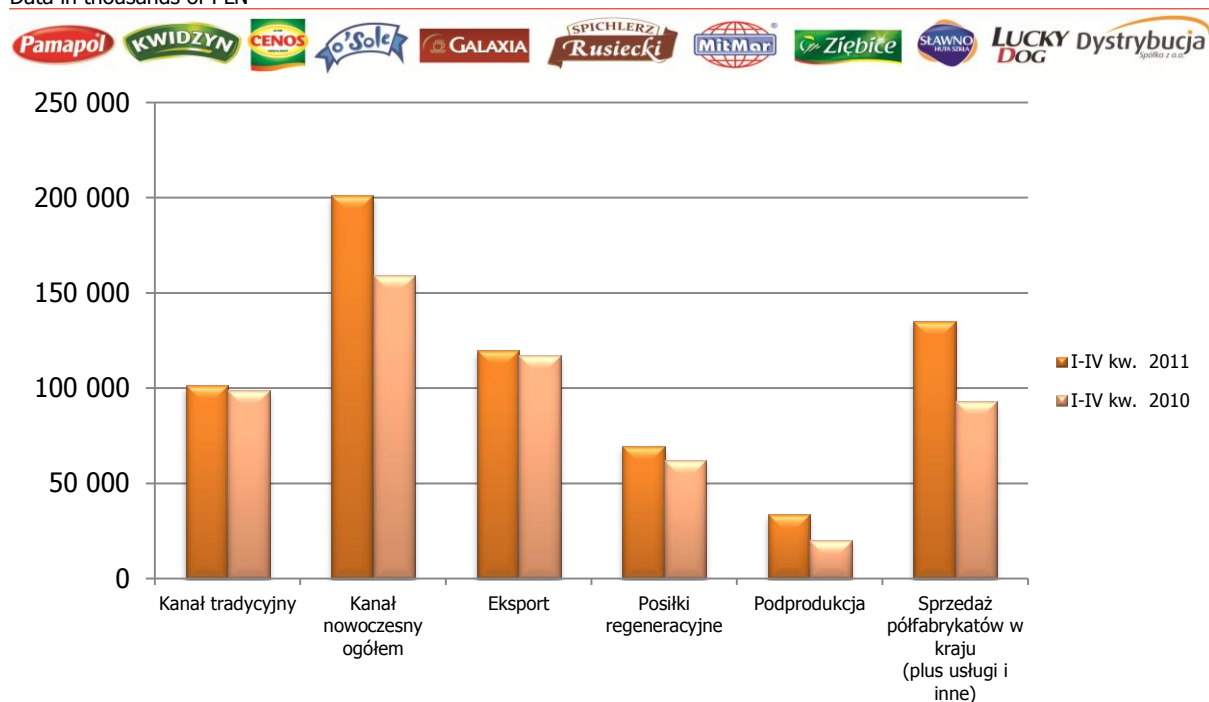
Consolidated revenues from sales broken down by distribution channels cumulatively from year to year

Data in thousands of PLN

	Q1-Q4 2011	Share in the given category	Q1-Q4 2010	Share in the given category	per cent change cumulatively year/year	Nominal change year/year
Traditional channel	101 466	15%	98 884	18%	3%	2 582
Modern channel in total	201 509	30%	159 440	29%	26%	42 069
including brands of the Pamapol Group	47 150	7%	46 442	8%	2%	709
chain's own brands	154 359	23%	112 999	21%	37%	41 360
Export	119 875	18%	117 216	21%	2%	2 659
including meat export	53 597	8%	50 296	9%	7%	3 302
Energy meals	69 724	11%	62 210	11%	12%	7 514
Sub-production	33 876	5%	19 841	4%	71%	14 035
Sale of half-products on domestic market (plus services and other)	135 304	20%	93 106	17%	45%	42 198
<i>including: barley sales</i>	<i>42 457</i>		<i>0</i>			
Total sales	661 754	100%	550 697	100%	20%	111 057

Figure 4
Consolidated revenues from sales broken down by distribution channels
cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Podprodukcja – Sub-production

Sprzedaż półfabrykatów w kraju (plus usługi i inne) – Sale of half-products on domestic market (plus services and other)

The largest sales volumes in the Pamapol Group are being achieved by four distribution channels: modern, traditional, "sale of semi-products on the domestic market" and export. Sales are growing the fastest in the modern and semi-product channels - in the Management Board's opinion these distribution channels currently have the largest potential. The vegetable companies contribute the strongest in semi-production. Thanks to the shift of some of sales of the channel "Production mandated by other manufacturers" the vegetable companies changed the production profile at the plants which made it possible to optimise the production capabilities. Revenues from barley sales are included in the sale of half-products on domestic market. If we adjusted the turnover achieved in this group by the total value of barley sales, then a drop in sales in this channel would be observed cumulatively from year to year. The Management Board would like to point out that a drop in the Group's sales from year to year can be expected. During the period from 2009 to 2011 the Group's companies were executing large contracts with the Agricultural Market Agency, which had a significant impact on the dynamic growth of the sales volume in the Group – in 2011 the value of revenues was additionally overstated by barley sales. This does not mean that participation in similar tenders had been abandoned, although uncertainty exists as regards future tenders announced by the Agricultural Market Agency.

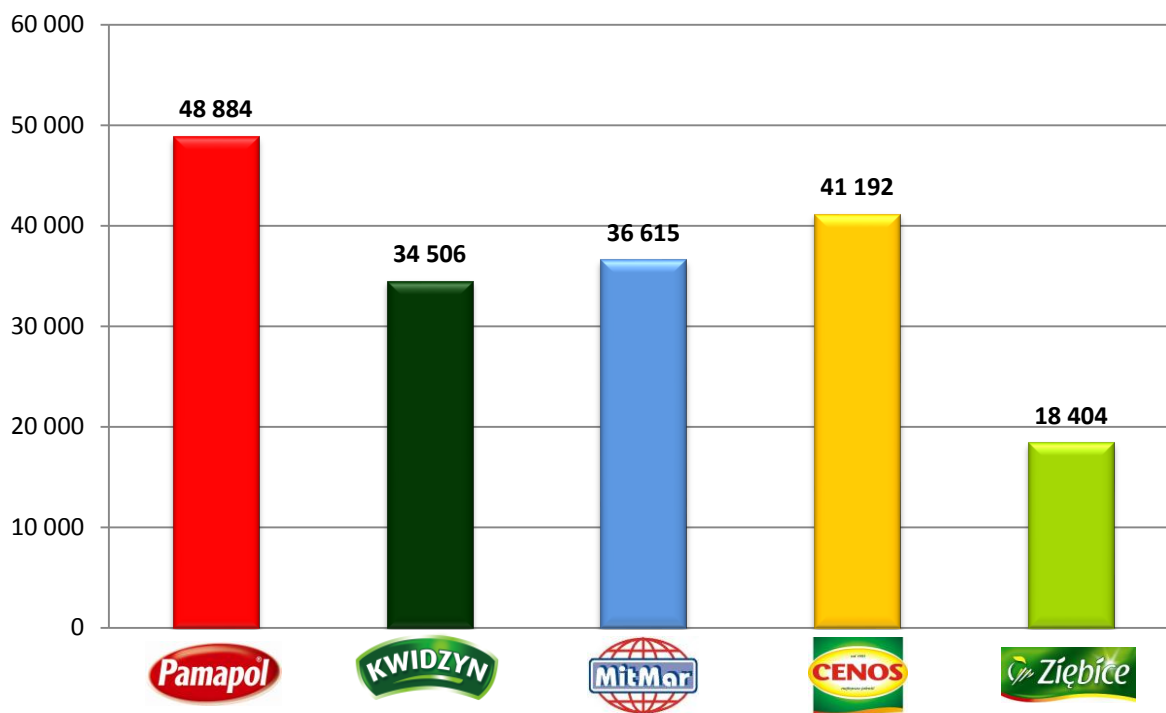
XVII.A.B. Revenues from sales of individual companies from the Pamapol Group and their impact on the consolidated revenues.

An analysis of revenues from sales of each subsidiary, together with an analysis of their impact on the Group's consolidated revenues, will be presented in this sub-chapter. Dystrybucja provides trade intermediation services to companies from the Group, therefore, the largest part of sales generated by the Company is carried out within the Group and is subject to exclusion. Considering the above, the results of Dystrybucja will not be presented in the present analysis of revenues since they have very little effect on consolidated revenues of the Pamapol Group. Moreover, the Management Board would like to remind you that as a result of the sale of Pamapol- Logistic the revenues of this Company generated until its sale will not be presented in the present analysis of revenues. (transaction date: 28 June 2011)

It should be pointed out that barley sales made by Pamapol, Cenoss and Mitmar, which was reconciled under revenue until the end of August 2011, were a one-off transaction. To show the Companies' revenues associated with their main activity, the data will be presented separately taking into account the barley sales and separately without taking into account barley sales. As was mentioned above, reconciliation of barley sales was taking place until the end of August 2011, which means that Pamapol, Cenoss and Mitmar did not disclose the result on barley sales during the fourth quarter, and for that reason there is no need to present appropriately adjusted sales figures for that period.

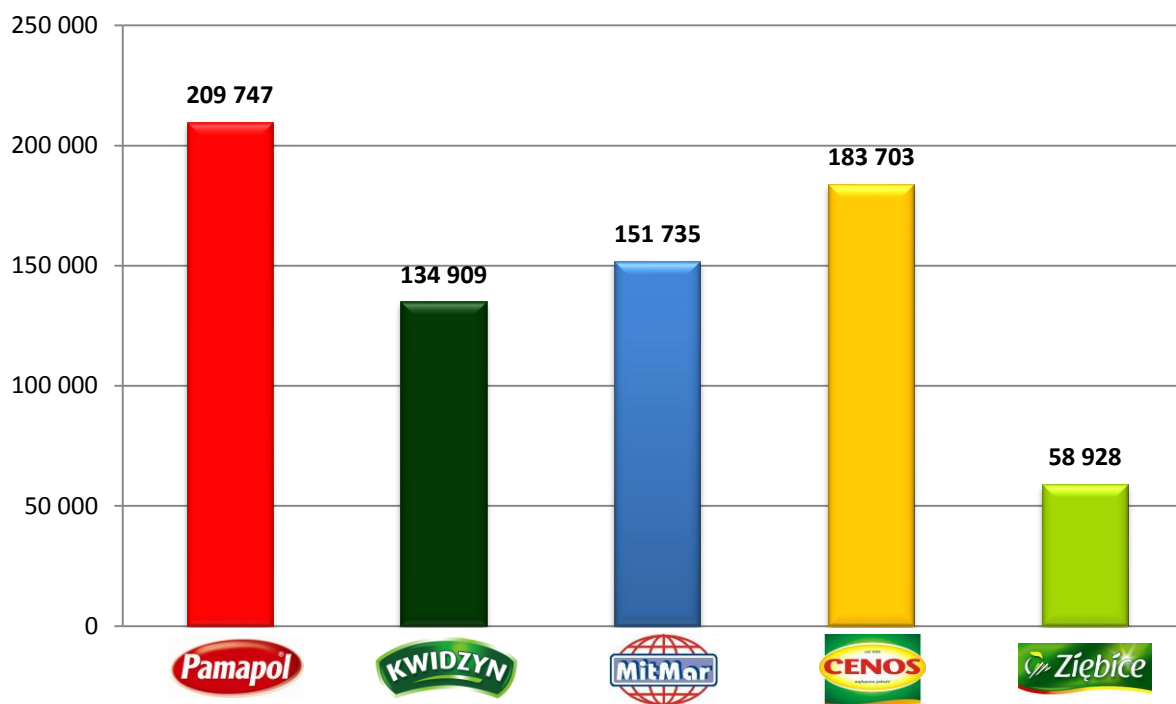
Figure 5 Revenues from sales of individual companies from the Pamapol Group
Data in thousands of PLN

Q4 of 2011



Q1-Q4 of 2011

(including revenues from barley sales by Cenoss, Pamapol and Mitmar)



The value of the revenues takes into account barley sales made by: Pamapol in the amount of PLN 7.3 million; Mitmar PLN 9.9 million; Cenoss PLN 30.2 million

(without revenues from barley sales)

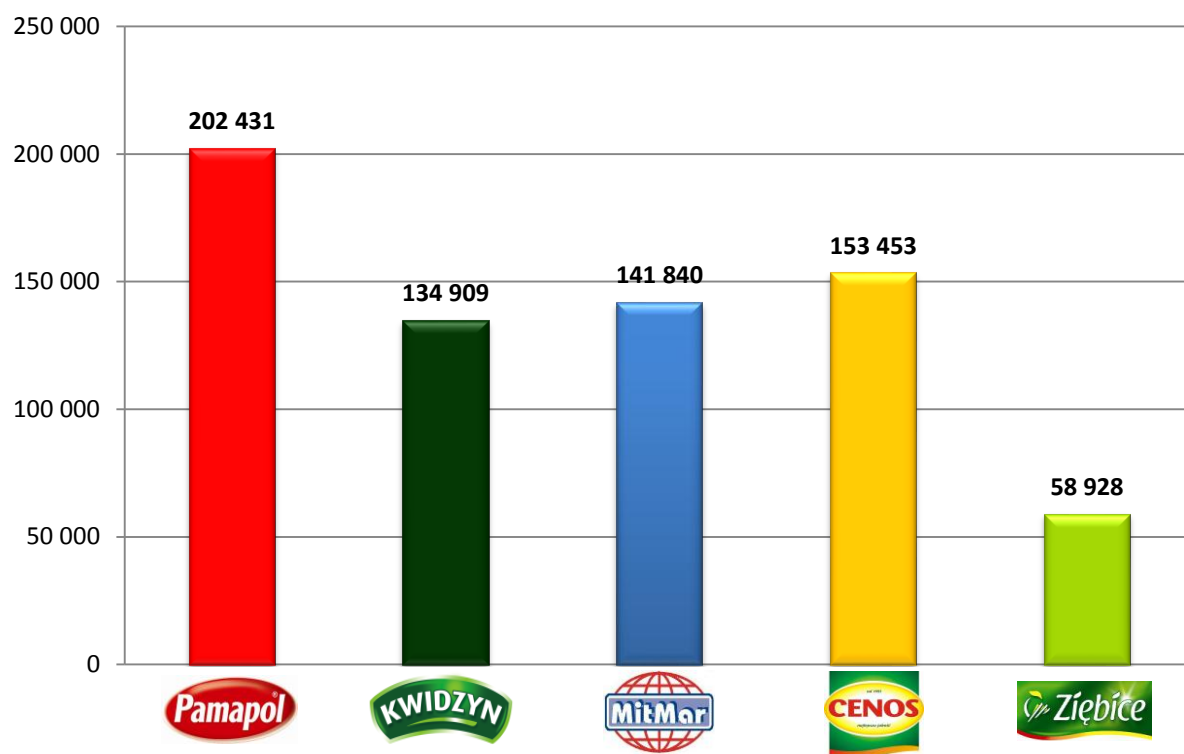


Table 5

Total revenues from sales of companies from the Pamapol Group

Data in thousands of PLN

Total revenues from sales			
	Q4 2011	Q4 2010	Change year/year
Pamapol S.A.	48 884	45 643	7%
WZPOW Kwidzyn	34 506	38 860	-11%
ZPOW Ziębice	18 404	11 574	59%
Mitmar	36 615	33 757	8%
Cenos	41 192	32 866	25%

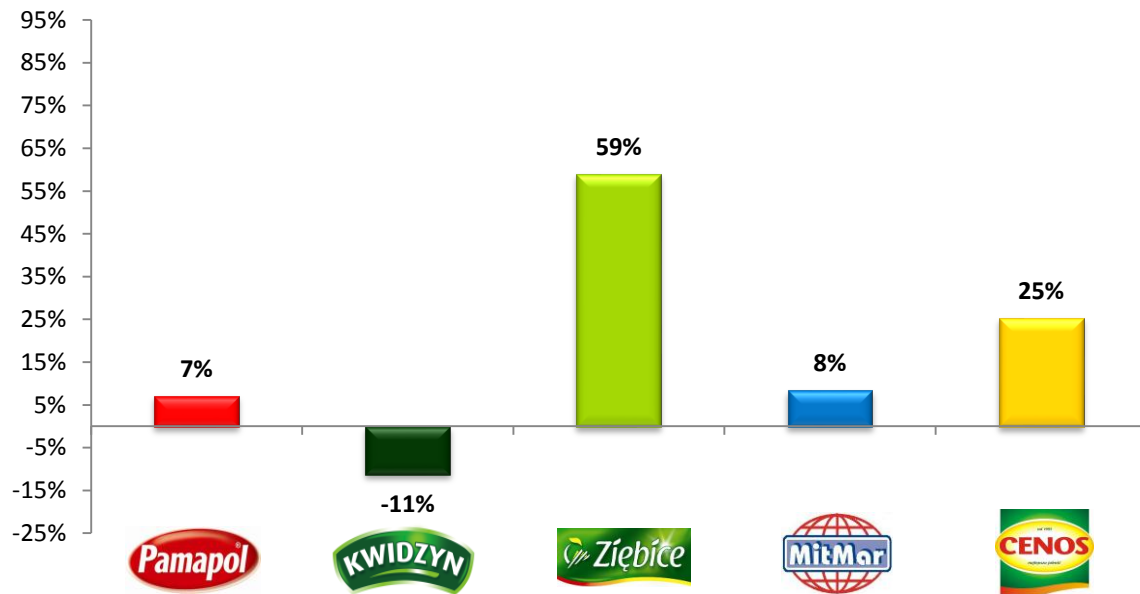
Total revenues from sales (including barley sales)			
	Q1-Q4 2011	Q1-Q4 2010	Change year/year
Pamapol S.A.	209 747	197 251	6%
WZPOW Kwidzyn	134 909	139 424	-3,2%
ZPOW Ziębice	58 928	43 404	36%
Mitmar	151 735	129 943	17%
Cenos	183 703	123 076	49%

Total revenues from sales (without barley sales)			
	Q1-Q4 2011	Q1-Q4 2010	Change year/year
Pamapol S.A.	202 431	197 251	3%
WZPOW Kwidzyn	134 909	139 424	-3%
ZPOW Ziębice	58 928	43 404	36%
Mitmar	141 840	129 943	9%
Cenos	153 453	123 076	25%

Figure 6

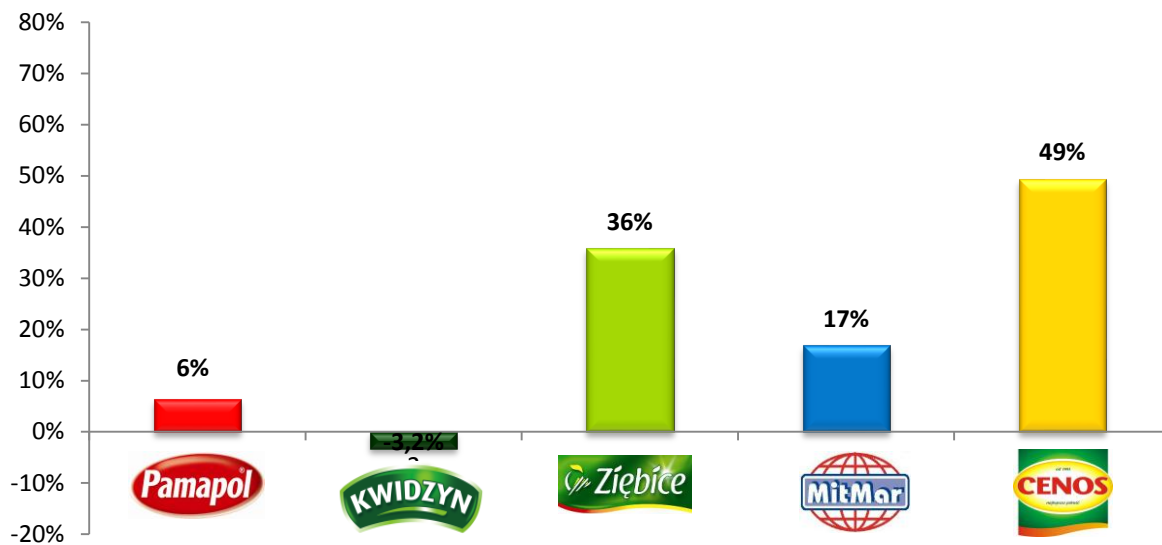
Percentage growth of total sales achieved by companies from the Pamapol Group

Q4 of 2011



Q1-Q4 of 2011

(including revenues from barley sales by Cenoss, Pamapol and Mitmar)



(without revenues from barley sales)

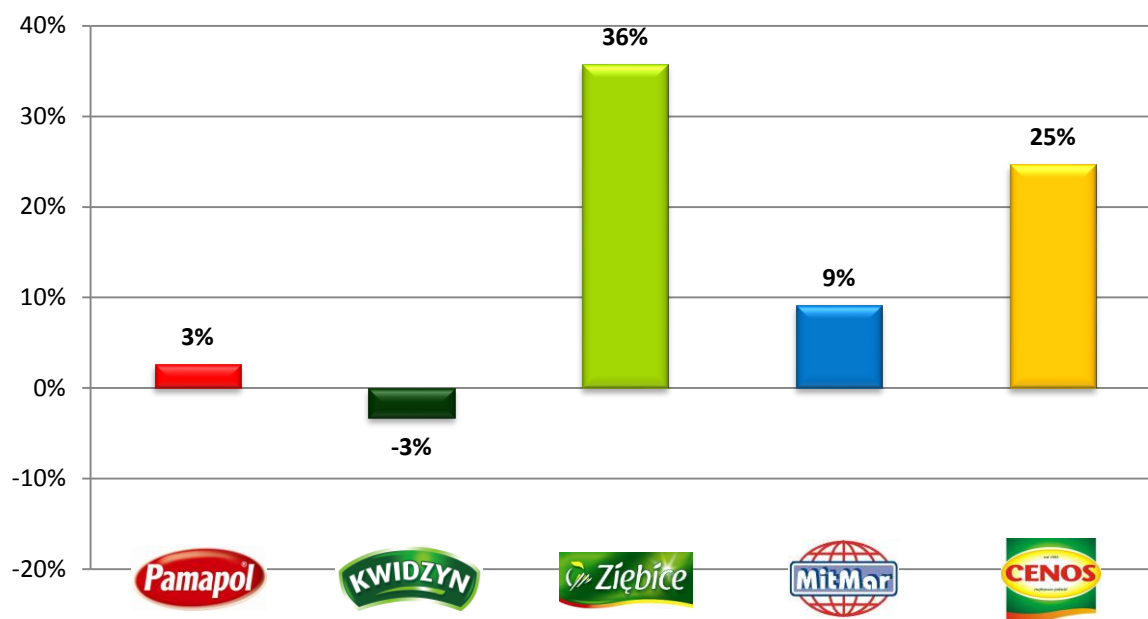
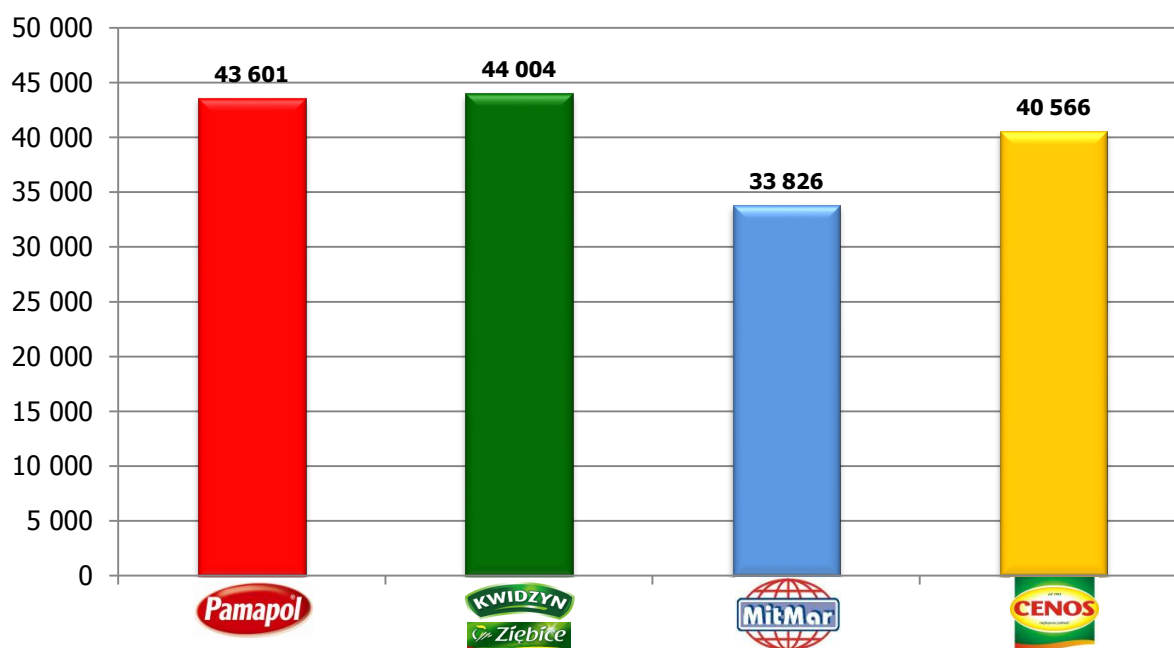
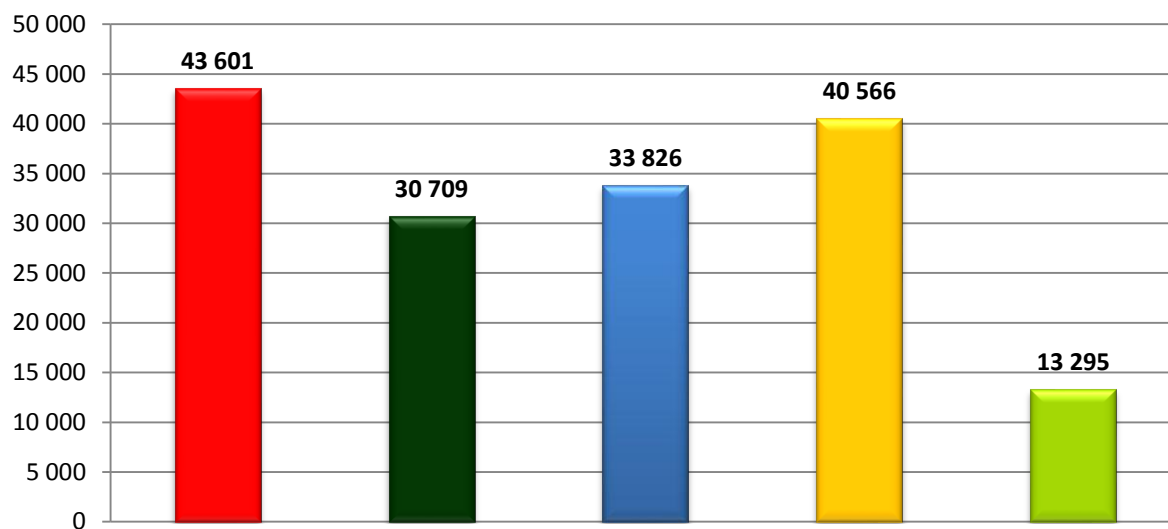
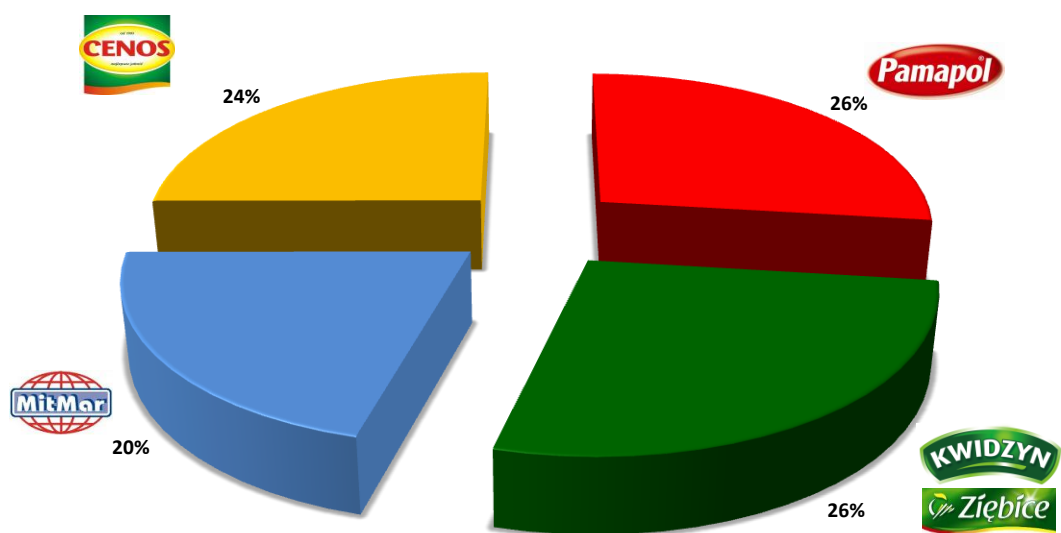
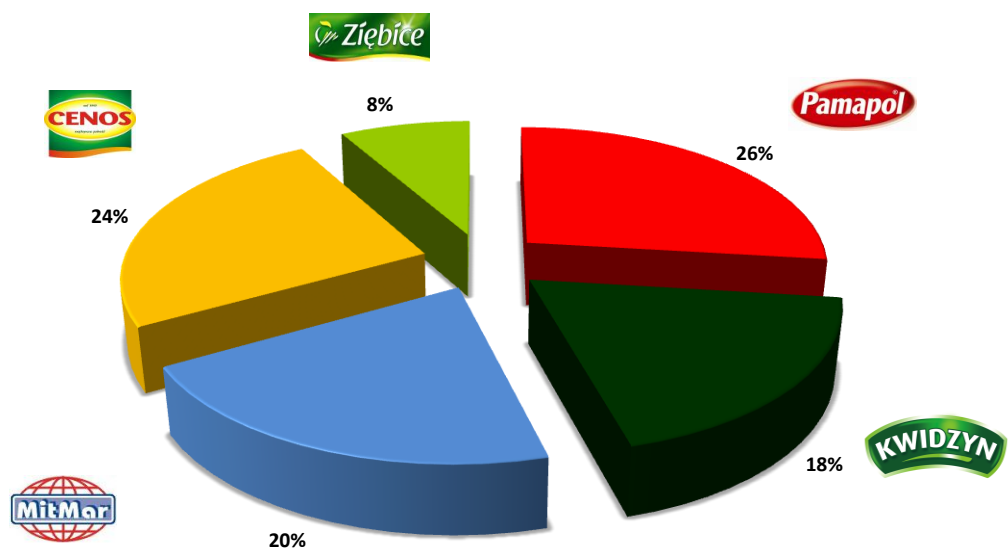


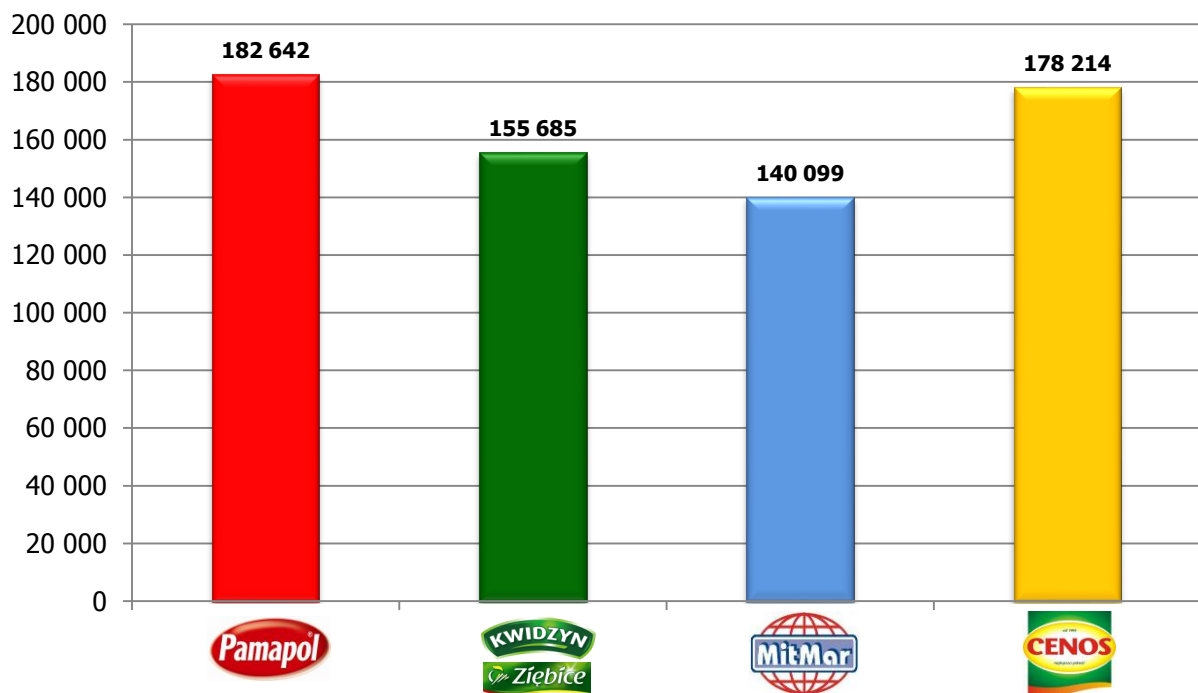
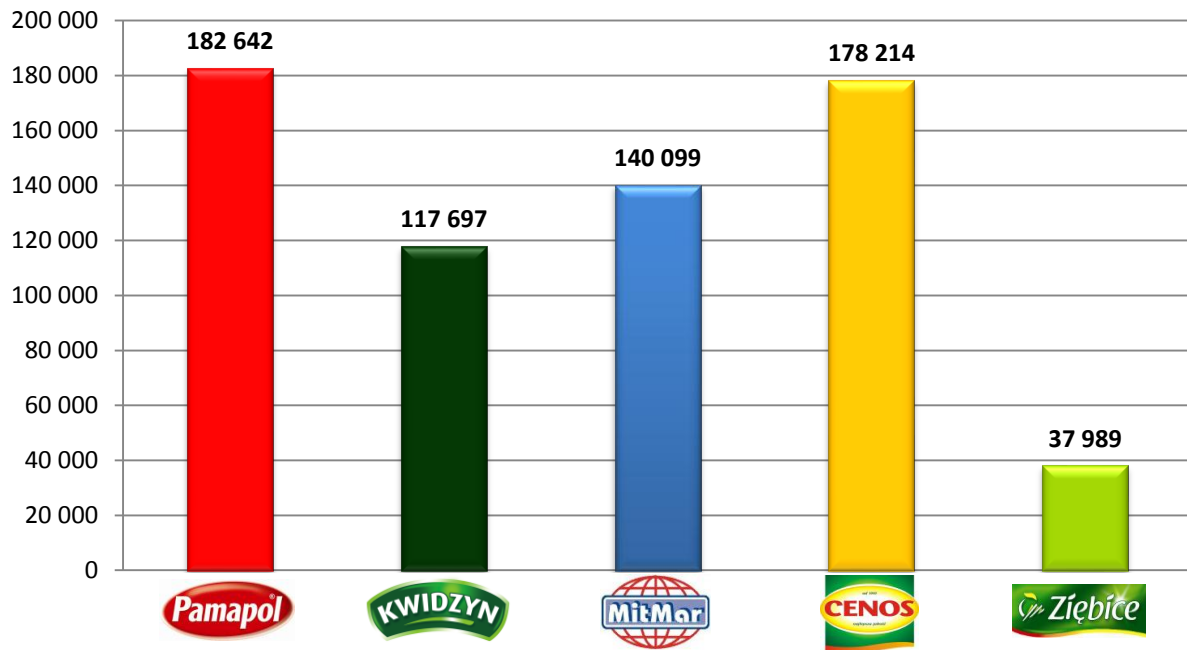
Figure 7

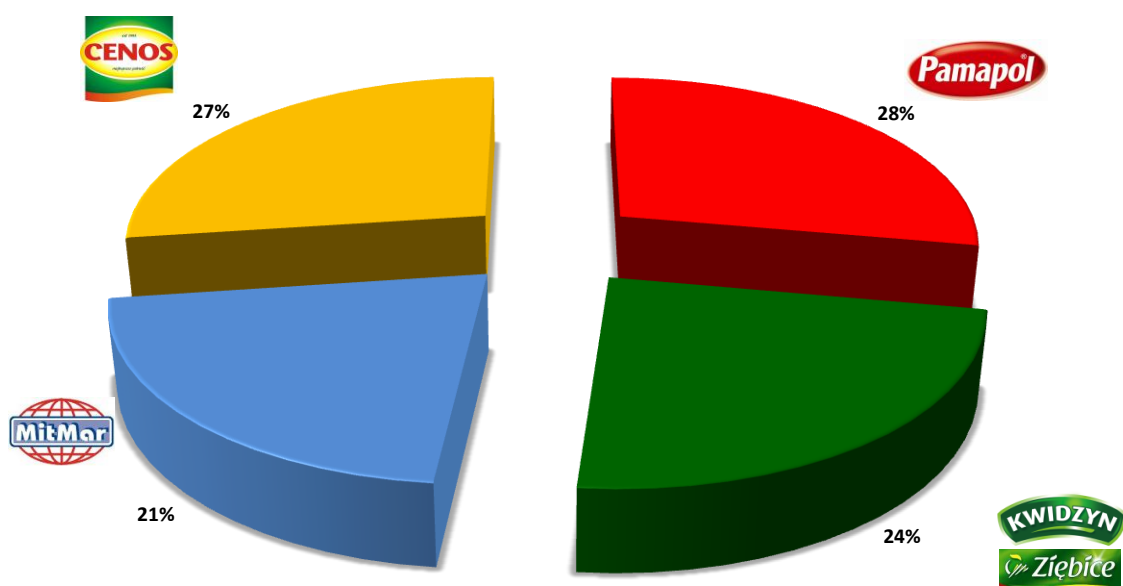
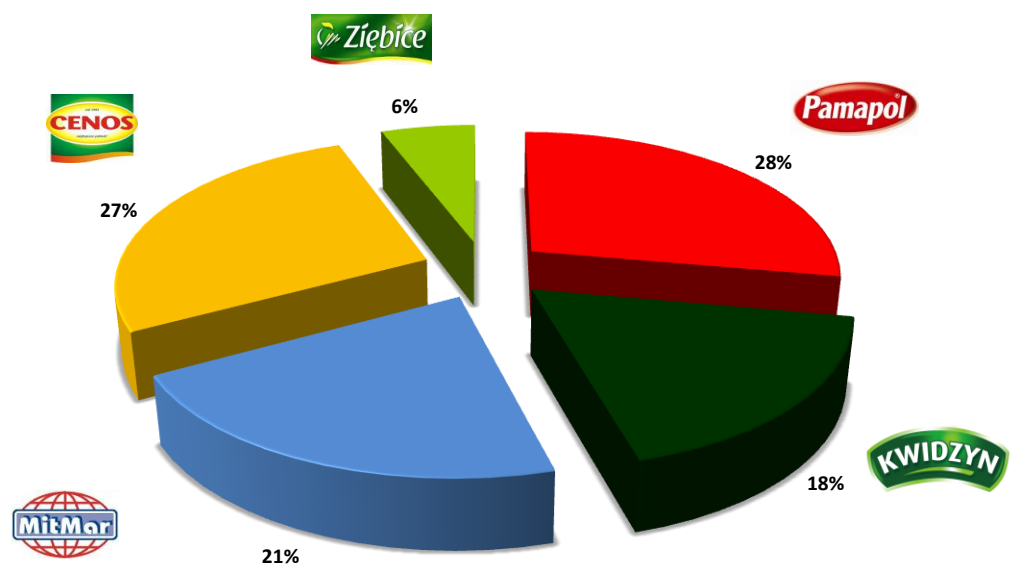
Contribution of each individual company from the Pamapol Group in the consolidated revenues from sales
Q4 of 2011





Q1-Q4 of 2011





XVII.A.C. Selected items of the statement of income of the Pamapol Group.

Table 6

Selected items of the statement of income of the Pamapol Group

STATEMENT OF INCOME	CUMULATIVELY		Quarterly	
	Q1-Q4 2011	Q1-Q4 2010	Q4 2011	Q4 2010
Revenues from sales	661 754	550 697	162 237	144 010
Revenues from sale of products and services	526 692	439 738	142 703	118 344
Revenues from sale of goods and materials	135 062	110 959	19 534	25 666
Own cost of sales (cost of products, services, goods and materials sold)	554 570	447 298	138 297	119 701
Own cost of products and services sold	433 125	348 751	122 155	96 689
Cost of goods and materials sold	121 445	98 547	16 142	23 012
Gross profit (loss) on sales	107 184	103 399	23 940	24 309
Selling costs	64 873	57 859	17 712	16 681
General and administrative costs	35 719	33 251	9 751	9 072
Profit on sales	6 592	12 289	-3 523	-1 444
Other operating revenues	16 884	12 646	8 136	5 672
Other operating costs	10 684	10 840	5 398	2 767
Profit (loss) on sale of subsidiaries (+/-)	741		0	0
Profit (loss) on operating activities	13 533	14 095	-785	1 461
Financial revenues	2 774	3 196	2 102	2 122
Financial costs	15 666	11 323	4 799	3 233
Share in profit (loss) of entities valued using an equity method (+/-)			0	0
Profit (loss) before tax	641	5 968	-3 482	350
Income tax	1 452	2 943	-301	365
Net profit (loss) on continued business	-811	3 025	-3 181	-15
Abandoned activities			0	0
Net profit (loss) on abandoned business			0	0
Net profit (loss)	-811	3 025	-3 181	-15
- including minority's net profit (loss)	-157	-68	-43	-28
- including shareholders' net profit (loss)	-654	3 093	-3 138	13

Cumulatively for four quarters of 2011 total revenues exceeded PLN 661 million and increased by 20 per cent in comparison to an analogous period of the preceding year. On a quarterly basis year to year total revenues from sales increased by 13 per cent. The cumulative value of revenues is overstated by PLN 42 million generated by sale of barley acquired for executing the contract with the Agricultural Market Agency. In the analysed periods, i.e. cumulatively and on a quarterly basis year to year, the growth of manufacturing costs is noticeable. These costs growth faster than sales generated in the Group. High production costs finally contributed to the decrease of the gross profit margin on sales cumulatively and on a quarterly basis.

ON THE CONSOLIDATED LEVEL	Q1-Q4 2011	Q1-Q4 2010	Q4 2011	Q4 2010
Gross margin on sales	16%	19%	15%	17%
Gross margin on sale of products	18%	21%	14%	18%
Gross margin on sale of goods	10%	11%	17%	10%

There are a number of factors which contribute to the decrease in the profitability of sales of the Group:

1. Pamapol has currently found itself in an unfavourable market environment due to the changing prices of the raw production materials – the highest price hikes can be observed in the meat category, a small price hike can also be noticed in the vegetables and seasonings category although their impact on the product's value is lower; another category are packages (jars, tins, lids), whose price depends on the euro exchange rate fluctuations (in the reporting period the increase of the euro exchange rate was noticeable). What is important is the fact that the Management Board noticed the price movements on the raw material market and implemented gradual corrections in the Company's price list to level out the hikes in the raw material segment. However, by the end of the third quarter of 2011 fluctuations on the raw material market were on a relatively acceptable level. After the third quarter of 2011 a sudden and significant increase in the prices occurred in a very short time - this situation was observed mainly on the meat market, but this raw material supply base is very important to the Company.
2. Cenos (just like Pamapol) suffered from the situation on the raw material market – prevailing high prices of grain, coffee and rice. Additionally the Company purchases raw materials for euros and dollars whose exchange rates increased in the reporting period. Cenos is the only company from the Group which does not conduct sales in the export channel, therefore, does not generate currency revenues.
3. Vegetable companies – despite increased profitability of sales on standalone levels, they have great impact on consolidated results of the Group and still have to deal with high costs of production. Both companies incur high costs of purchasing metal and glass packages, where the sale of metal packages is carried out in euro and the price of glass packages depends on the current euro exchange rate, therefore, it is subject to the same fluctuations. Prices of raw production materials also increased. Some vegetables are contracted in vegetable companies at fixed prices, but the rest is purchased at current market prices – as compared to the previous year the prices of vegetables increased noticeably. Additionally some vegetables and spices (used in vegetable mixes) is purchased in euro.

In each company separate actions are taken to improve profitability of sales. They consist in:

- changing the production profile to improve the plant's capacity;
- continuing (in Cenos) the execution of short-term sales contracts while at the same time securing the quantity and price of the raw production material as well as currencies for a given contract;
- if necessary the Management Board of the Group cannot exclude further price increases for its products;
- analysing and adjusting the Company's product portfolio and withdrawing low-profitability products and poorly rotating product lines.

As regards vegetable companies, it should be pointed out that repair work has been divided into two stages. First, restructuring activities were undertaken at ZPOW Ziębice, and these same activities will then be undertaken at WZPOW Kwidzyn.

Since ZPOW Ziębice is a smaller production plant, positive effects of the solutions applied can be observed faster. Should negative effects be observed, it is possible to make a quick adjustment to correct potential errors. Thanks to such solutions potential errors will not have a significant impact on the Group's results.

The increase in the selling costs is naturally associated with the increase of sales and the necessity to incur higher bonus costs. Additionally, in 2011 Mitmar carried out an intervention purchase of a raw meat material, which was made for its own and for Pamapol S.A.'s needs. On this account the Company bore higher costs of transportation during that period in connection with the purchase. Meanwhile, Cenos used a portion of the barley

which it received for executing the contract with AMA for processing at its own plant – this also resulted in the need to bear higher costs of transportation during that period.

The general and administrative costs remained at a relatively stable level and their share in the total revenues structure did not change.

The EBITDA during the fourth quarter of 2011 was PLN 3.7 million and dropped in comparison to the fourth quarter of 2010 from PLN 6.1 million. As at the reporting day EBITDA increased cumulatively to PLN 32.2 million and decreased from PLN 33.2 million for an analogous period of the preceding year. The EBITDA ratio on a cumulative basis was 5 per cent in 2011 and dropped by 1 percentage point, while on a quarterly basis the EBITDA margin decreased from 4 per cent (Q4 2010) to 2 per cent (Q4 2011). It must be emphasised, however, that the level of revenue to which the EBITDA refers is overstated in 2011 by the revenues from the sale of barley.

The financial costs increased from year to year, among other things, as a result of a change in the interest rates, due to higher indebtedness related to factoring in the Group, and negative exchange rate differences.

In the end the Group achieved a negative net result in the fourth quarter of 2011 in the amount minus PLN 3.1 million, and cumulatively, minus PLN 0.8 million. The results worsened with respect to the preceding year.

In summary:

As was mentioned above, the raw material markets have the strongest impact on the Group's results. The biggest "challenge" in virtually all companies is to reduce the manufacturing costs and to improve the gross sales margin. The Group operates in an unfavourable raw market environment, the prices of vegetables are higher with respect to the preceding year – this applies to some of the vegetables which have not been contracted at a previously set price. A constant increase in the prices on the meat market can be observed (having the strongest impact on Pamapol S.A.), mainly meat used in production at processing plants. However, as far as the package market is concerned, the prices are subject to the same fluctuations as the euro exchange rate since metal packages are purchased in this currency and the price of glass packages depends on the current euro exchange rate. Prices on the coffee and rice market increased strongly and are additionally affected by the euro and dollar exchange rates. Considering the above, the first steps which were undertaken by the Management Board to improve sales profitability was changing the current price lists. Prices were adjusted for each product, what is important, price hikes are introduced every time on other product lines. Because of that the market reacts to the changes "more smoothly". The price hikes are introduced on product lines which are "most sensitive" to the prices of raw materials and the effects are visible in later periods. It should be pointed out that the process of implementing price hikes is not easy, it is not always possible to immediately adjust the price list and for that reason the effects associated with price list adjustments are visible only after a while with respect to the price fluctuations on the raw material market.

To reduce the manufacturing costs the Group's Management Board intends to make use of the so-called effect of scale, i.e. production plans for the vegetable companies have been raised and thus the unit cost of the products being manufactured will decrease. The change in the production profile of the companies will make it possible to optimise the efficiency of the plants. The changes implemented at ZPOW, consisting in withdrawal from short batch production with the planned pick-up time not exceeding 4 weeks, started yielding positive effects, and this translated into improvement of the Company's financial standing. The assumption is to withdraw poorly rotating and low margin indexes from the production portfolio. Sales contracts have also been analysed, mainly in view of the margins and after the contracts' profitability is verified, decisions are taken to withdraw from those contracts which are not yielding any positive effects for the Company. The decisions to withdraw from unprofitable contracts are taken regardless of the possible drop in sales in

the given period. The planned restructuring activities will have an impact on the improvement of the Pamapol Group's sales profitability, therefore it is expected that the financial condition will improve in the future reporting periods. The Group's Management Board would like to pointed out the uncertainty of continuation of deliveries to charity organisations as part of the contract with the Agricultural Market Agency. As at the moment this periodic report was drawn up the Agricultural Market Agency has not yet published the tender procedure for the delivery of products (prepared meals, dried products) to charity organisations. Contracts with the Agricultural Market Agency were being executed by the Group's companies in the years 2009-2011.

XVII.A.D. Impact of foreign currency transactions on the consolidated result of the Pamapol Capital Group.

As at the reporting day and as at the moment this report was drawn up, none of the companies had concluded any transactions involving derivative instruments securing the exchange risk. As part of the adopted policy of securing themselves against the exchange risk, none of the companies from the Group may, without the consent of the Supervisory Board and the Management Board of the parent company, conclude transactions on its own involving derivative instruments or other speculative transactions. The companies may conclude forward transactions to protect themselves against the exchange risk (with an actual supply of currency), however, they can be concluded only as a collateral securing the realization of a specific import or export contract.

During the reporting period and as at the moment this information was drawn up, Cenoss had significant forward transactions concluded (in accordance with the adopted policy). Information about forward transactions concluded by Cenoss was published in the current report No. 12 of 8 April 2011 and No. 44 of 29 December 2011. Cenoss continues this method of securing itself against exchange risk. Other companies from the Group apply this form of protection on a smaller scale than Cenoss.

XVII.A.E. Selected items of the consolidated balance sheet.

In this chapter the analysis of selected items of the consolidated balance sheet as at the end of December 2011 in comparison to the period ended 31 December 2010 will be presented.

Table 7

Description of selected balance sheet items from the consolidated financial statement of the Pamapol Group - ASSETS

Data in thousands of PLN

ASSETS	As at	
	31-12-2011	31-12-2010
Fixed assets	216 799	225 822
Goodwill	1 848	1 848
Intangible assets	7 058	7 574
Property, plant and equipment	200 957	208 117
Current assets	303 982	241 874
Inventories	129 357	109 895
Trade and other receivables	170 675	126 970
Current income tax receivables	333	64

Derivative financial instruments	113	109
TOTAL ASSETS	520 781	467 696

Table 8

Description of selected balance sheet items from the consolidated financial statement of the Pamapol Group - LIABILITIES

Data in thousands of PLN

As at		
LIABILITIES	31-12-2011	31-12-2010
Equity	125 594	126 413
Equity attributable attributable to the shareholders of the parent company	123 301	123 954
Share capital	23 167	23 167
Capital from sale of shares at a premium over face value	56 496	56 496
Previous years' profit (loss)	44 292	41 198
Current year's profit	-654	3 093
Non-controlling interests	2 293	2 459
Total liabilities	395 187	341 283
Long-term liabilities	118 334	109 537
Long-term credits and loans, other debt instruments	60 629	49 254
Financial lease	5 034	6 808
Long-term prepayments	39 895	40 284
Short-term liabilities	276 853	231 746
Short-term credits and loans	79 533	95 924
Trade and other liabilities	179 529	119 312
Financial lease	2 580	3 058
Short-term prepayments	4 157	5 066
TOTAL LIABILITIES	520 781	467 696

The balance sheet total as at 31 December 2011 was PLN 520,781 thousand. Fixed assets account for 42 per cent and current assets account for 58 per cent of total assets. The current assets as at the end of December 2011 totalled PLN 303,982 thousand. Inventories and trade receivables have the highest share in current assets. The stock rotation period as at the end of December 2011 was 71 days, while at the end of December 2010 it was 73 days. An increase in the value of stock is associated with the purchase of raw production material in vegetable companies. More demanding vegetable processing plans were implemented with respect to vegetable companies and, as a result, more raw materials were purchased and the inventory levels of the companies increased in comparison to 2010. Additionally, in the reporting period Pamapol increased production levels to secure warehouse facilities for future periods. At the end of the reporting period Cenos purchased rice for preparation and this transaction had an impact on a higher inventory level disclosed in that period. The trade receivables during the reporting period amounted to PLN 170,675 thousand and increased by 34 per cent in comparison to December 2010. The receivables rotation period as at the end of December 2011 was 94 days, while at the end of December 2010 it was 84 days. Overall rotation of the current assets at the end of 2011 was 165 days, while at the end of 2010 it was 157 days.

The equity as at 31 December 2011 was PLN 125,594 thousand and had a 24 per cent share in the balance sheet total. The total liabilities during the reporting period amounted to PLN 395,187 thousand and increased by 16 per cent in comparison to the end of 2010. The level of indebtedness ensuing from credits and loans decreased during the analysed period – total long- and short-term liabilities as at the end of 2011 amounted to PLN 140,162 thousand and as at the end of the year - to PLN 145,178 thousand.

Trade and other liabilities increased by 50 per cent, and rotation as at 31 December 2011 was 99 days, where at the end of December 2010 it was 79 days. However, the level of liabilities is associated with the way the liabilities ensuing from factoring are presented. Pamapol, Cenoss and Kwidzyn make use of the factor's services to finance on-going operations and the level of the factoring limit consumed as at the reporting day was over PLN 25 million, a year earlier the level of the factoring limit consumed was PLN 18 million. Pamapol, WZPOW Kwidzyn and Cenoss have a total maximum factoring limit granted by PKO BP Faktoring and BZ WBK in the amount of PLN 33 million.

XVII.B. Selected standalone data of Pamapol S.A.

Selected financial data of the parent company - Pamapol S.A. - are presented in this sub-chapter.

XVII.B.A. Standalone revenues from sales of the parent company - Pamapol S.A.

The main source of Pamapol's revenues are sales of products which, in the fourth quarter of 2011 and cumulatively, account for approx. 83 per cent of total revenues from sales. The revenues from sale of goods and materials account for the remaining 17 per cent.

Sales in the Company are analysed taking into account two significant criteria, thanks to which it is possible to assess the progress of implementation of the strategic sales plans. The first criterion is the breakdown of sales according to product line groups, and the second one is the breakdown according to distribution channels.

The Company's products are broken down into four basic product line groups, i.e.:

- prepared meals,
- prepared soups,
- tinned food and meat dishes (including pâtés)
- trade goods - prepared products, i.e. products of other producers sold by Pamapol S.A., for instance, cucumbers or sweet peppers, as well as products made by Kwidzyn and Cenoss and distributed by Pamapol S.A. (for instance, to retail chains).

The Company's offer is comprised of approx. 100 items produced in accordance with the recipes developed and documented by the employees of the company's laboratory. Pursuant to the adopted marketing strategy activities are being undertaken (by the marketing department and technology department), whose aim is to launch new products which will ultimately constitute a part of the Company's product line.

The Company's revenues are characterised by seasonability phenomenon – the reporting period, i.e. fourth quarter of 2011, is a time of reduced purchasing activeness for Pamapol's products. Although the lowest sales volumes are generated in the first months of the year.

Table 9

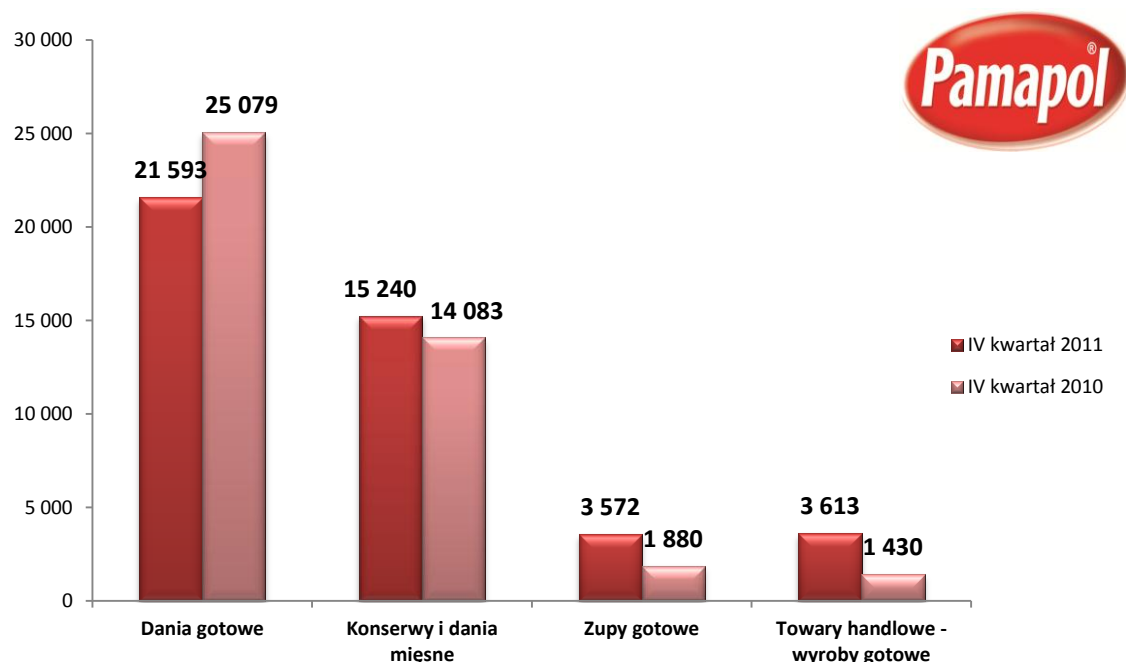
Standalone revenues of Pamapol S.A. broken down by product line groups on a quarterly basis from year to year

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Prepared meals	21 593	44%	25 079	55%	-14%
Tinned food and meat dishes	15 240	31%	14 083	31%	8%
Prepared soups	3 572	7%	1 880	4%	90%
Trade goods - prepared products	3 613	7%	1 430	3%	153%
Services plus trade goods – packages, other goods plus materials	4 866	10%	3 171	7%	53%
Revenues from sale of products and goods	48 884	100%	45 643	100%	7%

Figure 8

Standalone revenues of Pamapol S.A. broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Dania gotowe - Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

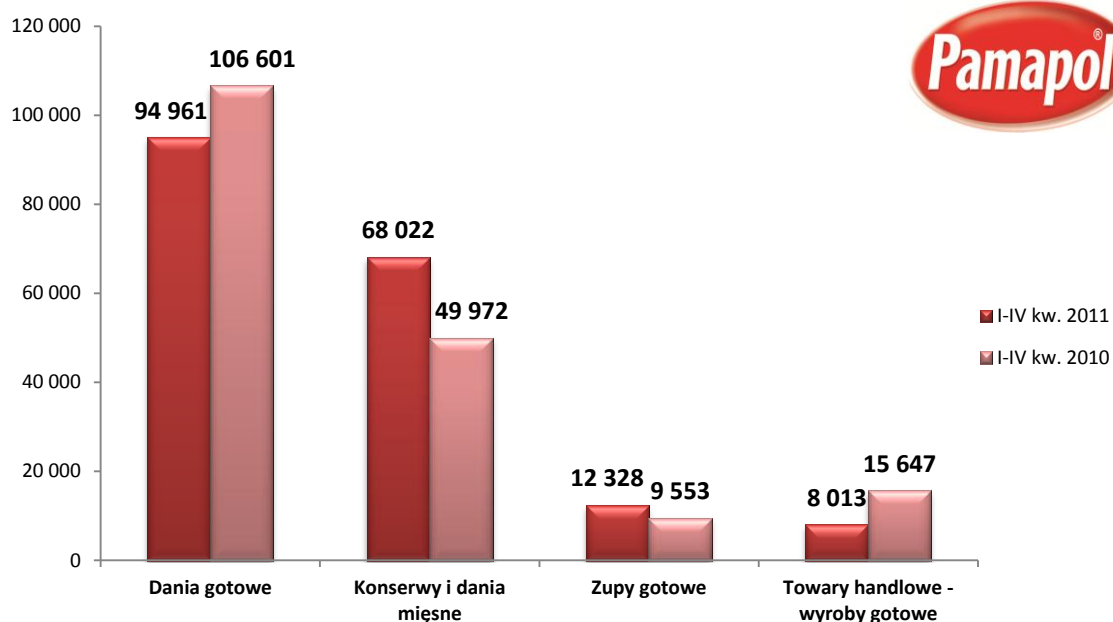
Zupy gotowe – Prepared soups

Towary handlowe – wyroby gotowe – Trade goods – prepared products

Table 10
Standalone revenues of Pamapol S.A. broken down by product line groups cumulatively from year to year

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Prepared meals	94 961	45%	106 601	54%	-11%
Tinned food and meat dishes	68 022	32%	49 972	25%	36%
Prepared soups	12 328	6%	9 553	5%	29%
Trade goods - prepared products	8 013	4%	15 647	8%	-49%
Services plus trade goods – packages, other goods plus materials	26 423	13%	15 478	8%	71%
Revenues from sale of products and goods	209 747	100%	197 251	100%	6%

Figure 9
Standalone revenues of Pamapol S.A. broken down by product line groups cumulatively from year to year
Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Dania gotowe - Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

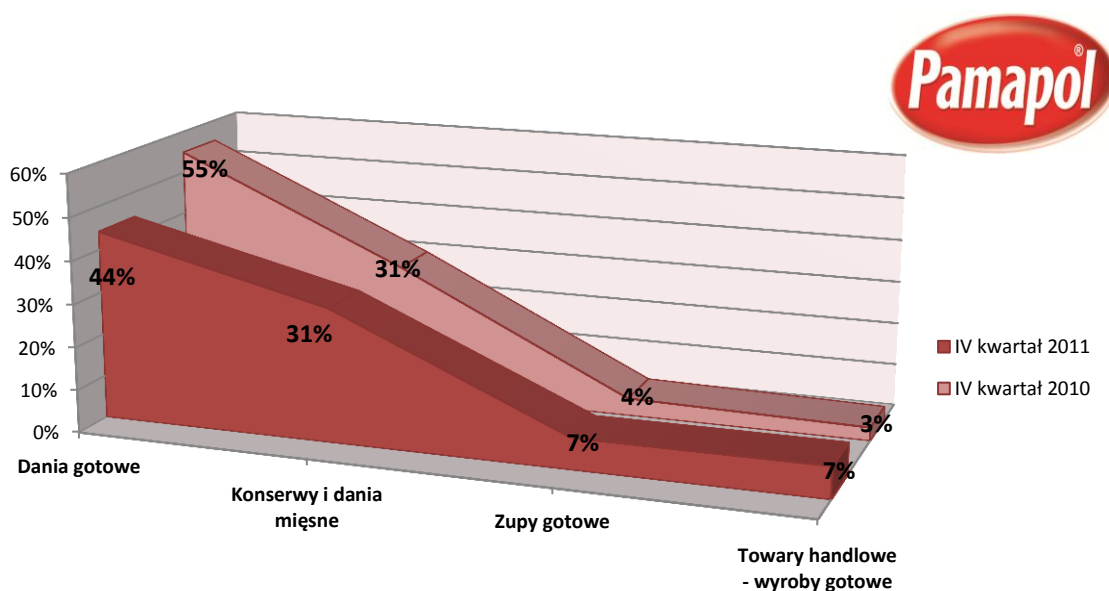
Zupy gotowe – Prepared soups

Towary handlowe – wyroby gotowe – Trade goods – prepared products

Figure 10

Share of each product line in the standalone revenues from sales of Pamapol S.A. on a quarterly basis from year to year

Data in per cent



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Dania gotowe - Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

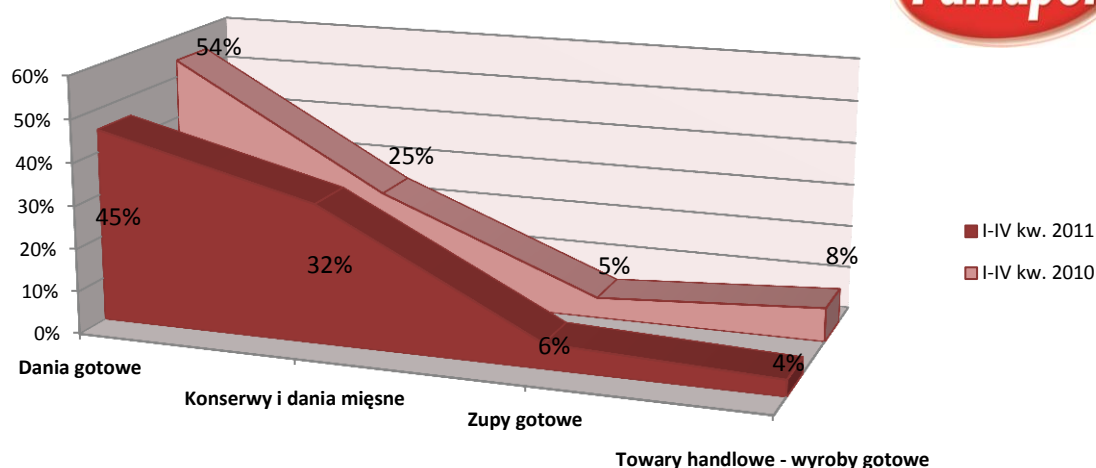
Zupy gotowe – Prepared soups

Towary handlowe – wyroby gotowe – Trade goods – prepared products

Figure 11

Share of each product line in the standalone revenues from sales of Pamapol S.A. cumulatively from year to year

Data in per cent



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Dania gotowe - Prepared meals

Konserwy i dania mięsne – Tinned food and meat dishes

Zupy gotowe – Prepared soups

Towary handlowe – wyroby gotowe – Trade goods – prepared products

In this breakdown the **trade goods** have been broken down into:

- Trade goods - products of other companies sold on the market by Pamapol S.A., for instance, cucumbers or sweet peppers manufactured by companies from outside of the Capital Group, as well as products made by subsidiaries (WZPOW Kwidzyn, Cenos, ZPOW Ziębice, Mitmar) and distributed by Pamapol (for instance, to retail chains)
- Trade goods - packages (among other things, jars, tins), meat products and materials for other manufacturers. It should be mentioned that in 2011 the supply policy was changed in the Pamapol Group, that is Pamapol, as the parent company, plays the role of a package distributor for companies from the Pamapol Group. This mostly refers to metal packages and, to a lesser extent, to glass packages. The packages are above all distributed to vegetable companies (i.e. WZPOW Kwidzyn and ZPOW Ziębice). The position "other revenues from sales" includes, among other things, sales from this business activity of the Company. Exceptionally the position "other trade goods" includes figures generated by the sale of barley which the Company received in return for executing the contract with the Agricultural Market Agency.

The value of revenues from sales in the fourth quarter of 2011 amounted to nearly PLN 49 million, which means a 7 per cent increase in comparison to an analogous period of the preceding year. Cumulatively the value of revenues from sales amounted to nearly PLN 210 million, which means a 6 per cent increase in comparison to 2010. After two years of strong growth of sales (by 28 per cent in 2009/2008 and 42 per cent in 2010/2009), the Management Board anticipated that the pace of growth of revenues from sales will drop.

The drop in sales generated as part of the Company's main product group is associated, among other things, with Pamapol's execution of the contract with the Agricultural Market Agency last year, where sales were accordingly higher in that product line group, so, this phenomenon should not pose any concern.

As was already stated in previous current reports, tinned meat and meat dishes deserve particular attention. In accordance with the strategy adopted by the Pamapol Group, an increase of the share in new market segments in which the Company had little or no share so far was planned. Revenues generated in this product line group grow constantly and at the same time the share of this group of products in overall sales increases. A significant growth in this product line is mainly connected with the development of the Company's product portfolio – in 2009 a range of products under the Spichlerz Rusiecki brand was introduced and developed. Products from the Spichlerz Rusiecki line were "accepted" on the market and in 2010 and 2011 the Company generated even higher revenues from the sale of these products. It must be emphasised that significant sales in the category of other revenues from sales – "Services plus trade goods – packages, other goods plus materials" result from the change of the supply policy adopted by the Group. The supply of packages to the companies from the Group was centralised. Currently, Pamapol is the central distributor of packages and subsequently a given batch of packages is resold (on market conditions) to subsidiaries – mainly vegetable companies. It must be added that vegetable companies have their own granted limits of package supply, nevertheless this does not fully satisfy their package needs. Pamapol was granted much higher package supply limits (as a long-standing and regular client) and as a result the entire Group receives the necessary number of packages. Furthermore, it must be emphasised that the centralisation of package purchase within the Group also made it possible to fully control such activities. In this same position, i.e. "Services plus trade goods – packages, other goods plus materials" include, in 2011, revenues from sale of barley which the Company received in return for executing the contract with the Agricultural Market Agency. Overall, after four quarters of 2011, the revenues earned on the sale of barley amounted to PLN 7.3 million, were a greater part of that amount was reconciled under the Company's revenues over the period of three quarters of 2011, and in the fourth quarter of 2011 the revenue from the sale of barley amounted only to PLN 0.3 million.

Another criterion of breaking down sales is a breakdown into specific distribution channels.
 . Pamapol sells its products through five distribution channels:

- domestic food wholesalers – traditional channel,
- retail chains – modern channel,
- tenders for energy meals,
- export,
- sub-production for other manufacturers

Table 11
Standalone revenues from sales of Pamapol S.A. broken down by distribution channels on a quarterly basis from year to year

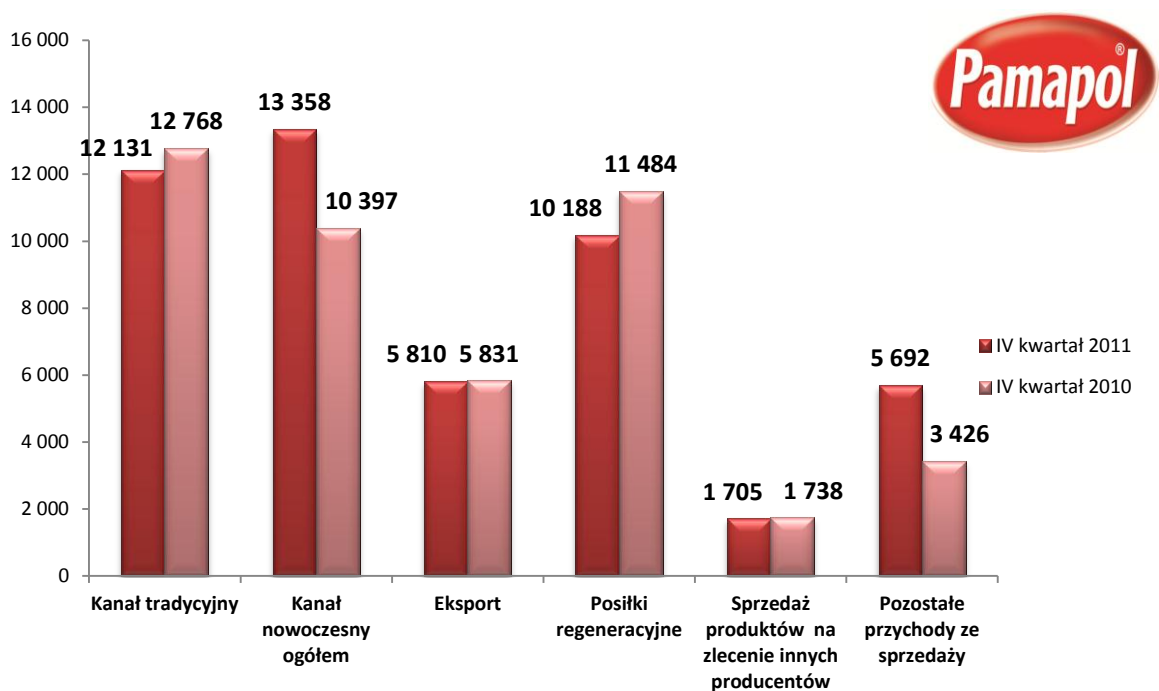
	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Traditional channel	12 131	25%	12 768	28%	-5%
Modern channel in total	13 358	27%	10 397	23%	28%
<i>including (Pamapol brand)</i>	3 803	8%	5 460	12%	-30%

<i>brand)</i>	<i>(chain's own</i>	9 555	20%	4 937	11%	94%
Export		5 810	12%	5 831	13%	0%
Energy meals		10 188	21%	11 484	25%	-11%
Catering		0	0%	0	0%	#DZIEL/0!
Sale of products mandated by other manufacturers		1 705	3%	1 738	4%	-2%
Other revenues from sales		5 692	12%	3 426	8%	66%
including as part of the Group			0%		0%	#DZIEL/0!
Total sales		48 884	100%	45 643	100%	7%

Figure 12

Standalone revenues from sales of Pamapol S.A. broken down by product lines on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

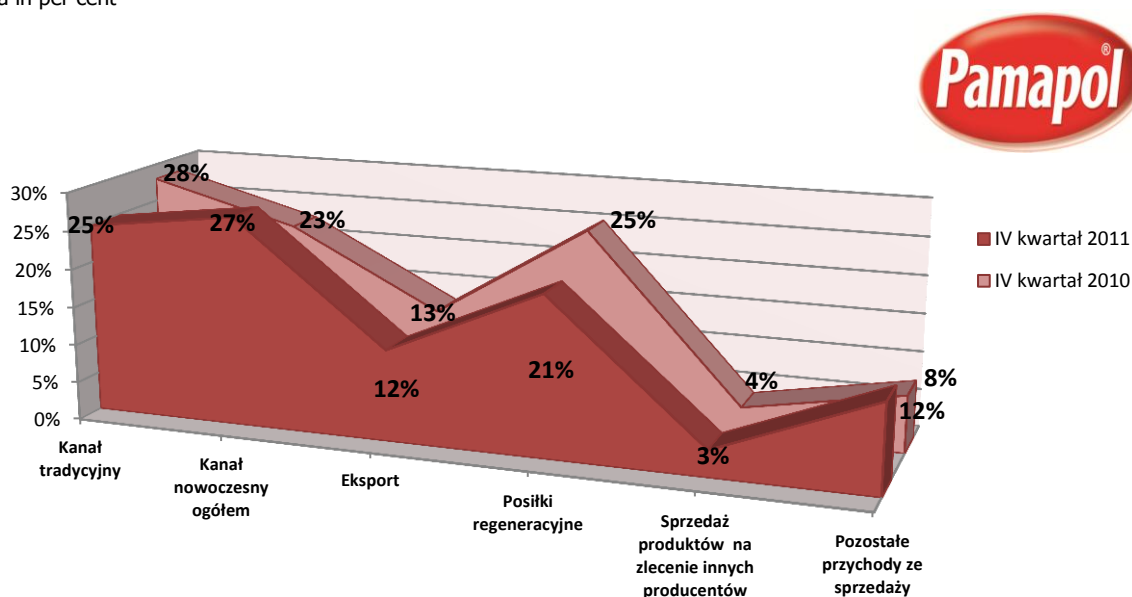
Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total
 Eksport – Export
 Posiłki regeneracyjne – Energy meals
 Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers
 Pozostałe przychody ze sprzedaży – Other revenues from sales

Figure 13

Share of each distribution channel in the standalone revenues from sales of Pamapol S.A. on a quarterly basis from year to year

Data in per cent



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Pozostałe przychody ze sprzedaży – Other revenues from sales

Table 12

Standalone revenues from sales of Pamapol S.A. broken down by distribution channels cumulatively from year to year

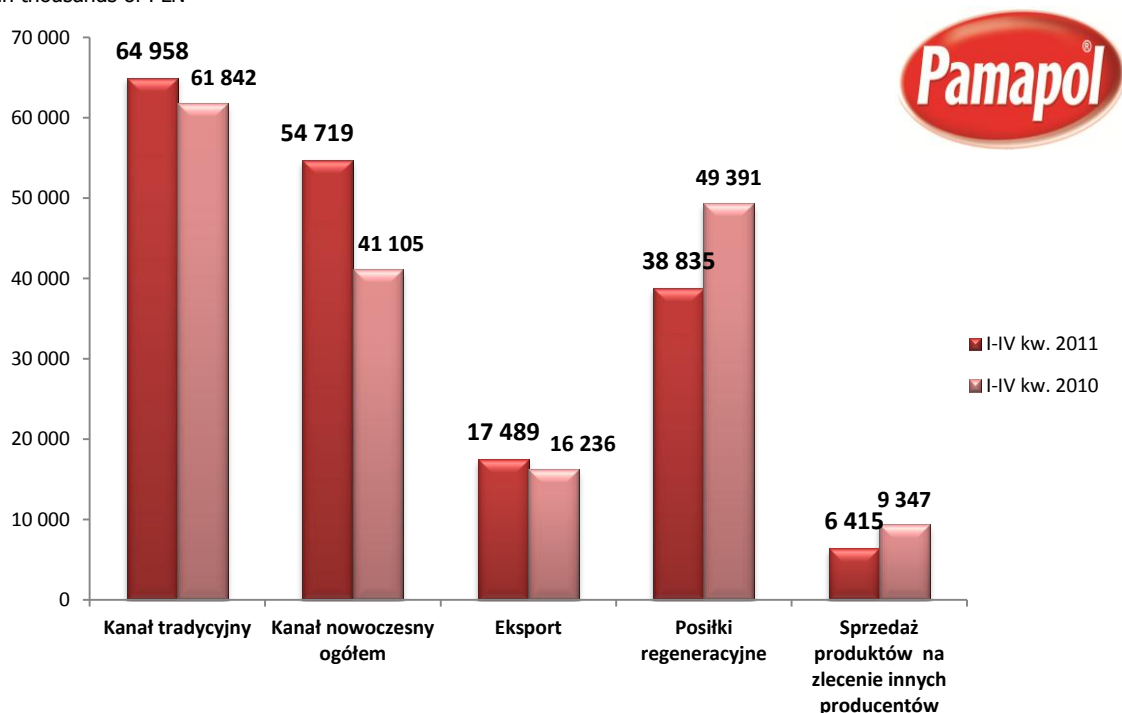
	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Traditional channel	64 958	31%	61 842	31%	5%
Modern channel in total	54 719	26%	41 105	21%	33%
including (Pamapol brand)	16 937	8%	16 244	8%	4%
(chain's own)	37 783	18%	24 861	13%	52%

<i>brand)</i>					
Export	17 489	8%	16 236	8%	8%
Energy meals	38 835	19%	49 391	25%	-21%
Catering	0	0%	0	0%	#DZIEL/0!
Sale of products mandated by other manufacturers	6 415	3%	9 347	5%	-31%
Other revenues from sales	27 330	13%	19 329	10%	41%
including as part of the Group	0	0%	0	0%	#DZIEL/0!
Total sales	209 747	100%	197 251	100%	6%

Figure 14

Standalone revenues from sales of Pamapol S.A. broken down by product lines cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

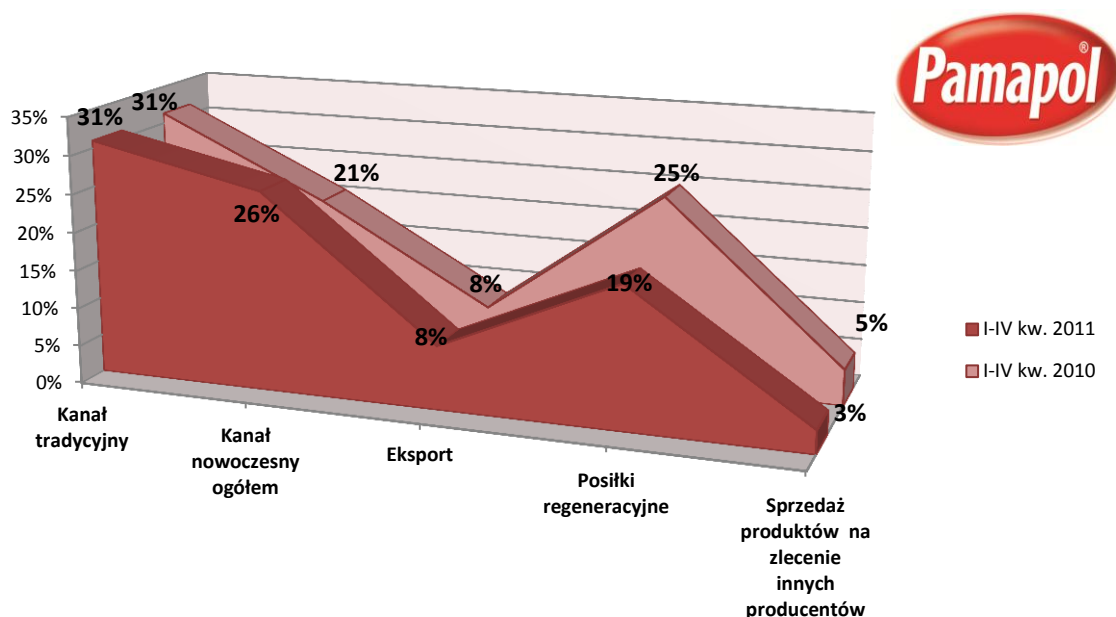
Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Figure 15

Share of each distribution channel in the standalone revenues from sales of Pamapol S.A. cumulatively from year to year

Data in per cent



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

A dynamic growth of revenues from sales from year to year could be observed in all significant distribution channels. An exception is the energy meals channel, although this channel includes sales carried out under the contract concluded with AMA, which in 2010 had a higher value. Sales through the modern channel are growing the fastest - which is indicative of a perfectly defined development potential of these sales. What is important is the fact that sales under the chain's own brands as well as under Pamapol's brand are growing in the modern channel. The Management Board assumes that in the future reporting periods the pace of growth of revenues from sales will be the highest in the modern distribution channel, especially under the chain's own brands.

In summary, the Company generates revenues from sales on a high level from year to year, nonetheless, the pace of growth in the revenues is smaller than in the years 2009-2010. What is important though is the fact that a drop in sales from year to year could be observed in the future reporting period due to the deliveries of food in the years 2009-2011 to charity organisations as part of the contract with the Agricultural Market Agency. This does not mean that the Company does not intend to continue participating in this type of tenders, however, as at the day this for the fourth quarter of 2011 was prepared, the Management Board is not certain whether such tenders (for specific products made by the Group's companies) will still be announced by the Agricultural Market Agency.

XVII.B.B. Selected items of the standalone statement of income of Pamapol S.A.

Analysis of selected items of the standalone statement of income of Pamapol S.A. for Q4 of 2011 in comparison to Q4 of 2010 and cumulatively for Q1-Q4 of 2011 in comparison to Q1-Q4 of 2010.

Table 13
Selected items of the standalone statement of income of Pamapol S.A.

Data in thousands of PLN

STATEMENT OF INCOME (multi-step format)	Quarterly		Cumulatively	
	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	48 884,2	45 643,5	209 747	197 251
Costs of products, goods and materials sold, including:	41 641,1	34 458,2	170 715	149 835
Gross profit (loss) on sales (A–B)	7 243,2	11 185,3	39 032	47 416
Selling costs	6 857,3	6 728,6	27 014	27 672
General and administrative costs	2 023,8	2 636,6	8 404	7 871
Profit (loss) on sales (C–D–E)	-1 638,0	1 820,1	3 614	11 874
Other operating revenues	1 443,1	1 528,5	3 592	3 345
Other operating costs	1 827,1	1 423,8	3 114	5 763
Profit (loss) on operating activities (F+G–H)	-2 022,0	1 924,8	4 091	9 455
Financial revenues	484,5	711,1	1 510	1 720
Financial costs	1 088,9	2 435,7	4 402	4 934
Profit (loss) on business activities (I+J–K)	-2 626,4	200,3	1 199	6 241
Result on extraordinary events	0,0	0,0	0	0
Gross profit (loss) (L±M)	-2 626,4	200,3	1 199	6 241
Income tax	-386,2	490,0	433	2 002
Other statutory reductions in profit (increases in loss)	0,0	0,0	0,0	0,0
Net profit (loss) (N–O–P)	-2 240,1	-289,8	766	4 239
Costs by type *	45 094,9	40 394,1	172 977	148 279
I. Amortisation and depreciation	1 286,0	1 340,5	5 167	5 599
II. Consumption of materials and energy	31 516,6	27 098,0	117 620	94 777
III. External services	7 794,5	7 259,2	28 558	25 564
IV. Taxes and fees	206,7	-16,4	1 587	2 174
V. Payroll	3 480,6	3 191,4	14 101	11 912
VI. Social security and other benefits	708,0	700,9	3 049	2 683
VII. Other costs by type	102,5	820,5	2 895	5 569

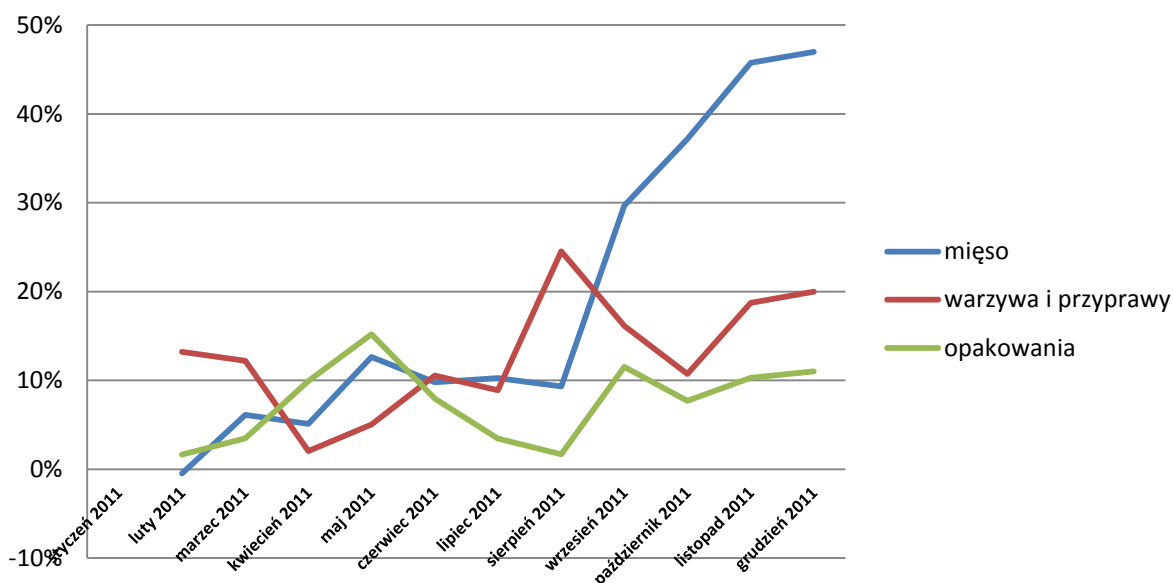
* without "Value of goods and materials sold"

In a quarterly comparison from year to year overall revenues from sales increased by 7 per cent, and cumulatively by 6 per cent. The revenues from the sale of goods and materials for the entire 2011 include PLN 7.3 million worth of revenues from barley sales, which was a one-off transaction associated with the execution of the contract with the Agricultural Market Agency.

The increase in the cost of manufacturing in a quarterly and cumulatively year to year comparison is indicative of a sudden increase in the prices of raw production materials. Companies from the food processing industry are operating in an unfavourable external environment; meat and package prices, and, to a lesser extent, vegetable and seasoning prices, have a strong impact on the sales margins generated by Pamapol. Naturally, at the start of 2011 the Company secured the price of some of the raw materials used in production – by carrying out an intervention purchase of a raw meat material at the beginning of the year, used in the production of products delivered as part of the contract

with the Agricultural Market Agency, although the Company's demand for the raw meat material is much higher. Until the end of the third quarter of 2011 the Company's financial standing remained at a relatively stable level, and the sudden changes in the prices of raw production materials after the third quarter of 2011 had an ultimate impact on the sales margins. The Company's Management Board systematically changed the price list for some of the product lines which were "most prone" to changes in the prices of raw materials. It should be pointed out that the effect of the changes in the price list always lags behind the changes on the raw material market, which means that improvement of the sales margins can be expected to occur in the future periods.

Price trends on the raw material market 2011



mięso – meat

warzywa i przyprawy – vegetables and seasonings

opakowania – packages

styczeń – January

luty – February

marzec – March

kwiecień – April

maj – May

czerwiec – June

lipiec – July

sierpień – August

wrzesień – September

październik – October

listopad – November

grudzień – December

Table 14 Gross profit margin on the standalone level of Pamapol S.A.

Gross profit margin	Q1 2011	Q1 2010	Q2 2011	Q2 2010	Q3 2011	Q3 2010	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Pamapol standalone - total	23%	25%	19%	22%	18%	25%	15%	25%	19%	24%

Pamapol standalone - on sale of products	26%	28%	23%	28%	22%	29%	17%	28%	22%	28%
Pamapol standalone - on sale of goods	1%	5%	2%	6%	3%	4%	5%	4%	3%	5%

The highest drop in the gross sales margin year to year is visible in the fourth quarter of 2011, whereas goods are always traded at a lower margin.

In the fourth quarter of 2011 the Company bore higher costs of bonuses on sales and ultimately a 2 per cent increase in the selling costs was observed, although in a cumulative year to year comparison a 2 per cent drop in the selling costs was noted. The general and administrative costs in a quarterly year to year comparison dropped by 23 per cent, which is an effect of restructuring efforts currently under way. Cumulatively, the general and administrative costs increased by 7 per cent, which is an effect of the increase in the costs of external services.

The net result on sales for the fourth quarter was negative and amounted to minus PLN 1.6 million, where a year earlier this result was positive and amounted to PLN 1.8 million.

High write-downs had an impact on a significant increase in the operating costs (quarterly and cumulatively).

The EBITDA during the fourth quarter of 2011 was minus PLN 736 thousand and dropped in comparison to the fourth quarter of 2010 from PLN 3,265 thousand. Cumulatively for the four quarters of 2011 the EBITDA was PLN 9,259 thousand, where in the preceding year it was PLN 15,054 thousand. The EBITDA ratio thus deteriorated - in the fourth quarter of 2011 it was minus 1.5 per cent, and in the fourth quarter of 2010 it was 7.2 per cent. The EBITDA margin for the entire 2011 was 4.4 per cent, whereas the year before it was 7.6 per cent. Deterioration of the result at the operational level and at the EBITDA margin level is also an effect of a low gross sales profit margin. This low gross result on sales leads to a drop in profitability at other levels of the Company's operations.

The financial costs decreased from year to year, although this is not associated with the drop in the costs of financing by external financial institutions. The interest costs in the period analysed increased quarterly from year to year by 28 per cent and cumulatively by 27 per cent - this is, among other things, a consequence of higher borrowing costs in the form of credits, loans and factoring. It should be emphasised that in 2011 the Issuer increased the level of factoring financing and as at the day this information was prepared has a maximum factoring limit of PLN 10 million granted by PKO BP Faktoring. As at the reporting day, i.e. 31 December 2011, the amount of the factoring limit consumed was PLN 7.8 million, where a year before the Company was granted a factoring limit of PLN 7.5 million, and as at 31 December 2010 the level of the factoring limit consumed was PLN 5.5 million. Additionally, negative currency exchange rates and negative valuation of the Company's financial assets also contributed to the high level of financial costs in 2011.

The drop in the overall financial costs is associated with the write-down of shares in ZPOW Ziębice made in 2010, valued at PLN 1,700 thousand, disclosed under financial costs – revaluation of investments. This value also affected the adjustment of long-term assets in related parties (interests and shares) by the same amount in 2010. While auditing the statement for 2010 Pamapol conducted a test for the impairment of shares in ZPOW Ziębice, which led to the need to write down shares in ZPOW Ziębice by the aforementioned amount. In the fourth quarter of 2011 Pamapol S.A. in the end generated a negative financial result in the amount of minus PLN 2.2 million in comparison to a negative result for the fourth quarter of 2010 in the amount of minus PLN 0.3 million. Cumulatively the net result was positive and amounted to nearly PLN 0.8 million, where the year before the Company achieved a net result of PLN 4.2 million. It should be pointed out though that in comparison to enterprises pursuing a similar line of business, the Company generated relatively good financial results.

The unfavourable external environment in which the Company operates currently has a significant impact on the Company's financial result. The tendencies for the prices of the raw production materials to remain high affect a lower margin generated on core sales. For that reason measures have been undertaken to improve the sales margins. The first factor mentioned above is yet another review of the price list and adjustment of the prices of the product lines "most sensitive" to the fluctuations of the prices of raw production materials. Another step is a review of poorly rotating products and withdrawal of those whose sales do not yield any positive effects. Another measure is adjustment of the Company's production profile. The Management Board is also considering making intervention purchases of some of the raw materials during periods of visible drops in the prices on the raw material market.

The Management Board of Pamapol S.A. additionally informs that as at the day this periodic report was drawn up the credit granted to the Company by Bank PKO BP in the form of a multi-purpose limit had been restructured. In December 2010 the Company obtained a multi-purpose credit from Bank PKO BP in the amount of PLN 17 million. As part of this credit facility granted for a period of 3 years the Company received a PLN 5 million renewable working capital, PLN 5 million non-renewable working capital with a fixed repayment schedule in monthly instalments and PLN 7 million credit in the current account. In February 2012 an annex to the aforementioned credit agreement was signed, which changed the lending terms and increased the limit to PLN 18 million. Pursuant to the annex the Bank granted the Company financing in the form of a multi-purpose limit composed of the following elements: PLN 9 million non-renewable credit with a fixed repayment schedule in monthly instalments and PLN 9 million credit in the current account. Additionally, as a result of raising of the value of the multi-purpose credit, an extra collateral was set up in the form of an additional pledge on the Company's inventories in the amount of PLN 5 million and by changing the value of the mortgage collateral established on its real properties. An entry of the joint ordinary contractual mortgage in the amount of PLN 18 million was made in place of the current joint contractual mortgage in the amount of PLN 17 million and an entry of the joint contractual capped mortgage was made up to PLN 4.3 million in place of the joint contractual capped mortgage up to PLN 3.4 million.

Considering the balance of the multi-purpose credit as at the moment the Annex was concluded, which amounted to approx. PLN 15 million, in connection with the restructuring of that credit, the Company currently has approx. PLN 3 million at its disposal to finance the on-going operations. Information about conclusion of the aforementioned annex is presented in chapter XII.D. Significant agreements of Pamapol S.A. concluded outside of the normal course of business activity during the period not covered by this information.

XVII.C. Selected standalone data of subsidiaries.

Standalone financial data of the Pamapol Group's subsidiaries are presented in this sub-chapter for the purpose of showing their changing financial condition.

XVII.C.A. Standalone revenues from sales of subsidiaries - WZPOW Kwidzyn Sp. z o.o.

Data concerning standalone revenues from sales achieved by WZPOW Kwidzyn are presented in this sub-chapter. The data will be broken down into various product groups, distribution channels.

The revenues of vegetable companies, i.e. WZPOW Kwidzyn and ZPOW Ziębice, are characterised by seasonability - the lowest sales are observed in the summer months, and

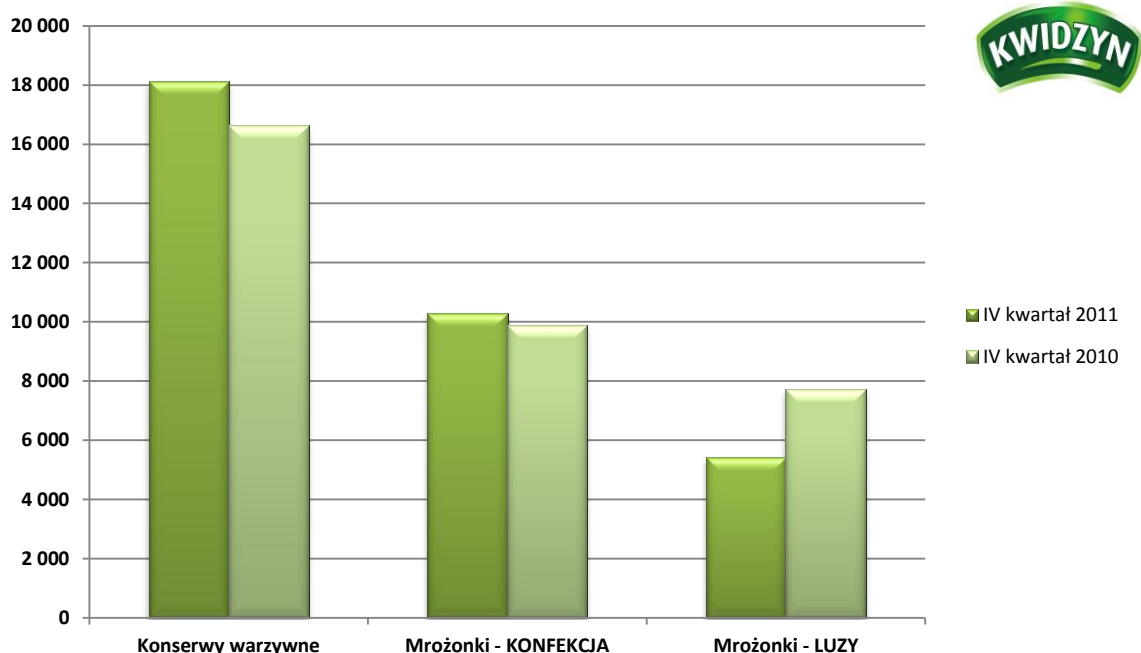
the sales culmination occurs before Christmas and Easter. The difference in sales between the best and the worst quarter amounted to as much as 50 per cent in both cases.

Table 15
Standalone revenues from sales of WZPOW Kwidzyn broken down by product line groups on a quarterly basis from year to year

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Total revenues from sales	34 506	100%	38 860	100%	-11%
including					
Tinned vegetables	18 126	53%	16 640	43%	9%
Frozen foods, including:	15 718	46%	17 603	45%	-11%
Frozen food - PREPARED	10 306	30%	9 897	25%	4%
Frozen food - BULK	5 412	16%	7 706	20%	-30%
Other revenues	662	1%	4 617	12%	-86%

Figure 16
Sales of WZPOW Kwidzyn broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Konserwy warzywne – Tinned vegetables

Mrożonki – KONFEKCJA – Frozen food – PREPARED

Mrożonki – LUZY – Frozen food - BULK

Table 16

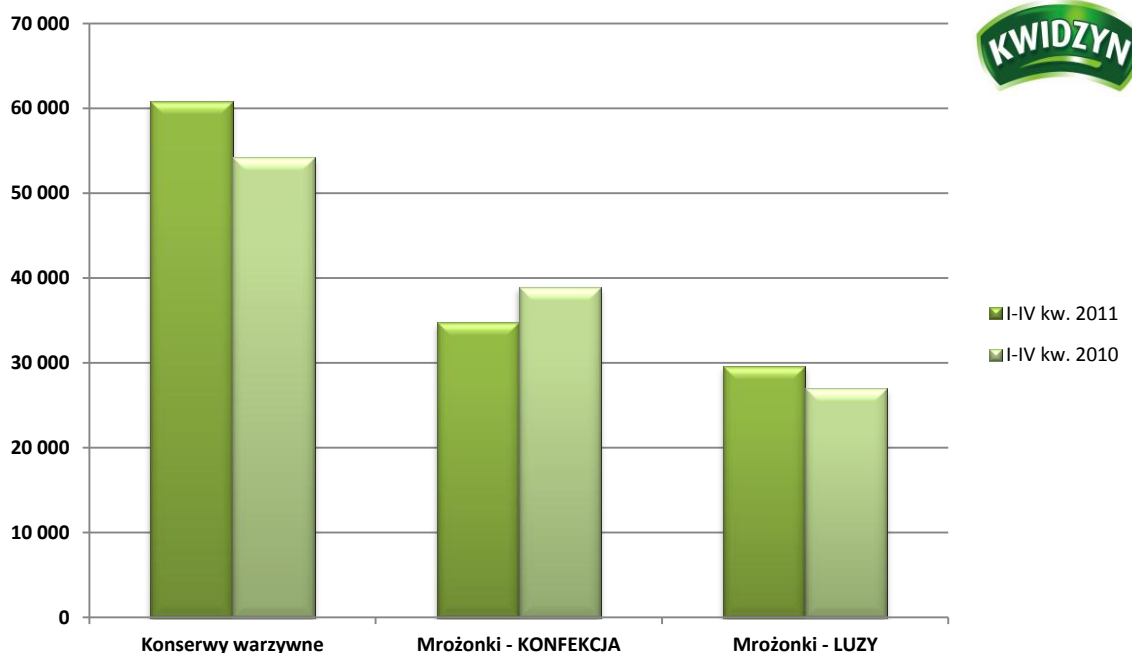
Standalone revenues from sales of WZPOW Kwidzyn broken down by product line groups cumulatively from year to year

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Total revenues from sales	134 909	100%	139 424	100%	-3%
Tinned vegetables	60 764	45%	54 295	39%	12%
Frozen foods, including:	64 493	48%	65 904	47%	-2%
Frozen food - PREPARED	34 822	26%	38 940	28%	-11%
Frozen food - BULK	29 671	22%	26 964	19%	10%
Other revenues	9 652	7%	19 226	14%	-50%

Figure 17

Sales of WZPOW Kwidzyn broken down by product line groups cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Konserwy warzywne – Tinned vegetables

Mrożonki – KONFEKCJA – Frozen food – PREPARED

Mrożonki – LUZY – Frozen food - BULK

In Q4 of 2011 WZPOW Kwidzyn achieved total revenues from sales of over PLN 34 million, which means an 11 per cent decrease from year to year. Cumulatively in 2011 total revenues from sales amounted to nearly PLN 135 million, which means a drop by 3 per cent in comparison to the same period in 2010. In the analysed periods higher sales were generated in the tinned vegetables segment and sales in this segment increased by 9 per cent on a quarterly basis from year to year and cumulatively they increased by 12 per cent. The fourth quarter is a Christmas time and tinned vegetables constitute the prevailing product line group in overall sales. Although this dominance in the revenues structure is small and it can be said that sales broken down by product line groups is split "fifty/fifty".

The drop in "other revenues from sales" results from the fact that in 2010 this position included revenues generated under the contract with AMA – sub-production for Pamapol S.A. Revenues in this channel are, therefore, overstated by the value of the sub-production contract with AMA. (production mandated by Pamapol S.A.)

Table 17

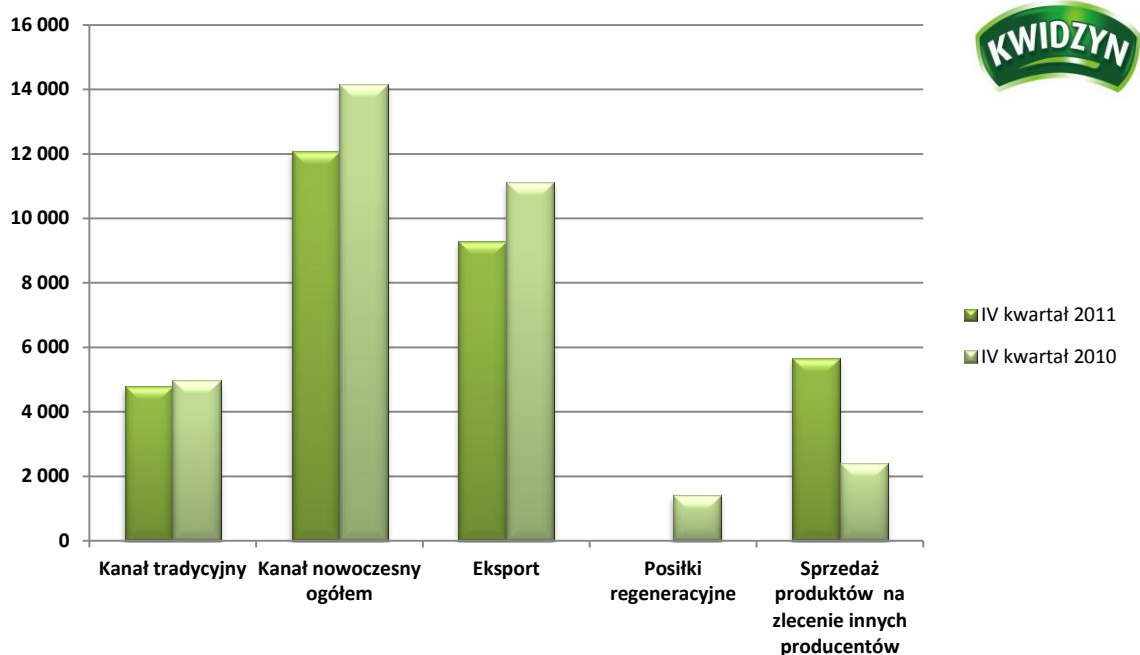
Standalone revenues from sales of WZPOW Kwidzyn broken down by distribution channels on a quarterly basis from year to year

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Traditional channel	4 783	14%	4 974	13%	-4%
Modern channel in total	12 077	35%	14 165	36%	-15%
<i>including (Kwidzyn brand)</i>	2 332	7%	2 591	7%	-10%
<i>(chain's own brand)</i>	9 745	28%	11 575	30%	-16%
Export	9 292	27%	11 105	29%	-16%
Energy meals	0	0%	1 394	4%	-100%
Catering	0	0%	0	0%	#DZIEL/0!
Sale of products mandated by other manufacturers	5 667	16%	2 411	6%	135%
Other revenues from sales	2 687	8%	4 811	12%	-44%
Total sales	34 506	100%	38 860	100%	-11%

Figure 18

Share of main distribution channels in the standalone revenues from sales of WZPOW Kwidzyn on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

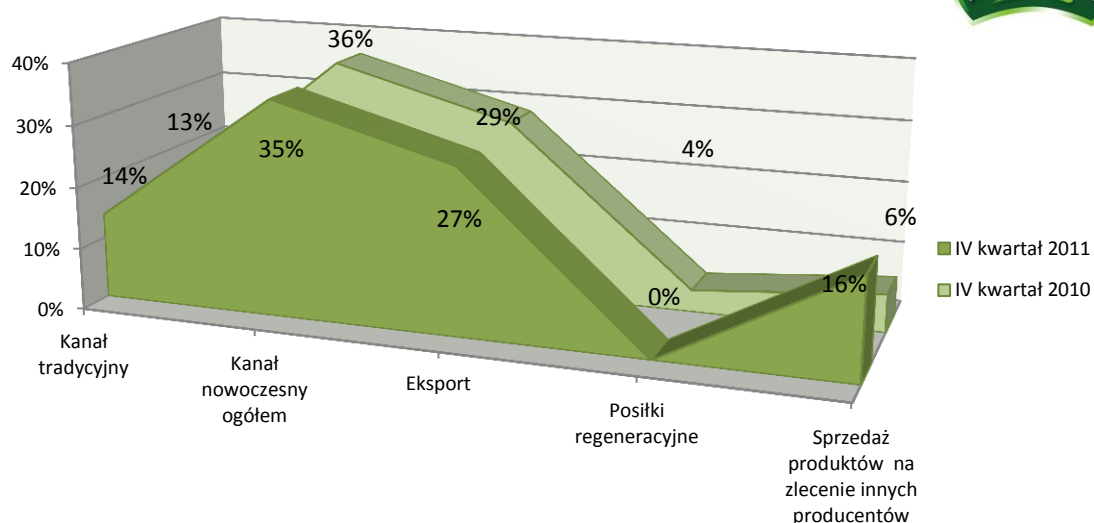
Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Figure 19

Standalone revenues from sales of WZPOW Kwidzyn broken down by main distribution channels on a quarterly basis from year to year

Data in per cent



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Table 18

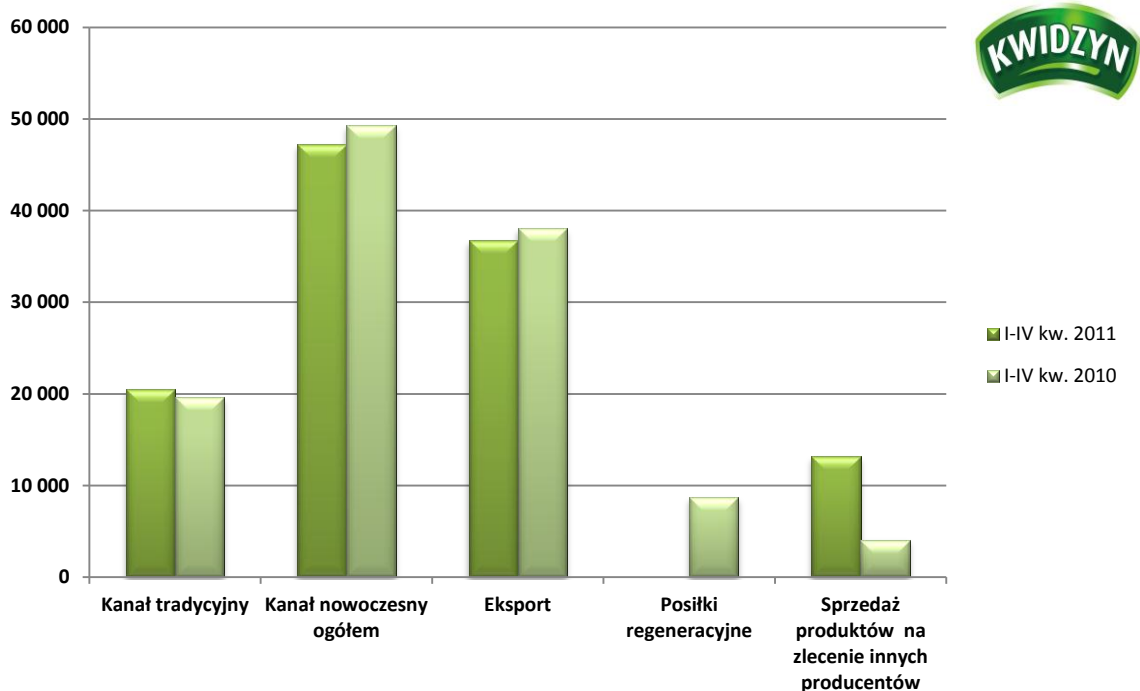
Standalone revenues from sales of WZPOW Kwidzyn broken down by distribution channels cumulatively from year to year

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Traditional channel	20 478	15%	19 562	14%	5%
Modern channel in total	47 171	35%	49 291	35%	-4%
<i>including (Kwidzyn brand)</i>	10 052	7%	12 266	9%	-18%
<i>(chain's own brand)</i>	37 119	28%	37 026	27%	0%
Export	36 735	27%	38 060	27%	-3%
Energy meals	0	0%	8 672	6%	-100%
Catering	0	0%	0	0%	#DZIEL/0!
Sale of products mandated by other manufacturers	13 173	10%	4 082	3%	223%
Other revenues from sales	17 353	13%	19 757	14%	-12%
Total sales	134 909	100%	139 424	100%	-3%

Figure 20

Share of main distribution channels in the standalone revenues from sales of WZPOW Kwidzyn cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

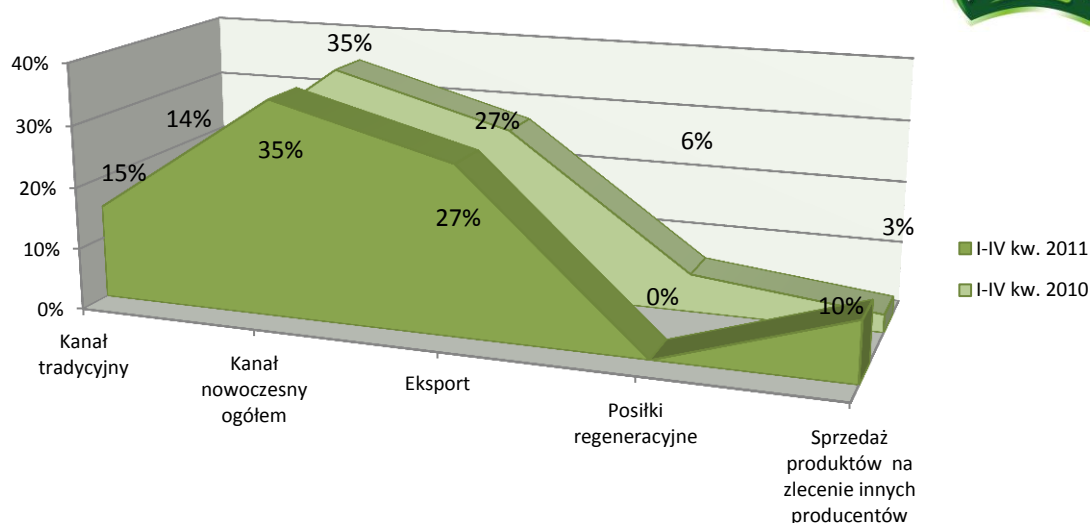
Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Figure 21

Standalone revenues from sales of WZPOW Kwidzyn broken down by main distribution channels cumulatively from year to year

Data in per cent



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Posiłki regeneracyjne – Energy meals

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

WZPOW Kwidzyn generated the highest volume of sales (quarterly, cumulatively from year to year) through the modern, export distribution channel and as part of sub-production for other manufacturers. Similarly as in the case of Pamapol S.A. the biggest development potential is noticeable in the modern channel. The Company also returned to execution of big sub-production contracts for other manufacturers. Owing to the obtained raw production material, it is possible to procure contracts in other distribution channels as part of the new procurement campaign.

Vegetables still hold a strong position in the Pamapol Group's product portfolio. Further development of that segment is planned. It should be pointed out though that the pace of growth of revenues from sales will be lower than in the preceding reporting periods. Considering the seasonability of sales, it can be assumed that in the future reporting period sales may "calm down", the beginning of the year is always characterised by a drop in sales, but since availability of fresh vegetables on the market is limited, it can be expected that sales will not drop significantly with respect to the current reporting period. Most importantly, the drop in the Company's sales is associated with the restructuring process under way at the Company – the process is in its early stage (which will be described in more detail in the following sub-chapter concerning the characteristics of the selected items of the standalone statement of income). The aim of the aforementioned activities is to withdraw from low margin contracts, even at the "expense" of temporary drops in sales.

XVII.C.B. Selected items of the standalone statement of income of WZPOW Kwidzyn.

Analysis of selected items of the standalone statement of income of WZPOW Kwidzyn for Q4 of 2011 in comparison to Q4 of 2010 and cumulatively for Q1-Q4 of 2011 in comparison to Q1-Q4 of 2010

Table 19

Selected items of the standalone statement of income of the subsidiary WZPOW Kwidzyn Sp. z o.o.

Data in thousands of PLN

STATEMENT OF INCOME (multi-step format)	Cumulatively			
	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	34 505,9	38 860,0	134 908,7	139 424,3
Costs of products, goods and materials sold, including:	29 881,2	34 412,2	113 578,8	119 318,5
Gross profit (loss) on sales (A–B)	4 624,7	4 447,8	21 329,9	20 105,8
Selling costs	3 692,0	2 613,2	10 266,9	7 730,6
General and administrative costs	3 394,4	3 047,6	12 276,0	11 381,0
Profit (loss) on sales (C–D–E)	-2 461,8	-1 213,0	-1 213,0	994,1
Other operating revenues	4 552,8	1 746,9	6 128,8	2 845,0
Other operating costs	2 009,1	452,8	2 908,7	2 044,6
Profit (loss) on operating activities (F+G–H)	81,9	81,1	2 007,2	1 794,5
Financial revenues	1 334,2	1 359,4	1 690,4	1 941,7
Financial costs	1 926,5	1 486,5	5 599,6	4 342,7
Profit (loss) on business activities (I+J–K)	-510,4	-46,0	-1 902,0	-606,5
Result on extraordinary events	0,0	0,0	0,0	0,0
Gross profit (loss) (L±M)	-510,4	-46,0	-1 902,0	-606,5
Income tax	0,0	-226,2	275,5	462,4
Other statutory reductions in profit (increases in loss)	0,0	0,0	0,0	0,0
Net profit (loss) (N–O–P)	-510,4	180,2	-2 177,5	-1 068,9

Costs by type				
B. Operating costs	29 793,9	36 216,4	142 467,3	144 646,3
I. Amortisation and depreciation	875,2	806,2	3 422,8	3 122,9
II. Consumption of materials and energy	16 626,3	21 310,4	84 057,2	87 229,8
III. External services	5 251,3	4 858,5	16 186,2	15 675,9
IV. Taxes and fees	78,9	140,5	1 211,5	1 298,8
V. Payroll	2 518,8	2 326,2	9 991,0	9 467,7
VI. Social security and other benefits	430,0	576,9	2 462,4	2 380,3
VII. Other costs by type	1 345,1	1 260,0	3 890,4	3 241,5

* without "Value of goods and materials sold"

The standalone revenues from sales generated by WZPOW Kwidzyn in the four quarters of 2011 amounted to nearly PLN 135 million and in comparison to the previous period of the preceding year they dropped by 3 per cent.

Total manufacturing costs dropped by 13 per cent on a quarterly basis year to year and cumulatively by 5 per cent. It must be emphasised that the Company still incurs high costs connected with the purchase of metal packages, whose prices are denominated in euro, glass packages, whose price depends on the current euro exchange rate; moreover, some vegetables and spices used in all kinds of vegetable mixes, which are not offered as standard products of the company, are also purchased in euro. In the reporting period zloty significantly weakened against euro. This still affects the Company's performance.

In the preceding periodical reports the Group's Management Board informed about the reasons for low sales profitability observed in vegetable companies. The greatest problem which the companies had to "deal with" in the first half of 2011 was the lack of raw

production material on the local and European markets. In the vegetable companies we are dealing with a high dependence on weather conditions in Poland and around the world. In the last two years (2009 -2010) the harvests of vegetables and fruits were not satisfactory to all companies from the fruit and vegetable processing segment. Numerous weather anomalies had a significant impact on the quality of raw materials being purchased, and even caused entire crops to be lost.

In 2010 the Company contracted larger quantities of vegetables with respect to 2009 but yet another year of poor crops caused that the level of raw material stock was still too low - the companies were entering the new 2010/2011 production season with a low level of stock of some of the vegetables. In order to maintain the realization of sales contracts it was necessary to import the raw materials from faraway countries (for instance China). Moreover, the raw material was already processed and frozen, so the entire processing and preparation stage was omitted. This reduced the level of utilisation of production capabilities and ultimately led to the deterioration of sales profitability. This occurred in the first half of 2011.

After a difficult 2010/2011 procurement season a time for changes came, which are supposed to have an impact on the improvement of the profitability and operations of both plants.

In the first place thorough restructuring activities were undertaken at ZPOW Ziębice. The aim of this solution was to diminish the negative consequences of potential "bad decisions", namely, ZPOW Ziębice is a smaller production plant and a restructuring process at a small facility will make it possible to develop the strategy to the minutest detail, and if the objectives or erroneously identified, to adjust them quickly without any "devastating „consequences to the Group's financial standing. The aim of the repair measures, of course, is to improve the sales profitability, and as a consequences of the steps taken, is for the vegetable companies to achieve positive financial results. The first basis step is (1) implementation of yet another adjustment of the price list: The Group's Management Board took a decision to gradually adjust the price list for every product line. The price list was not changed at once for all product lines but at different time intervals, each time for a different product line so as to be able to take into account the increases in the prices of raw production materials. This action was being implemented simultaneously in both companies because it is not permissible to have two different prices lists. (2) Both companies contracted a higher volume of vegetables and fruits to protect themselves against weather anomalies and in the Management Board's opinion the 2011/2012 purchase season was much better in comparison to two previous seasons, and this made it possible to acquire a relatively good level of the main raw material stock. It should be noted though that one cannot rule out shortages in some of the raw materials used in the frozen vegetable mixes and that it might prove necessary to buy additional volumes of the given products to maintain deliveries to the customers. This situation may particularly occur before the next buying campaign.

Subsequent measures were first implemented at ZPOW Ziębice, and only after an improvement was noticed, these measures could be adopted by the production plant in Kwidzyn. (3) The production profile was changed – short-batch production was abandoned, and the batch already produced must be picked up within 4 weeks at the latest. This solution improves the production efficiency. (4) All contracts were analysed in view of their profitability and product line variance. Withdrawal from unprofitable contracts and reduction of poorly rotating product lines, whose sale was also characterised by a low margin. The Group's Management Board would like to point out that WZPOW Kwidzyn is currently in the initial stage of the restructuring process, the initial effects visible so far ensue from a partial

reduction of the Company's sales, which is associated with limitation of sales generating low margins.

Table 20 Gross profit margin on the standalone level of WZPOW Kwidzyn

Gross profit margin	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Kwidzyn standalone - total	13%	11%	16%	14%
Kwidzyn standalone - on sale of products	14%	10%	18%	15%
Kwidzyn standalone - on sale of goods	4%	19%	5%	12%

Selling costs increased by 41 per cent on a quarterly basis year to year and cumulatively by 33 per cent. However, the Company's Management Board informed in the periodical reports for 2010 that the method of reconciliation with a large counterparty has been changed, which resulted in lower values being disclosed under the selling costs. Additionally, a 12 per cent cumulative growth in sales in the traditional channel is presented in the preceding sub-chapter concerning the analysis of the revenues from sales broken down by distribution channels. Because of that the Company bore higher costs of bonuses on sales.

General and administrative costs increased by 11 per cent on a quarterly basis year to year and cumulatively by 8 per cent. Increase of those costs is associated with the need to incur higher costs of foreign services.

Additionally, the Company's Management Board reviewed the Company's unproductive assets (machines and equipment) and, in accordance with the Group's strategy, sold some of the machines and equipment. Hence the high growth of other operating revenues during the reporting period. The growth of the value of other operating costs was associated with the need to make write-downs.

After four quarters of 2011 the EBITDA was PLN 5,530 thousand and increased from PLN 4,917 thousand, i.e. 10 per cent, in comparison to an analogous period of the preceding year. The EBITDA ratio was 3 per cent and improved by 1 percentage point.

The financial costs increased during the reporting period by 30 per cent on a quarterly basis from year to year and cumulatively by 29 per cent, mainly as a result of increased interest costs – change in the interest rates, the factoring limit for WZPOW Kwidzyn has been increased, but negative exchange rates had the biggest impact on the growth of costs of sales.

As at the reporting day the net result of WZPOW Kwidzyn is still negative. This results from the losses incurred in previous reporting periods, currently the Management Board is upholding the plans to systematically implement restructuring measures after their effectiveness at ZPOW Ziębice is verified.

XVII.C.C. Standalone revenues from sales of subsidiaries - ZPOW Ziębice.

Data concerning standalone revenues from sales achieved by ZPOW Ziębice are presented in this sub-chapter. The data are broken down into various product groups, distribution channels.

ZPOW Ziębice is yet another vegetable company belonging to the Pamapol Group. The breakdown of sales applied at this Company is similar to that of WZPOW Kwidzyn.

As was mentioned in the sub-chapter concerning the nature of revenues from sales made by WZPOW Kwidzyn – the revenues of vegetable companies are characterised by seasonability of sales.

Table 21

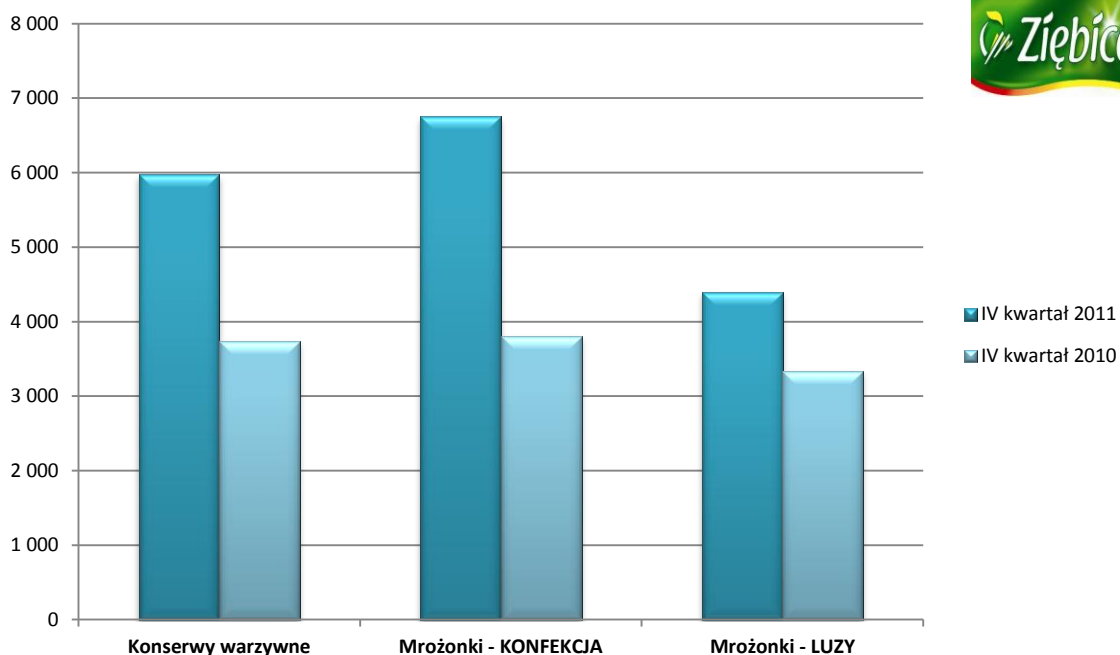
Standalone revenues from sales of ZPOW Ziębice broken down by product line groups on a quarterly basis from year to year

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Total revenues from sales	18 404	100%	11 574	100%	59%
Tinned vegetables	5 970	32%	3 738	32%	60%
Frozen foods, including:	11 149	61%	7 143	62%	56%
Frozen food - PREPARED	6 750	37%	3 806	33%	77%
Frozen food - BULK	4 399	24%	3 337	29%	32%
Other revenues	1 285	7%	693	6%	85%

Figure 22

Standalone revenues from sales of ZPOW Ziębice broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Konserwy warzywne – Tinned vegetables

Mrożonki – KONFEKCJA – Frozen food – PREPARED

Mrożonki – LUZY – Frozen food - BULK

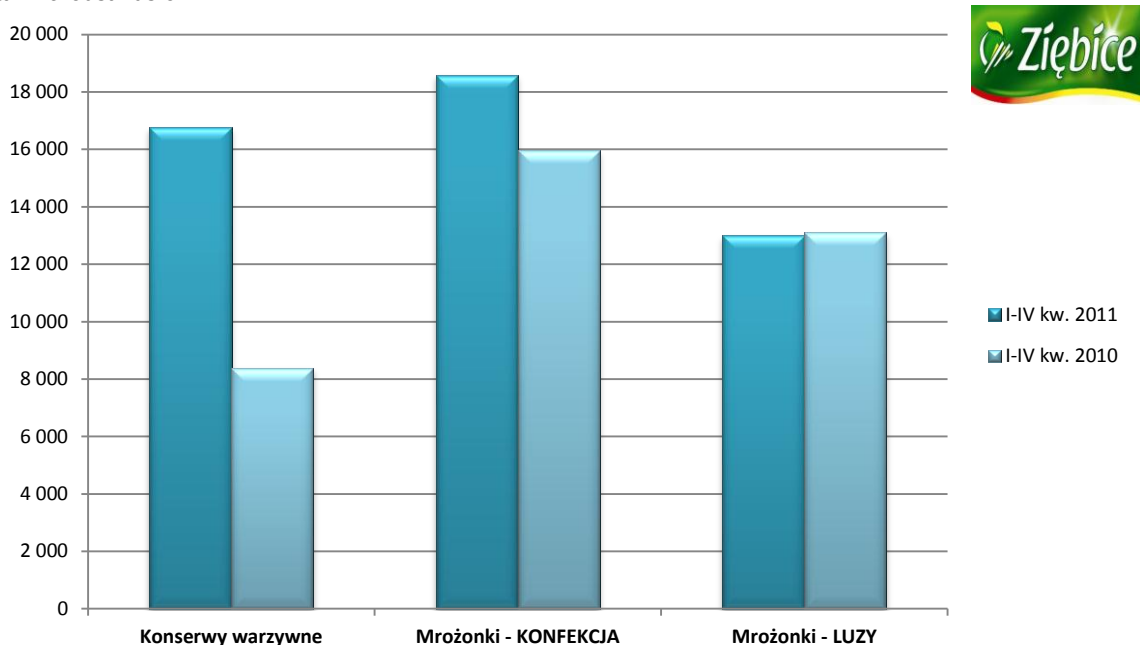
Table 22

Standalone revenues from sales of ZPOW Ziębice broken down by product line groups cumulatively from year to year

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Total revenues from sales	58 928	100%	43 404	100%	36%
including					
Tinned vegetables	16 755	28%	8 383	19%	100%
Frozen foods, including:	31 581	54%	29 076	67%	9%
Frozen food - PREPARED	18 587	32%	15 962	37%	16%
Frozen food - BULK	12 994	22%	13 114	30%	-1%
Other revenues	10 592	18%	5 945	14%	78%

Figure 23**Standalone revenues from sales of ZPOW Ziębice broken down by product line groups cumulatively from year to year**

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Konserwy warzywne – Tinned vegetables

Mrożonki – KONFEKCJA – Frozen food – PREPARED

Mrożonki – LUZY – Frozen food - BULK

In Q4 of 2011 ZPOW Ziębice generated revenues from sales of over PLN 18 million and achieved an increase of sales by 59 per cent from year to year. Cumulatively the value of sales amounted to nearly PLN 59 million and increased by 36 per cent in comparison to an analogous period of 2010. This indicates that the strategy is consistently realised. The main product line group consists of frozen food. Its sales strongly increased in the analysed period, but it must be emphasised that frozen food contracts are mostly executed in the winter season. For tinned vegetables the "peak sales season" also falls in the last part of the year.

Table 23**Standalone revenues from sales of ZPOW Ziębice broken down by distribution channels on a quarterly basis from year to year**

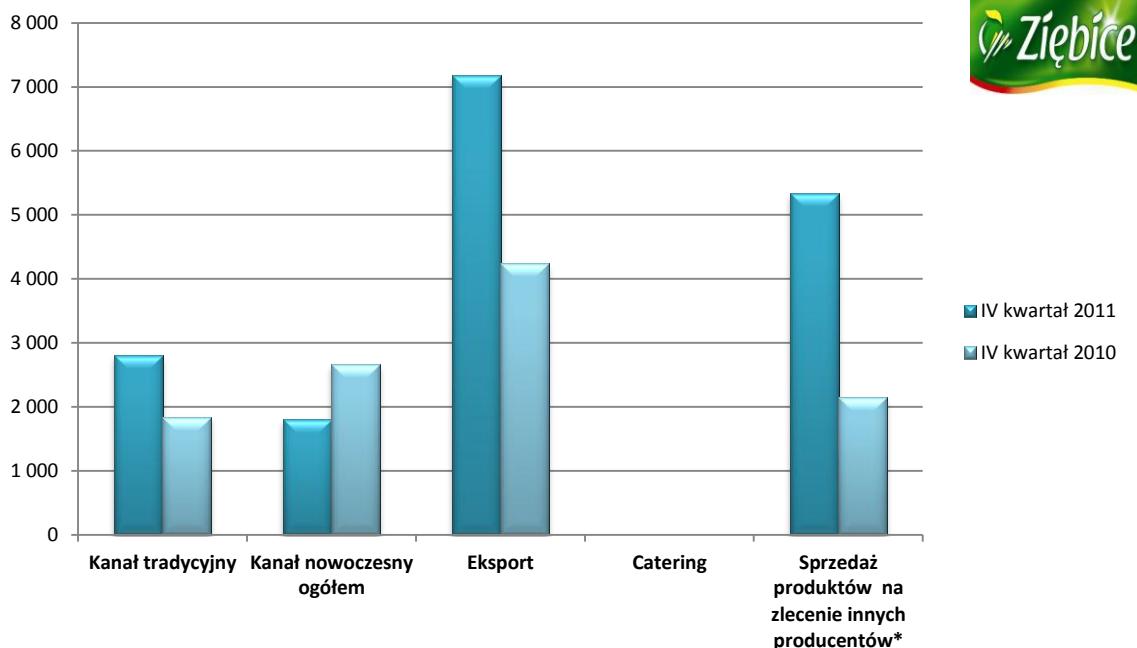
	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Traditional channel	2 802	15%	1 837	16%	53%
Modern channel in total	1 799	10%	2 664	23%	-32%
(chain's own brand)	1 650	9%	2 359	20%	-30%

Export	7 182	39%	4 234	37%	70%
Catering	0	0%	0	0%	-
Sale of products mandated by other manufacturers	5 336	29%	2 146	19%	149%
Other revenues from sales	1 285	7%	693	6%	85%
Total sales	18 404	100%	11 574	100%	59%

Figure 24

Standalone revenues from sales of ZPOW Ziębice broken down by distribution channels on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q1 2011

IV kwartał 2010 – Q1 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Catering – Catering

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Table 24

Standalone revenues from sales of ZPOW Ziębice broken down by distribution channels cumulatively from year to year

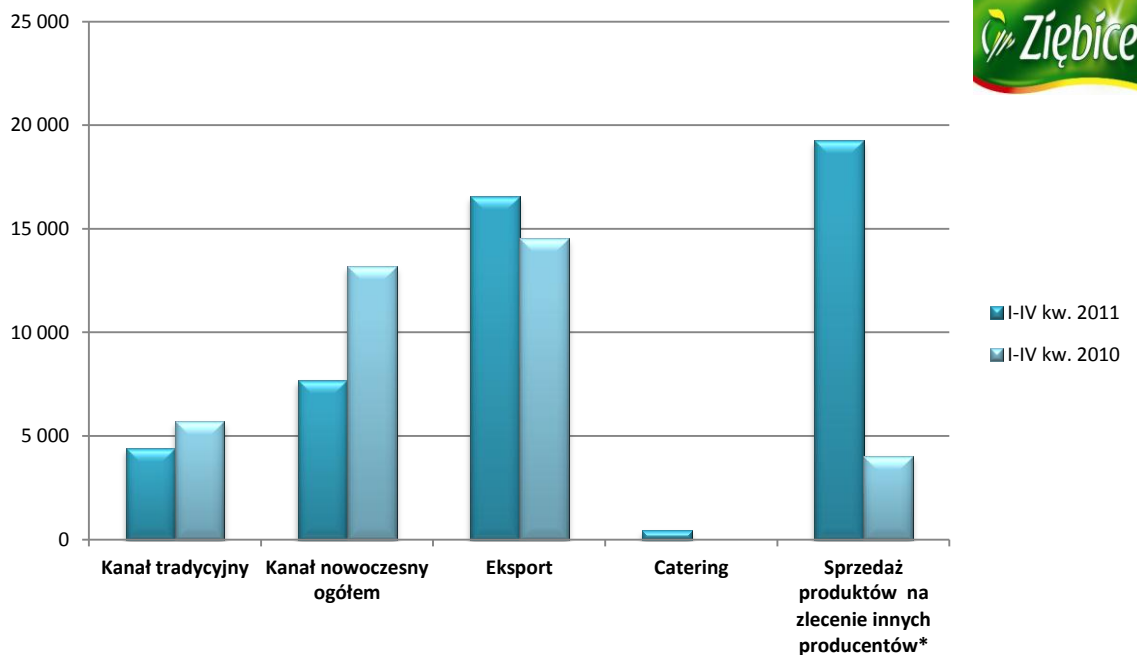
	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Traditional channel	4 403	7%	5 701	13%	-23%
Modern channel in total	7 677	13%	13 190	30%	-42%
(chain's own brand)	1 545	3%	73	0%	2018%

Export	16 549	28%	14 530	33%	14%
Catering	453	1%	0	0%	-
Sale of products mandated by other manufacturers*	19 254	33%	4 028	9%	378%
Other revenues from sales	10 592	18%	5 955	14%	78%
Total sales	58 928	100%	43 404	100%	36%

Figure 25

Standalone revenues from sales of ZPOW Ziębice broken down by distribution channels cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny ogółem – Modern channel in total

Eksport – Export

Catering – Catering

Sprzedaż produktów na zlecenie innych producentów – Sale of products mandated by other manufacturers

Sales broken down by distribution channels indicate a temporary shift of a larger portion of sales of products mandated by other manufacturers. Most importantly, turnover with companies from the Pamapol Group accounts for the largest portion in this distribution channel, which ultimately introduce the Company's products into individual distribution

channels. In the consolidated sales broken down by distribution channels this portion of revenues is accordingly broken down in accordance with the method of distributing ZPOW Ziębice products through other companies from the Group. Export sales are also very important in the revenues structure. It should be pointed out that in a year to year comparison the percentage growth of export sales would be higher because the Company sells some of the product line to a counterparty from Russia through Pamapol S.A., i.e. Pamapol launches ZPOW Ziębice products on the Russian market. This solution had to be applied because the Russian customer demanded cooperation with a large trading partner, where Pamapol S.A. surely is such a partner.

Other revenues from sales include sales of seeds, and since the crop acreage has been increased, higher revenues from sale of seeds were observed.

According to the Management Board sales results are satisfactory. The Company assumes a further growth of sales in the next reporting period since this is when the demand for vegetables – both tinned and frozen - is higher. Currently the Management Board believes that the frozen food market is the most "promising" segment in which the Group's companies operate. However, the pace at which the revenues are growing may be smaller than presented in this reporting period.

XVII.C.D. Selected items of the standalone statement of income of ZPOW Ziębice.

Table 25 Selected items of the standalone statement of income of ZPOW Ziębice

Data in thousands of PLN

STATEMENT OF INCOME (multi-step format)			Cumulatively	
	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	18 403,9	11 573,8	58 927,7	43 404,4
Costs of products, goods and materials sold, including:	15 490,2	9 562,0	51 326,9	37 208,5
Gross profit (loss) on sales (A–B)	2 913,7	2 011,8	7 600,8	6 195,9
Selling costs	247,3	295,6	1 241,5	1 348,3
General and administrative costs	1 447,9	1 469,2	5 042,3	4 925,3
Profit (loss) on sales (C–D–E)	1 218,5	247,0	1 316,9	-77,7
Other operating revenues	631,7	285,4	1 766,9	728,5
Other operating costs	680,7	118,5	1 332,0	598,3
Profit (loss) on operating activities (F+G–H)	1 169,5	413,9	1 751,8	52,5
Financial revenues	88,0	68,4	88,4	87,1
Financial costs	571,6	503,6	1 500,1	1 646,5
Profit (loss) on business activities (I+J–K)	685,9	-21,3	340,1	-1 506,9
Result on extraordinary events	0,0	0,0	0,0	0,0
Gross profit (loss) (L±M)	685,9	-21,3	340,1	-1 506,9
Income tax	-107,7	174,0	149	370
Other statutory reductions in profit (increases in loss)	0,0	0,0	0,0	0,0
Net profit (loss) (N–O–P)	793,6	-195,3	190,9	-1 877,0
Costs by type				
B. Operating costs	14 805,8	11 438,3	62 104,2	43 942,2
I. Amortisation and depreciation	498,0	409,1	1 905,8	1 497,9

II. Consumption of materials and energy	9 096,8	6 738,8	35 944,0	24 608,0
III. External services	2 307,4	1 743,2	6 951,3	5 749,5
IV. Taxes and fees	104,7	77,4	638,4	521,8
V. Payroll	1 811,8	1 527,8	6 404,3	5 280,3
VI. Social security and other benefits	398,0	331,2	1 330,6	1 066,0
VII. Other costs by type	101,5	34,3	299,3	193,1
VIII. Value of goods and materials sold	487,5	576,4	8 630,6	5 025,6

The change in the financial standing of ZPOW Ziębice is an effect of a thorough restructuring process conducted at the Company. Although the cumulative results on a year to year basis are still low, it should be noted that in a quarterly comparison from year to year a strong improvement can be noticed. The huge growths of revenues from sales are the consequence of the following activities:

- (1) change in the production profile - affected the improvement of the plant's capacity
- (2) increased processing of vegetables makes it possible to offer a larger volume of vegetables on the market

As was mentioned in the sub-chapter concerning the characteristics of the results of WZPOW Kwidzyn, a thorough restructuring process was first conducted at ZPOW Ziębice, whose aim was to improve the sales profitability, and, in effect, to improve the results of vegetable companies. Since the Plant in Ziębice is smaller than the plant in Kwidzyn, in case of a failure it is possible to quickly adjust the measures to diminish the negative impact on the Group's result. Also, positive effects of repair measures can be noticed much faster at a smaller plant.

Table 26

Gross profit margin on the standalone level of ZPOW Ziębice cumulatively from year to year

Gross profit margin	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Ziębice standalone - total	16%	19%	13%	14%
Ziębice standalone - on sale of products	16%	20%	14%	15%
Ziębice standalone - on sale of goods	14%	1,0%	6%	10%

In a year to year comparison on a quarterly basis as well as in a year to year comparison a drop in the gross profit margin can be seen, although in the Management Board's opinion this phenomenon should not be treated as being unfavourable. It should be pointed out that the prices of raw production materials increased from year to year, some of those materials were contracted at pre-set prices, whereas the rest is being purchased at the current market price. Additionally, the companies are still buying metal packages in euro – a higher exchange rate results in the need to bear higher costs of purchasing packages. Glass packages have a smaller share in the Company, although their price also depends on the euro exchange rate. Doubling of sales in the tinned vegetables category can be observed in the sub-chapter presenting the characteristics of the Company's sales structure; majority of that production output is packed in tins. Moreover, in the first half of 2011 the Company was experiencing a partial shortage of raw production materials used mainly in the production of frozen vegetable mixes and since it wanted to maintain its sales contracts, it had to purchase already frozen products, which are qualified as goods characterised by low profitability. In the Management Board's opinion the level of the sales margin being generated is "going the right way". Most importantly, as a result of restructuring measures undertaken in the periods being analysed the level of the selling costs and general and administrative costs decreased. However, cumulatively the general and administrative costs

increased by 2 per cent, which was associated with the need to bear higher costs of external services.

The higher level of other operating revenues is associated, among other things, with the reconciliation of a higher EU subsidy granted to the Company for carrying out an investment in time. In 2011, under the other operating revenues, the value of the subsidy reconciled in time was PLN 465,698.24, whereas the year before this amount was PLN 331,499.53.

The value of the other operating costs is associated with the need to make write-downs in the given reporting period.

After four quarters of 2011 the EBITDA was PLN 3,658 thousand and increased from PLN 1,550 thousand in comparison to an analogous period of the preceding year. The EBITDA ratio was 6 per cent and improved by 2 percentage points.

The financial costs increased during the reporting period by 14 per cent on a quarterly basis from year to year – as a result of high exchange rates, and cumulatively they dropped by 9 per cent from year to year. The cumulative drop in the costs from year to year is associated with the lack of the need to bear interest costs ensuing from the loan granted to the Company by Pamapol S.A., which was re-qualified in 2011 towards increasing the capital of ZPOW Ziębice.

The Company's results indicate that its financial standing is improving. Whereas the cumulative results for 2011 are relatively satisfactory, the results achieved in the fourth quarter are definitely better. Positive effects of the restructuring process can be noticed, which consists in:

- (1) implementing gradual price list adjustments
- (2) increasing volume of vegetables and fruits being contracted, positive effects of the 2011/2012 procurement campaign. Higher raw material yields in comparison to two previous years
- (3) changing the Company's production profile – abandonment of short-batch production while shortening the pick-up time to 4 weeks. Which, in the end, leads to the improvement of the production efficiency.
- (4) analysing all contracts in view of their profitability and product line variance. Withdrawal from unprofitable contracts and withdrawal from poorly rotating product lines, whose sale was also characterised by a low margin.

XVII.C.E. Standalone revenues from sales of subsidiaries - Mitmar.

Data concerning standalone revenues from sales achieved by Mitmar are presented in this sub-chapter. The data are broken down into various product groups, distribution channels.

The structure of revenues at Mitmar looks as follows:

1. Breakdown of sales by product line:

- Beef
- Pork
- Poultry
- Vegetables

The position "other revenues from sales" includes mainly revenues from the storage business. It should be pointed out that in 2011 Mitmar, in addition to Pamapol and Cenos, also made deliveries to charity organisations as part of the contract signed with the Agricultural Market Agency, i.e. barley sales will be included in the revenues from sales. The Issuer informed about the results of the tender in current report No. 43 of 29 December 2010 and subsequently about the conclusion of the contract with AMA in current report No. 8 of 14 February 2011.

Therefore, barley sales have been also included in "other revenues from sales". Additionally, revenues generated under the afore-mentioned contract were included in "other revenues from sales" since the Company only makes deliveries to charity organisations and the products were produced by Pamapol S.A., therefore, they are not part of any of the established product lines.

2. The breakdown according to the distribution channels looks as follows:

- Domestic sales
- Export sales:
 - a. Outside of the European Union
 - b. Within the European Union

Revenues generated under the contract with AMA and the associated sale of barley were properly recognised in domestic sales.

The Company's revenues are characterised by seasonability, although the fluctuations at the level of sales generated during the year between the best and the worst period are not significant. The Company achieves the highest sales volumes during the pre-holiday season and summer season.

Table 27

Standalone revenues from sales of Mitmar broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN

Product line	Q4 of 2011 (in thousands of PLN with subsidy)	Share of product line in sales	Q4 of 2010 (in thousands of PLN with subsidy)	Share of product line in sales	Percentage change year/year
Beef	7 487	20%	5 639	17%	33%
Pork	22 431	61%	21 638	64%	4%
Poultry	3 422	9%	4 012	12%	-15%
Vegetables	1 052	3%	741	2%	42%
Prepared meals (frozen)	127	0,3%	60	0,2%	112%
Other (including storage services)	2 096	6%	1 667	5%	26%
including deliveries to AMA	2 473	7%	0	0%	-
including barley sales	0	0%	0	0%	-
Total sales	36 615	100%	33 757	100%	8%

Table 28

Standalone revenues from sales of Mitmar broken down by product line groups cumulatively from year to year

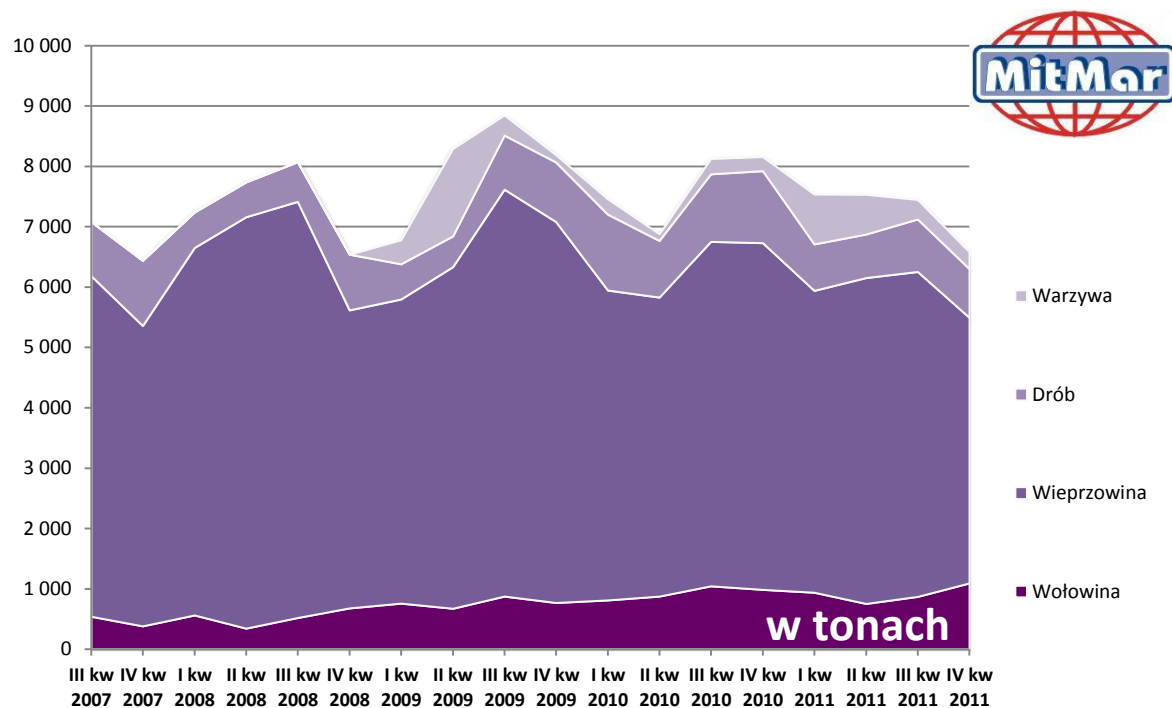
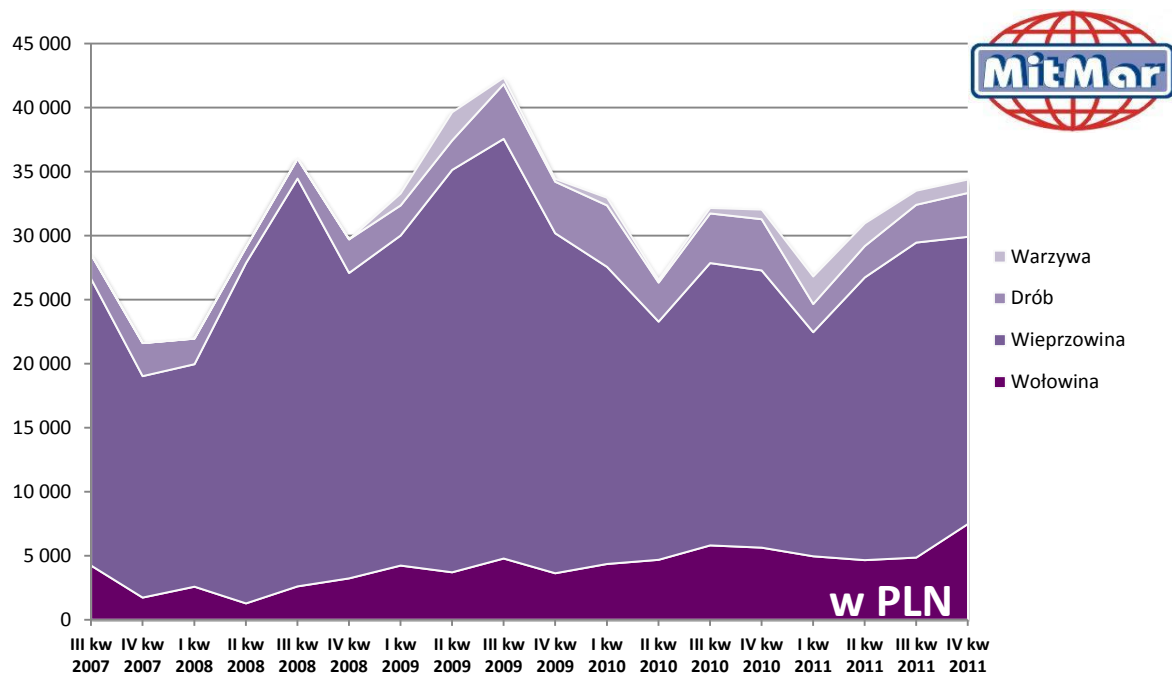
Data in thousands of PLN

Product line	Q1-Q4 2011 (in thousands of PLN with	Share of product line in sales	Q1-Q4 2010 (in thousands of PLN	Share of product line in sales	Percentage change year/year
--------------	--------------------------------------	--------------------------------	---------------------------------	--------------------------------	-----------------------------

	subsidy)		with subsidy)		
Beef	21 946	14%	20 495	16%	7%
Pork	86 622	57%	85 500	66%	1%
Poultry	11 018	7%	15 722	12%	-30%
Vegetables	6 069	4%	1 984	2%	206%
Prepared meals (frozen)	491	0,3%	60	0,05%	721%
Other (including storage services)	25 589	17%	6 182	5%	314%
including deliveries to AMA	11 342	7%	0	0%	-
including barley sales	9 895	7%	0	0%	-
Total sales	151 735	100%	129 943	100%	17%

Figure 26 Standalone revenues from sales of Mitmar broken down into individual product line groups - quarterly

Data in thousands of PLN



Warzywa – Vegetables

Drób – Poultry

Wieprzowina – Pork

Wołowina – Beef

kw – quarter

w PLN – in PLN

w tonach – in tonnes

The revenues from sales generated by the Company on a quarterly basis increased by 8 per cent and on a cumulative basis year to year they increased by 17 per cent. This is the effect of, among other things, execution of the contract with AMA and the associated

sale of barley and also the changing situation on the meat market. Most importantly, the Company's revenues for the fourth quarter of 2011 include only the deliveries made to charity organisations and the sale of barley was reconciled by the end of the third quarter of 2011. Two new product line groups appeared in the sales structure - Mitmar extended its product offer by frozen vegetables and frozen prepared meals. Additionally, at the turn of 2009/2010 steps were taken to adjust the technological lines to produce frozen prepared meals. At the end of last year the Company launched a new product line on the market and the value of revenues in the frozen prepared meals segment in Q1-Q4 of 2011 amounted to PLN 491 thousand. Of course, this is the initial stage and sales in this product line group should increase. Other revenues from sales include sales associated with the realisation of the contract with AMA and sale of barley. Growing sales of vegetables are noticeable in the reporting periods. Mitmar, as a distributor (in central Poland), provides its services to a growing number of customers of vegetable products.

Table 29
Standalone revenues from sales of Mitmar broken down by distribution channels on a quarterly basis from year to year

	Q4 of 2011 (in thousands of PLN with subsidy)	Share of the channel in sales	Q4 of 2010 (in thousands of PLN with subsidy)	Share of the channel in sales	Percentage change year/year
Domestic sales including:	18 915	52%	17 389	52%	9%
deliveries to AMA	2 473	7%	0	0%	-
barley sales	0	0%	0	0%	-
Export:	17 213	47%	15 119	45%	14%
- outside of the EU	8 081	22%	9 388	28%	-14%
- within the EU	9 132	25%	5 731	17%	59%
Other	487	1%	1 249	4%	-61%
Total sales	36 615	100%	33 757	100%	8%

Table 30
Standalone revenues from sales of Mitmar broken down by distribution channels on a quarterly basis from year to year – exclusive of the revenues generated by the execution of the contract to AMA and the associated barley sales

	Q4 of 2011 (in thousands of PLN with subsidy)	Share of the channel in sales	Q4 of 2010 (in thousands of PLN with subsidy)	Share of the channel in sales	Percentage change year/year
Domestic	16 443	48%	17 389	52%	-5%
Export:	17 213	50%	15 119	45%	14%
- outside of the EU	8 081	24%	9 388	28%	-14%
- within the EU	9 132	27%	5 731	17%	59%
Other	487	1%	1 249	4%	-61%
Total sales	34 142	100%	33 757	100%	1%

Table 31

Standalone revenues from sales of Mitmar broken down by distribution channels cumulatively from year to year

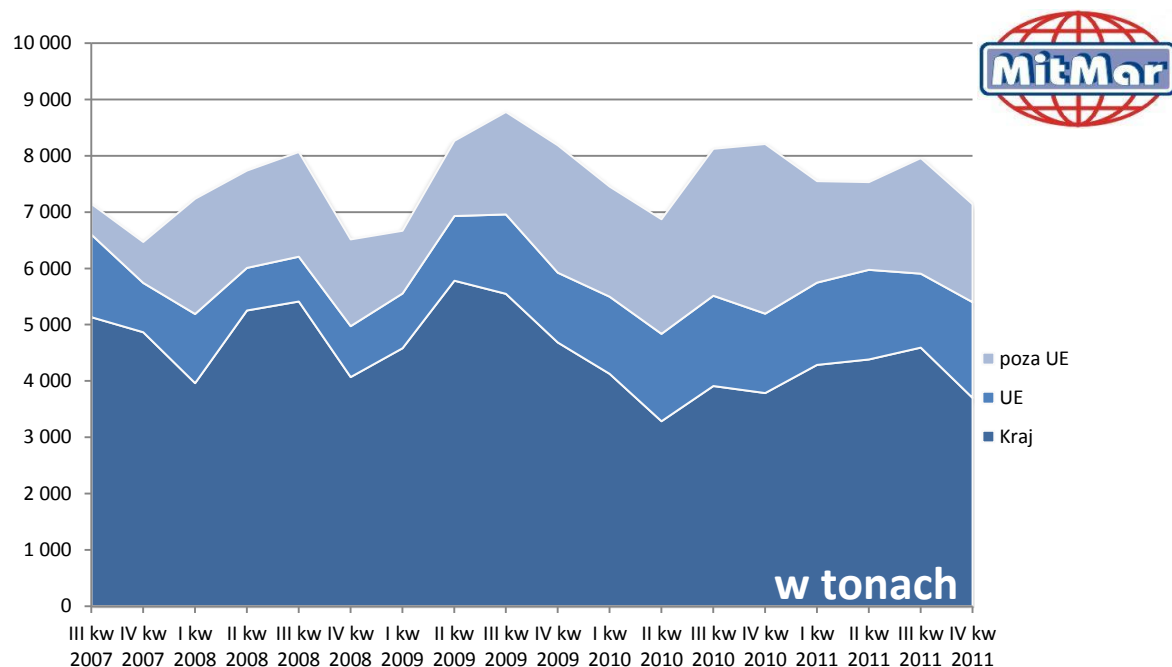
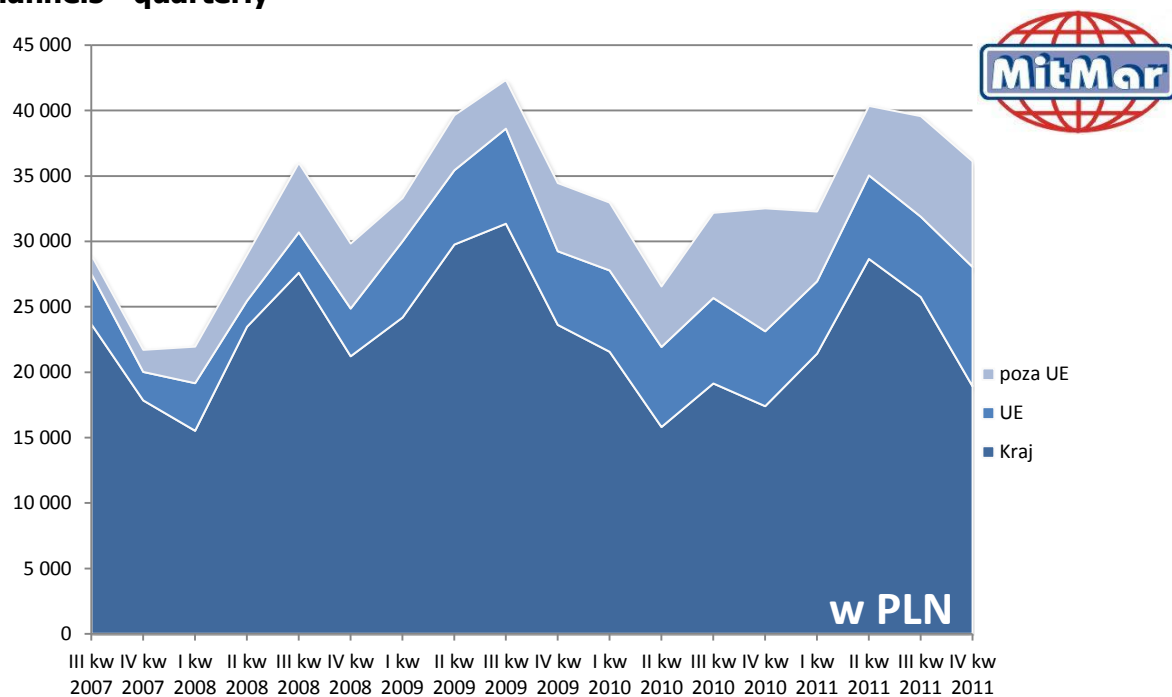
	Q1-Q4 2011 (in thousands of PLN with subsidy)	Share of the channel in sales	Q1-Q4 2010 (in thousands of PLN with subsidy)	Share of the channel in sales	Percentage change year/year
Domestic sales including:	94 719	62%	73 896	57%	28%
deliveries to AMA	11 342	7%	0	-	-
barley sales	9 895	7%	0	-	-
Export:	53 597	35%	50 296	39%	7%
- outside of the EU	26 422	17%	25 711	20%	3%
- within the EU	27 175	18%	24 585	19%	11%
Other	3 419	2%	5 751	4%	-41%
Total sales	151 735	100%	129 943	100%	17%

Table 32

Standalone revenues from sales of Mitmar broken down by distribution channels cumulatively from year to year – exclusive of the revenues generated by the execution of the contract to AMA and the associated barley sales

	Q1-Q4 2011 (in thousands of PLN with subsidy)	Share of the channel in sales	Q1-Q4 2010 (in thousands of PLN with subsidy)	Share of the channel in sales	Percentage change year/year
Domestic	73 482	56%	73 896	57%	-1%
Export:	53 597	41%	50 296	39%	7%
- outside of the EU	26 422	20%	25 711	20%	3%
- within the EU	27 175	21%	24 585	19%	11%
Other	3 419	3%	5 751	4%	-41%
Total sales	130 498	100%	129 943	100%	0%

Figure 27 Standalone revenues from sales of Mitmar broken down by distribution channels - quarterly



poza UE – outside of the EU

UE – within the EU

Kraj – Domestic

kw – quarter

w PLN – in PLN

w tonach – in tonnes

In the total revenues structure domestic sales slightly prevail over export sales, and the growth of domestic sales is mainly associated with revenues ensuing from the execution of the contract with AMA disclosed under this position (plus barley sales), which yielded a total of PLN 21 million in 2011. If we were to subtract the above sales from Mitmar's revenues in the domestic sales channel, then on a year to year basis sales would drop by 5 per cent quarterly and by 1 per cent cumulatively. This does not mean though that the Company's Management Board is withdrawing from participation in this type of tenders. Nonetheless, presentation of the Company's sales after subtracting these figures indicates that Mitmar is changing its sales policy, i.e. its main line of business. The Company is a highly specialised enterprise trading in various meat products. Thanks to modern cold storage facilities, Mitmar may accumulate a given product batch and organise large deliveries to customers around the world. During the reporting period sales within the European Union prevailed in the export channel. The value of sales generated by the Company shows that the Management Board properly identifies the development paths and that it is able to adapt itself to the tendencies observed on the meat market.

XVII.C.F. Selected items of the standalone statement of income – Mitmar.

Table 33 Selected items of the standalone statement of income of Mitmar

Data in thousands of PLN

STATEMENT OF INCOME (multi-step format)	Cumulatively			
	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	36 614,7	33 757,0	151 735,5	129 942,7
Costs of products, goods and materials sold, including:	30 588,2	29 309,5	131 146,8	113 719,7
Gross profit (loss) on sales (A–B)	6 026,5	4 447,5	20 588,6	16 223,0
Selling costs	3 005,9	3 041,9	11 699,7	10 267,8
General and administrative costs	1 676,4	1 052,6	5 018,8	4 381,6
Profit (loss) on sales (C–D–E)	1 344,2	353,0	3 870,1	1 573,6
Other operating revenues	470,1	377,4	1 846,7	1 698,6
Other operating costs	635,9	382,7	2 205,3	1 024,7
Profit (loss) on operating activities (F+G–H)	1 178,4	347,8	3 511,6	2 247,5
Financial revenues	141,5	3,9	282,7	24,4
Financial costs	548,0	458,1	1 915,5	1 788,0
Profit (loss) on business activities (I+J–K)	771,8	-106,4	1 878,7	483,9
Result on extraordinary events	0,0	0,0	0,0	0,0
Gross profit (loss) (L±M)	771,8	-106,4	1 878,7	483,9
Income tax	63,9	-6,8	339,6	227,4
Other statutory reductions in profit (increases in loss)	0,0	0,0	0,0	0,0
Net profit (loss) (N–O–P)	708,0	-99,7	1 539,2	256,5

Costs by type*				
B. Operating costs	15 507,0	11 470,7	51 757,6	38 324,9
I. Amortisation and depreciation	717,2	754,3	2 906,8	2 987,5
II. Consumption of materials and energy	10 496,0	6 946,1	34 328,0	22 743,0
III. External services	1 376,5	1 301,0	4 640,7	3 543,9
IV. Taxes and fees	162,0	93,7	511,2	347,9
V. Payroll	1 919,8	1 728,1	6 889,8	6 461,7
VI. Social security and other benefits	508,2	325,1	1 462,1	1 262,5

VII. Other costs by type	327,3	322,3	1 019,0	978,5
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* without "Value of goods and materials sold"

The structure of revenues from sales changed in the comparable periods, namely the share of sales of products in total revenues increased. This does not mean that the Company increased the production output by so much - preparation of frozen foods and production of prepared meals. It should be pointed out that if any meat elements have been reloaded or packed at the plant, then the given product line is reclassified from a commodity to a product. Highly specialised sales require comprehensive storage services and the Company's Management Board has noticed a high development potential in the sale of products packed at the customer's special request.

Table 34
Gross profit margin on the standalone level of Mitmar

Gross profit margin	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Mitmar standalone - total	16,5%	13,2%	13,6%	12,5%
Mitmar standalone - on sale of products	22,8%	22,1%	20,9%	20,8%
Mitmar standalone - on sale of goods	12,8%	9,9%	10,7%	10,1%

Measures aimed at maintaining sales profitability at optimal levels were consistently implemented in the company. In the analysed periods profitability improved on a quarterly basis from year to year as well as cumulatively from year to year. In previous periodical reports the Management Board informed about the change of the Company's sales policy aimed at withdrawing from low profitability and "uncertain" contracts even at the cost of lower sales (in 2010, as compared to 2009, drop in sales was noticeable). The primary aim of this policy was to maintain a favourable margin on sales. This helped the Company wait out the unfavourable situation on the meat market and the current restructuring at the Company also contributes to the improvement of sales profitability, which is visible when compared to the gross profit margin. Moreover, the situation on the domestic meat market is also improving – the prices of meat are increasing, which will be more beneficial for Mitmar. Cumulatively for 2011 EBITDA amounted to PLN 6.4 million and increased from PLN 5.2 million as compared to an analogous period of the preceding year. In the fourth quarter of 2011 the EBITDA amounted to over PLN 1.8 million, whereas the year before it amounted to PLN 1.1 million. On a quarterly basis from year to year the EBITDA ratio increased from 3 to 5 per cent, and cumulatively from year to year it remained at the level of 4 per cent.

The financial result of Mitmar shows that its financial condition improved significantly. In the first half of this year minor problems with generating optimal levels of sales profitability occurred, however the changing situation on the domestic market allowed the Company to achieve better margins on sales. Additionally, in the reporting period vegetable sales increased, which meant that utilisation of the Plant's production capacity increased – utilisation of the effect of scale, reduction of the unit cost of the product line. The positive results of Mitmar are expected to continue into the future reporting periods, which will be achieved by:

- Further adjusting the strategy related to the trade in meat to the conditions prevailing on the market,
- Increasing the sales volume in the Company's new product categories, i.e. frozen prepared meals and prepared frozen food. Higher sales will have an impact on the increase in the level of production and utilisation of the effect of scale.

XVII.C.G. Standalone revenues from sales of subsidiaries - Cenos.

Data concerning standalone revenues from sales achieved by Cenos are presented in this sub-chapter. The data are broken down into various product groups, distribution channels.

The structure of revenues at Cenos looks as follows:

1. Breakdown of sales by product line:
 - grain products
 - table salt
 - sea salt
 - coffee
2. The breakdown of sales according to the distribution channels looks as follows:
 - traditional channel
 - modern channel
 - sub-production (sales for other manufacturers)
 - energy meals and catering
 - export

Before an analysis of the revenues from sales is carried out, it is necessary to recall several factors which have a significant impact on the level of sales generated by Cenos in the current reporting period as well as in the preceding year:

1. In 2010 Cenos made deliveries to charity organisations under the contract with the Agricultural Market Agency. The products supplied by Cenos to the charity organisations were manufactured by Pamapol S.A. – Cenos intermediated in the deliveries (the companies concluded an agreement for sub-production). The total value of the contract was PLN 25.7 million.
2. In 2011 the Company is once again effecting deliveries as part of the programme "Provision of food surpluses to the poorest people in the European Union". However, this year's contract with AMA pertains to products made by Cenos – barley groats with vegetables and rice. According to the terms of reference of the tender adopted by AMA the contract's value (pricing) is PLN 16.8. In return for the deliveries to charity organisations Cenos received 41,728 tonnes of barley.

With respect to sales broken down by product lines, revenues generated under the contract with AMA are recognised in the grain product line and sales generated on the sale of barley are recognised in "goods and materials". With respect to sales broken down by distribution channels, revenues generated under the contract with AMA are recognised in the energy meals channel and sale of barley is recognised in "other revenues from sales". What is important is the fact that sale of barley was no longer reconciled in the fourth quarter of 2011. This means that cumulatively the level of revenues from sales is significantly overstated due to the turnover generated on the sale of barley, which is a one-off transaction.

Table 35

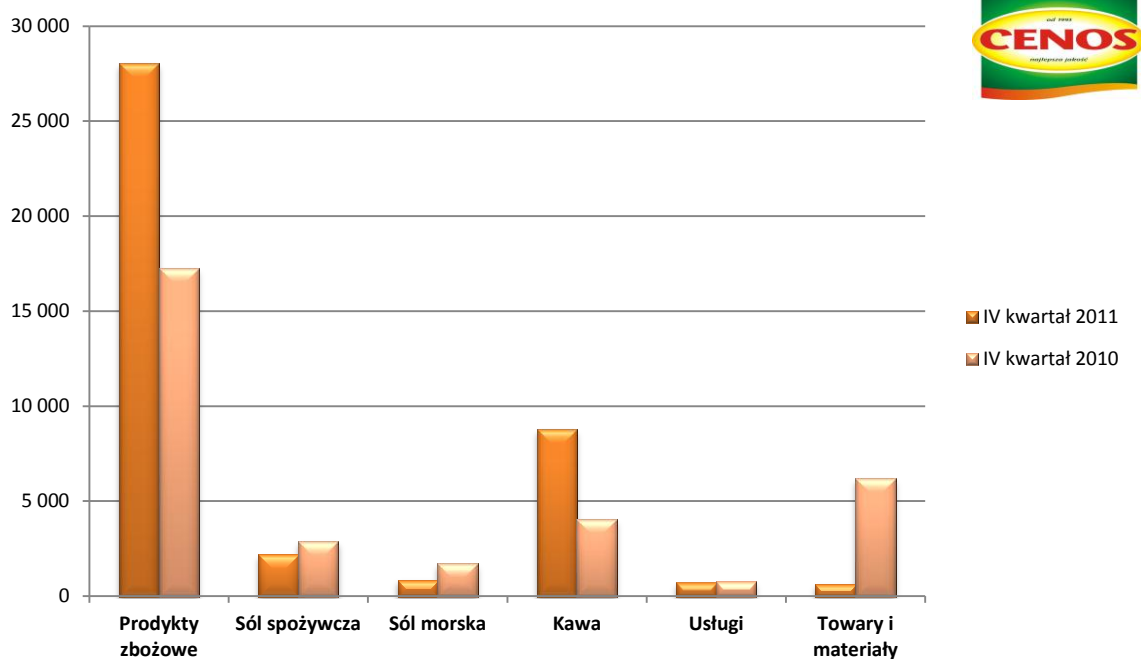
Standalone revenues from sales of Cenos broken down by product line groups on a quarterly basis from year to year

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Total sales	41 192	100%	32 866	100%	25%
Grain products	28 045	68%	17 265	53%	62%
<i>including sale to AMA</i>	9 092	22%	0	0%	-
Table salt	2 188	5%	2 886	9%	-24%
Sea salt	845	2%	1 716	5%	-51%
Coffee	8 759	21%	4 034	12%	117%
Services	714	2%	769	2%	-7%
Goods and materials	642	2%	6 196	19%	-90%
<i>including revenues from sale of barley</i>	0	0%	0	0%	-

Figure 28

Standalone revenues from sales of Cenos broken down by product line groups on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

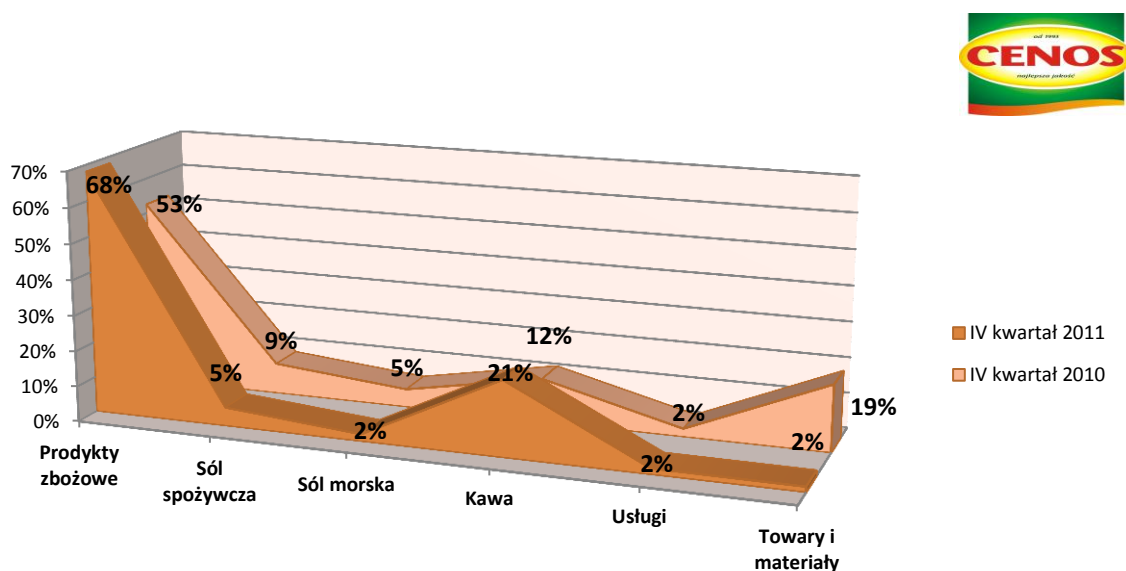
Produkty zbożowe – Grain products

Sól spożywcza – Table salt
 Sól morską – Sea salt
 Kawa – Coffee
 Usługi – Services
 Towary i materiały – Goods and materials

Figure 29

Share of each product line in the standalone revenues from sales of Cenosa on a quarterly basis from year to year

Data in per cent



IV kwartał 2011 – Q4 2011
 IV kwartał 2010 – Q4 2010
 Produkty zbożowe – Grain products
 Sól spożywcza – Table salt
 Sól morską – Sea salt
 Kawa – Coffee
 Usługi – Services
 Towary i materiały – Goods and materials

Table 36

Standalone revenues from sales of Cenosa broken down by product line groups cumulatively from year to year

INCLUDING REVENUES FROM SALE OF BARLEY

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Total sales	183 703	100%	123 076	100%	49%
Grain products	102 253	56%	66 358	54%	54%
<i>including sale to AMA</i>	29 430	16%	0	0%	-
Table salt	9 949	5%	9 844	8%	1%
Sea salt	3 424	2%	4 133	3%	-17%
Coffee	31 754	17%	12 591	10%	152%
Services	1 866	1%	2 812	2%	-34%
Goods and materials	34 456	19%	27 340	22%	26%
<i>including revenues from sale of barley</i>	30 250	16%	0	0%	-

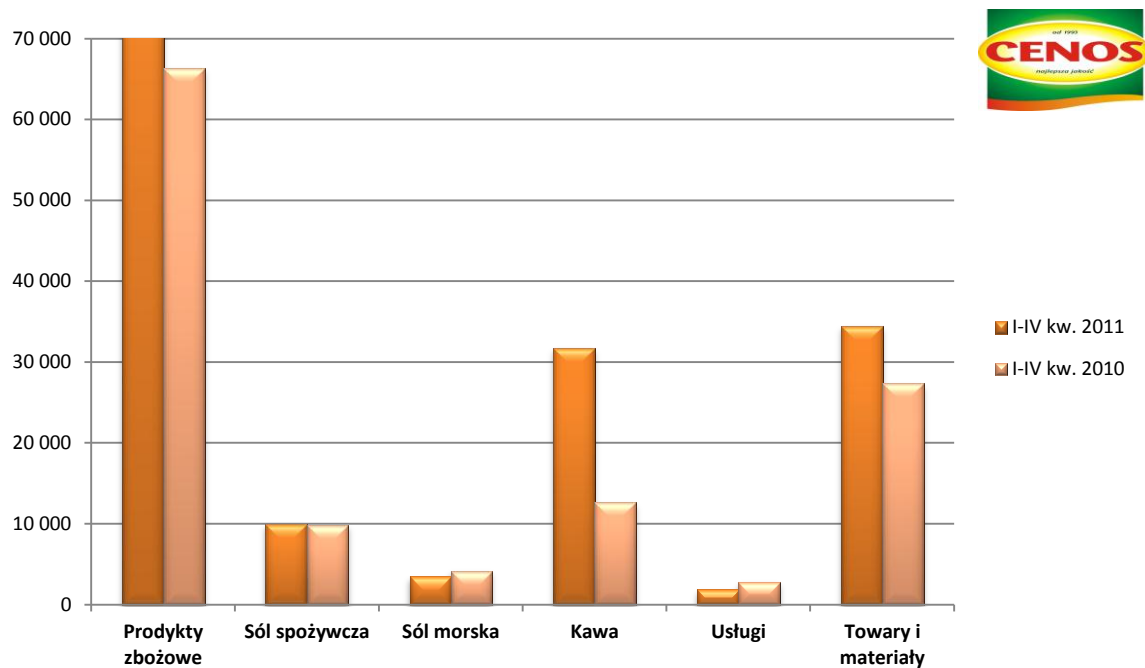
EXCLUDING REVENUES FROM SALE OF BARLEY

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Total sales	153 453	100%	123 076	100%	25%
Grain products	102 253	67%	66 358	54%	54%
<i>including sale to AMA</i>	29 430	19%	0	0%	-
Table salt	9 949	6%	9 844	8%	1%
Sea salt	3 424	2%	4 133	3%	-17%
Coffee	31 754	21%	12 591	10%	152%
Services	1 866	1%	2 812	2%	-34%
Goods and materials	4 206	3%	27 340	22%	-85%

Figure 30

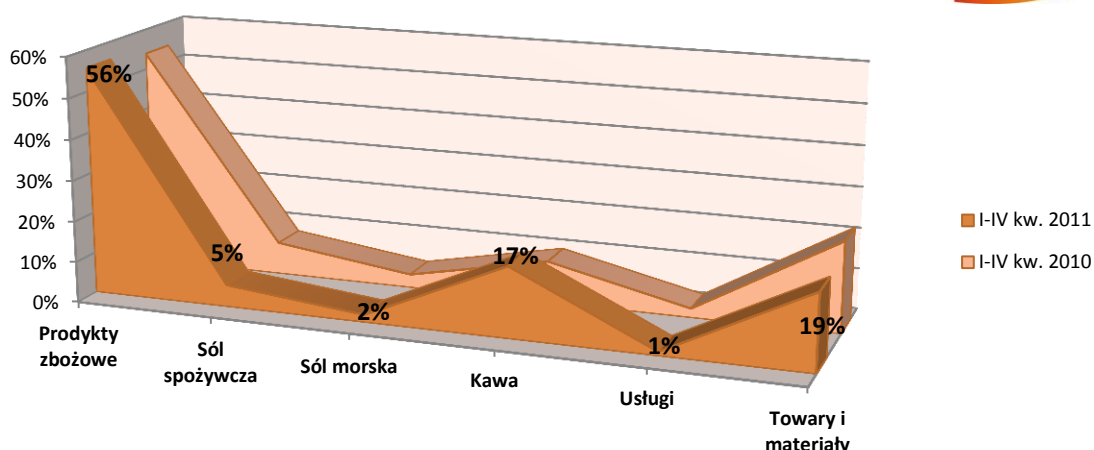
Standalone revenues from sales of Cenos broken down by product line groups cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011
 I-IV kwartał 2010 – Q1- Q4 2010
 Produkty zbożowe – Grain products
 Sól spożywcza – Table salt
 Sól morską – Sea salt
 Kawa – Coffee
 Usługi – Services
 Towary i materiały – Goods and materials

Figure 31
Share of each product line in the standalone revenues from sales of Cenoss cumulatively from year to year
 Data in per cent



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Produkty zbożowe – Grain products

Sól spożywcza – Table salt

Sól morską – Sea salt

Kawa – Coffee

Usługi – Services

Towary i materiały – Goods and materials

The sales results of Cenoss indicate a strong impact of barley sales on the level of sales generated by the Company. During the reporting periods the Company increased the level of sales by 25 per cent quarterly and by 49 per cent cumulatively, which is largely owed to the sale of barley stock during the four quarters. If the total revenues were to be adjusted in comparable periods by the revenues ensuing from the sale of barley, the Company's sales would increase by 25 per cent cumulatively from year to year. It should be pointed out that the sale of barley was fully reconciled by the end of third quarter of 2011. Coffee sales are growing the fastest in this category both on a quarterly and cumulative basis. Owing to the introduction of a new sales policy for this product line it is possible to generate large sales in this category. Sales from year to year are expected to drop in the future reporting periods due to the execution of the contracts with AMA in the years 2009-2011, which were characterised by a high level of turnover.

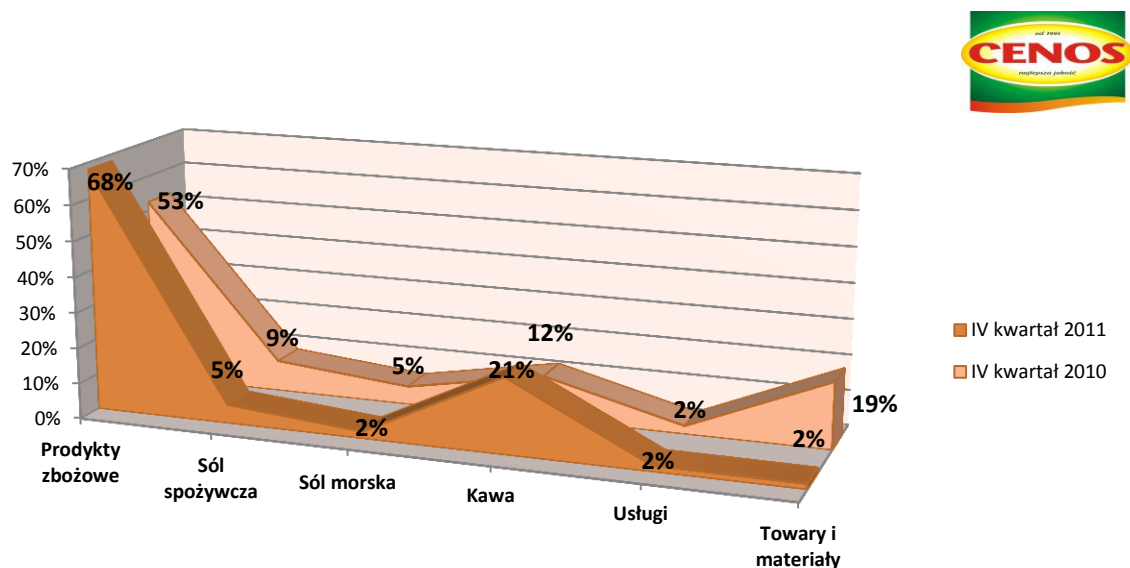
Table 37**Revenues from sales of Cenos broken down by distribution channels on a quarterly basis from year to year**

Data in thousands of PLN

	Q4 of 2011	Share in overall sales	Q4 of 2010	Share in overall sales	Change year/year
Traditional channel	2 936	7%	3 408	10%	-14%
Modern channel	26 056	63%	19 262	59%	35%
<i>including:</i>					
- under Cenos brand	5 400	13%	4 749	14%	14%
- under own brands	20 656	50%	14 513	44%	42%
Sales for other manufacturers	2 219	5%	1 971	6%	13%
Sales in the energy meals and catering channel	9 092	22%	7 717	23%	18%
Export	12	0%	161	0%	-92%
Other revenues from sales	877	2%	346	1%	153%
<i>including barley sales</i>	0		0		
Total sales	41 192	100%	32 866	100%	25%

Figure 32**Share of main distribution channels in the standalone revenues from sales of Cenos on a quarterly basis from year to year**

Data in per cent



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Produkty zbożowe – Grain products

Sól spożywcza – Table salt

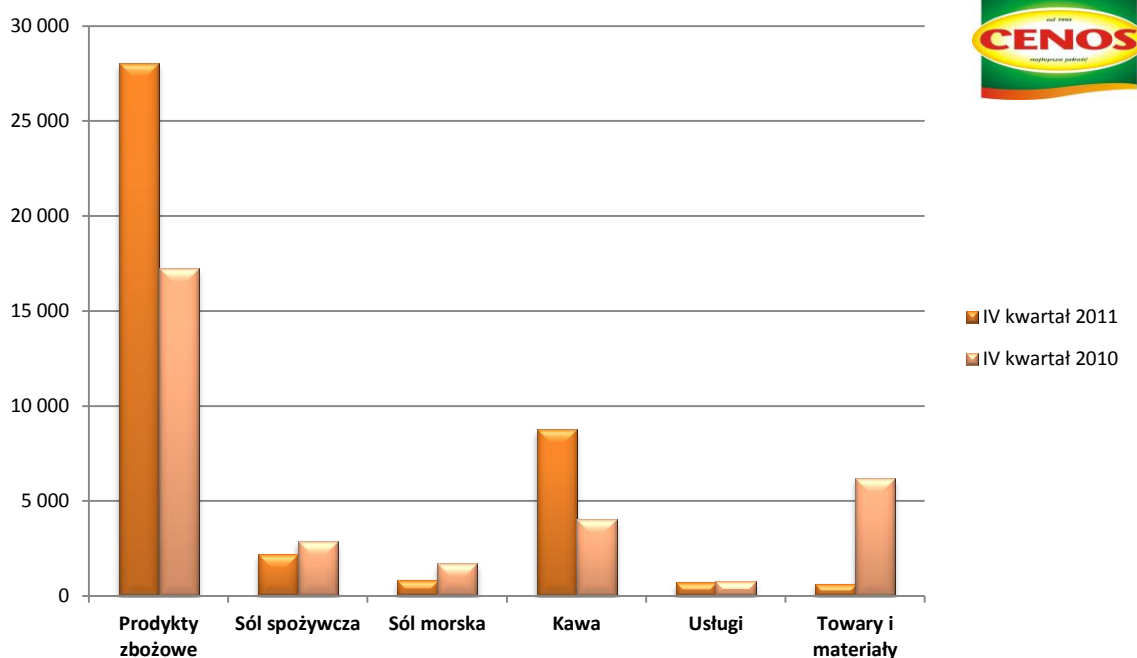
Sól morską – Sea salt

Kawa – Coffee
 Usługi – Services
 Towary i materiały – Goods and materials

Figure 33

Revenues from sales of Cenos broken down by distribution channels on a quarterly basis from year to year

Data in thousands of PLN



IV kwartał 2011 – Q4 2011

IV kwartał 2010 – Q4 2010

Produkty zbożowe – Grain products

Sól spożywcza – Table salt

Sól morską – Sea salt

Kawa – Coffee

Usługi – Services

Towary i materiały – Goods and materials

Table 38

Revenues from sales of Cenos broken down by distribution channels cumulatively from year to year

Data in thousands of PLN

INCLUDING REVENUES FROM SALE OF BARLEY

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Traditional channel	16 330	9%	14 555	12%	12%
Modern channel	96 346	52%	66 061	54%	46%
<i>including:</i>					
- under Cenos brand	20 510	11%	18 186	15%	13%
- under own brands	75 836	41%	47 875	39%	58%
Sales for other manufacturers	5 885	3%	4 897	4%	20%
Sales in the energy meals and catering channel	29 482	16%	35 341	29%	-17%
Export	26	0%	231	0%	-89%
Other revenues from sales	35 633	19%	1 992	2%	1689%
<i>including barley sales</i>	30 250	16%	0	0%	-
Total sales	183 703	100%	123 076	100%	49%

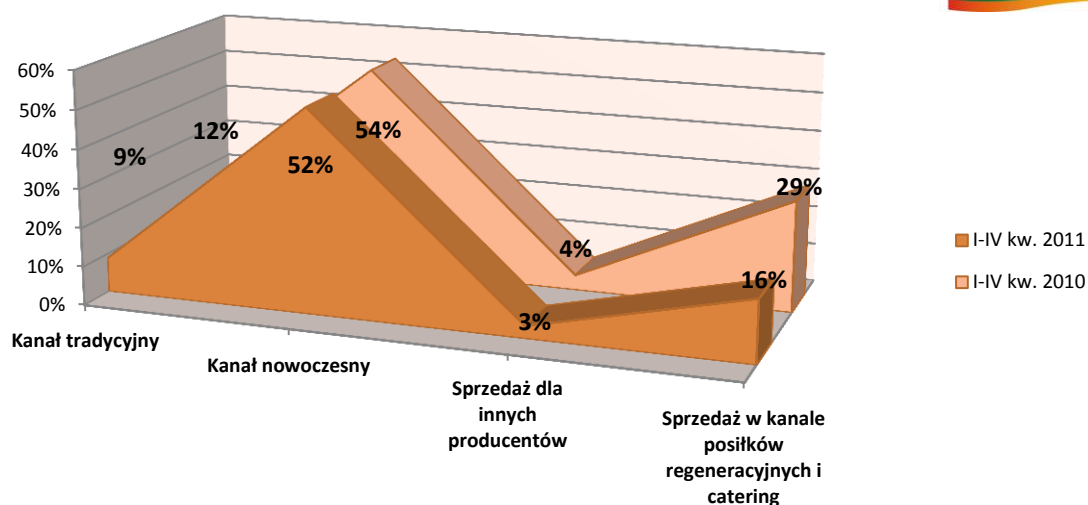
EXCLUDING REVENUES FROM SALE OF BARLEY

	Q1-Q4 2011	Share in overall sales	Q1-Q4 2010	Share in overall sales	Change year/year
Traditional channel	16 330	11%	14 555	12%	12%
Modern channel	96 346	63%	66 061	54%	46%
<i>including:</i>					
- under Cenos brand	20 510	13%	18 186	15%	13%
- under own brands	75 836	49%	47 875	39%	58%
Sales for other manufacturers	5 885	4%	4 897	4%	20%
Sales in the energy meals and catering channel	29 482	19%	35 341	29%	-17%
Export	26	0%	231	0%	-89%
Other revenues from sales	5 383	4%	1 992	2%	170%
Total sales	153 453	100%	123 076	100%	25%

Figure 34

Share of main distribution channels in the standalone revenues from sales of Cenos cumulatively from year to year

Data in per cent



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny – Modern channel

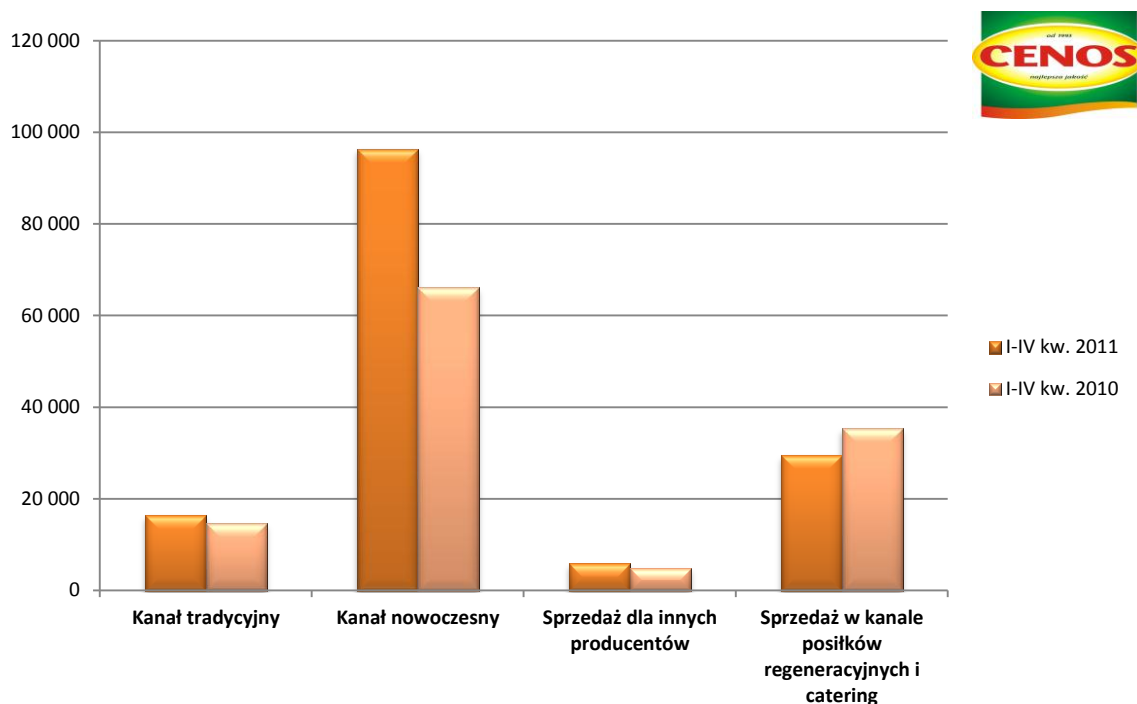
Sprzedaż dla innych producentów – Sales for other manufacturers

Sprzedaż w kanale posiłków regeneracyjnych i catering – Sales in the energy meals and catering channel

Figure 35

Revenues from sales of Cenoss broken down by distribution channels cumulatively from year to year

Data in thousands of PLN



I-IV kwartał 2011 – Q1- Q4 2011

I-IV kwartał 2010 – Q1- Q4 2010

Kanał tradycyjny – Traditional channel

Kanał nowoczesny – Modern channel

Sprzedaż dla innych producentów – Sales for other manufacturers

Sprzedaż w kanale posiłków regeneracyjnych i catering – Sales in the energy meals and catering channel

The largest sales volumes are being realised through the modern distribution channel and the biggest, 54 per cent, increase has been noted in this area cumulatively from year to year and a 35 per cent increase on a quarterly basis from year to year, which is largely associated with coffee sales. A drop has been observed in the energy meals channel because the value of the deliveries to the charity organisations was higher last year.

The sales results of Cenosa are indicative of a consistent realisation of strategic assumptions of the Group as well as of Cenosa. The Management Board anticipates that in future reporting periods the Company will generate a lower level of revenues from sales, which is associated with the execution of contracts with AMA in the years 2009-2011. As at the moment this information was prepared none of the companies from the Group had contracts concluded with the Agricultural Market Agency for the delivery of products to charity organisations.

XVII.C.H. Selected items of the standalone statement of income – Cenos.

Table 39

Selected items of the standalone statement of income of Cenos

STATEMENT OF INCOME (multi-step format)			Cumulatively	
	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	41 192,0	32 866,1	183 702,7	123 075,8
Costs of products, goods and materials sold, including:	37 905,7	28 694,4	164 924,4	104 980,1
Gross profit (loss) on sales (A–B)	3 286,2	4 171,7	18 778,3	18 095,7
Selling costs	3 667,8	4 026,4	15 475,4	13 720,4
General and administrative costs	950,3	847,2	3 554,9	3 184,2
Profit (loss) on sales (C–D–E)	-1 331,9	-701,9	-252,0	1 191,1
Other operating revenues	1 316,8	937,4	3 451,5	3 610,9
Other operating costs	389,1	404,8	1 353,1	1 459,8
Profit (loss) on operating activities (F+G–H)	-404,2	-169,3	1 846,4	3 342,1
Financial revenues	206,6	418,4	392,8	566,7
Financial costs	802,1	403,2	2 403,8	1 744,9
Profit (loss) on business activities (I+J–K)	-999,7	-154,0	-164,6	2 163,9
Result on extraordinary events	0,0	0,0	0,0	0,0
Gross profit (loss) (L±M)	-999,7	-154,0	-164,6	2 163,9
Income tax	221,3	99,4	404,8	537,9
Other statutory reductions in profit (increases in loss)	0,0	0,0	0,0	0,0
Net profit (loss) (N–O–P)	-1 221,0	-253,4	-569,3	1 626,0

Costs by type				
B. Operating costs	41 867,1	33 680,4	185 854,0	122 117,0
I. Amortisation and depreciation	652,7	658,3	2 607,9	2 689,4
II. Consumption of materials and energy	33 474,9	19 862,3	118 148,0	67 062,2
III. External services	4 433,3	4 894,0	20 028,8	16 851,2
IV. Taxes and fees	28,7	21,6	440,2	422,8
V. Payroll	1 909,6	1 603,6	7 111,4	5 994,7
VI. Social security and other benefits	347,2	267,8	1 289,9	1 020,5
VII. Other costs by type	416,3	459,9	2 063,2	2 050,7
VIII. Value of goods and materials sold	604,5	5 912,9	34 164,6	26 025,5

Cumulatively for 2011 Cenos generated over PLN 187 million of revenues from sales which in comparison to an analogous period of the preceding year increased by 49 per cent. Barley sales significantly distorted the actual increase in sales because without barley sales the growth of sales would be 25 per cent. This does not change the fact that the Company is still achieving very high growths in overall sales.

Table 40 Gross profit margin on the standalone level of Cenos

Gross profit margin	Q4 2011	Q4 2010	Q1-Q4 2011	Q1-Q4 2010
Cenos standalone - total	8%	13%	10%	15%
Cenos standalone - on sale of products	8%	15%	12%	18%
Cenos standalone - on sale of goods	6%	5%	1%	5%

Lower gross margin on sales results from two factors:

1. Prevailing high prices of raw production materials – high level of rice prices on global markets associated, among other things, with unfavourable weather conditions in countries being the biggest producers of rice, which in consequence influences strong actions taken by speculators and, as a result, leads to prevailing high prices of this product; increasing prices of coffee and grain
2. Higher EUR/USD exchange rate during the reporting period. The Company purchases raw production materials in a foreign currency and, additionally, as the only company in the Group it is not engaged in export, therefore, does not generate currency revenues. The Group's exchange risk hedging policy makes it possible to provide such hedging only with respect to execution of specific import or export contracts and contracts in the form of transactions with actual currency delivery. The Company did conclude forward transactions for some big import contracts which will be settled with a given sales contract to secure a "stable" margin. Some sales contracts are concluded for short periods of time to ensure the possibility to renegotiate the price list, but sometimes a strong increase anyway affects the margin on sales. Most importantly, outstanding deliveries to customers must also be carried out and as a result before the price list is adjusted the Company's profits from sales are temporarily lower.

It should be noted that in the Management Board's opinion the methods of securing the sales margins used so far were advantageous and the Company intends to continue applying these measures. Additionally, the Company will continue utilising a high level of production capacity, which will contribute to reduction of the unit cost of the product lines being manufactured, and the Management Board is not ruling out additional price hikes.

The quarterly selling costs year to year dropped by 9 per cent, which is associated, among other things, with lower turnover achieved as part of the traditional distribution channel and the associated lower costs of bonuses on sales, moreover, during that period the Company did not bear transportation costs associated with the pick-up of barley from the intervention warehouses. Cumulatively, in 2011 the Company bore higher costs associated with transporting barley from the intervention warehouses to the Company and due to higher turnover in the traditional distribution chain, the costs of bonuses on sales also increased. The general and administrative costs in both period being analysed increased by 12 per cent from year to year.

Cumulatively for the four quarters of 2011 EBITDA was PLN 4.4 million and decreased from PLN 6.0 million as compared to an analogous period of the preceding year, and in Q1-Q4 of 2011 the EBITDA margin was 2 per cent and decreased by 3 percentage points. As the figures show the EBITDA level was affected mainly by a deterioration of the gross sales profit margin.

The financial result of Cenos in Q4 of 2011 was strongly affected by high financial costs, interest costs increased in this period and the Company incurred higher costs associated with the use of the factoring limit granted by BZ WBK Faktoring and the costs of exchange losses. As at the balance sheet date the consumption of the factoring limit was PLN 7.7 million as compared to PLN 5.3 million in the previous year.

It should be pointed out that the drop in the net result from year to year is largely associated with an unfavourable situation on the raw material market – dynamic increase in the prices of raw production materials (poor harvest of grain, coffee in the preceding year caused by adverse weather conditions) and with strong currency fluctuations. To this end the Company intends to continue the activities consisting in concluding short-term sales contracts while simultaneously securing the quantity and price of the raw material and, if necessary, securing foreign exchange rates. Additionally, the high level of production capabilities utilisation will be maintained at the Company and further price increases are also possible (although effects of possible price increases are always delayed as compared to price increases on raw material markets). The Management Board anticipates that the financial results will be maintained on the same level as in this reporting period.

XVII.C.I. Selected items of standalone statements of income of subsidiaries – other companies.

Selected items of standalone statements of income of other companies from the Pamapol Group will be presented in this sub-chapter, i.e. Dystrybucja and Huta Szkła Sławno. The results of these companies have a small share in the consolidated results of the Pamapol Capital Group.

Table 41
Selected items of standalone statements of income of subsidiaries

STATEMENT OF INCOME (multi-step format)	QUARTERLY		QUARTERLY		Cumulatively		Cumulatively	
	Pamapol Dystrybucja Q4 2011	Pamapol Dystrybucja Q4 2010	Huta Szkła Sławno Q4 2011	Huta Szkła Sławno Q4 2010	Pamapol Dystrybucja Q1-Q4 2011	Pamapol Dystrybucja Q1-Q4 2010	Huta Szkła Sławno Q1-Q4 2011	Huta Szkła Sławno Q1-Q4 2010
Net revenues from sales of products, goods and materials, including:	2 989	3 100	0	0	13 277	12 470	0	0
Costs of products, goods and materials sold, including:	2 983	3 225	0	0	12 154	11 357	0	0
Gross profit (loss) on sales (A–B)	6	-125	0	0	1 123	1 113	0	0
Selling costs	19	7	0	0	43	117		
General and administrative costs	257	387	1	12	1 011	1 423	39	48
Profit (loss) on sales (C–D–E)	-270	-519	-1	-12	69	-427	-39	-48
Other operating revenues	52	84	0	0	191	133	0	0
Other operating costs	8	-10	0	0	9	11	0	0
Profit (loss) on operating activities (F+G–H)	-226	-425	-1	-12	251	-305	-39	-48
Financial revenues	0	0	7	8	0	0	7	8
Financial costs	68	54	5	4	297	103	19	15
Profit (loss) on business activities (I+J–K)	-294	-479	1	-8	-46	-408	-51	-55
Gross profit (loss) (L±M)	-294	-479	1	-8	-46	-408	-51	-55
Income tax	0	0	0	0	0	0	0	0
Other statutory reductions in profit (increases in loss)	1	-49	5	1	-5	-134		1
Net profit (loss) (N–O–P)	-295	-430	-4	-9	-41	-274	-51	-56

Data in thousands of PLN

Pamapol Dystrybucja provides distribution services for other entities from the Group and its results do not have an impact on the consolidated result.

Huta Szkła Sławno is an entity which is not pursuing any operational activities.

XVIII. Stance of the Management Board regarding the performance of the previously published result forecasts.

As at the moment the statement for Q4 of 2011 was being prepared no result forecasts for 2011 have been published.

XIX. Business segments.

The description of the operating and geographical segments is contained in Additional information and explanatory notes to the Condensed interim consolidated financial statement of the Pamapol Capital Group for the period from 1 January 2011 to 31 December 2011 in the note "Operating and geographical segments".

XX. Information about credits, warranties, loans and guarantees granted and received by Pamapol S.A. and the subsidiaries.

Information about contingent liabilities and assets is presented in the Condensed interim consolidated financial statement of the Pamapol Capital Group for the period from 1 January 2011 to 31 December 2011 in the note "Financial liabilities and assets".

1. Credits

During the fourth quarter of 2011 and as at the moment this information was prepared the companies from the Pamapol Group did not conclude any new credit agreements.

2. Warranties

During the reporting period and as at the moment this information was prepared the companies from the Pamapol Group did not receive /grant any warranties.

3. Guarantees

During the period covered by the statement and as at the moment this information was prepared the companies from the Pamapol Group did not receive / grant any guarantees, whose total value, together with the existing guarantees, would account for at least 10 per cent of the Issuer's equity.

4. Loans

During Q4 of 2010 and as at the moment this information was prepared the companies from the Pamapol Group did not receive/grant any loans.

XXI. Information about the agreement between the Company and the entity authorised to audit the financial statement.

The quarterly consolidated financial statement was not subject to an audit or review by the entity authorised to audit financial statements.

President
of the Management Board
Krzysztof Półgrabia

Vice-president
of the Management Board
Mariusz Szataniak

Vice-president
of the Management Board
Roman Żuberek

XXII. Consolidated balance sheet.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT of the Pamapol GROUP ACCORDING TO IFRS

CONSOLIDATED REPORT ON THE FINANCIAL CONDITION AS AT 31.12.2011 AND 31.12.2010 (in thousands of PLN)

	As at 2011.12.31	As at 2010.12.31
I. FIXED ASSETS	216 799	225 822
Goodwill	1 848	1 848
Intangible assets	7 058	7 574
Property, plant and equipment	200 957	208 117
Investment real estate	148	
Investments in subsidiaries		
Investments in associated entities		
Receivables and loans	3	165
Derivative financial instruments		
Other long-term financial assets	10	10
Long-term prepayments	59	74
Deferred income tax assets	6 716	8 034
II. CURRENT ASSETS	303 982	241 874
Inventories	129 357	109 895
Trade and other receivables	170 675	126 970
Current income tax receivables	333	64
Loans		360
Derivative financial instruments	113	109
Other short-term financial assets	266	1 450
Short-term prepayments	1 246	1 281
Cash and equivalents	1 992	1 745
Fixed assets held for sale		
TOTAL ASSETS	520 781	467 696

I. EQUITY	125 594	126 413
Equity attributable to the shareholders of the parent company	123 301	123 954
Share capital	23 167	23 167
Own shares		
Capital from sale of shares at a premium over face value	56 496	56 496
Other capitals		
Previous years' profit (loss)	44 292	41 198
Net profit (loss)	-654	3 093
Non-controlling interests	2 293	2 459
II. LIABILITIES	395 187	341 283
Long-term liabilities	118 334	109 537
Long-term credits and loans, other debt instruments	60 629	49 254
Financial lease	5 034	6 808
Derivative financial instruments		
Provision for deferred income tax	11 255	11 475
Liabilities and provisions for employee benefits	1 521	1 716

Other long-term provisions		
Long-term prepayments	39 895	40 284
Short-term liabilities	276 853	231 746
Short-term credits and loans	79 533	95 924
Trade and other liabilities	179 529	119 312
Current income tax liabilities		372
Financial lease	2 580	3 058
Derivative financial instruments		
Liabilities and provisions for employee benefits	8 733	6 514
Other short-term provisions	2 321	1 500
Short-term prepayments	4 157	5 066
Liabilities associated with fixed assets held for sale		
TOTAL LIABILITIES	520 781	467 696

BOOK VALUE PER SHARE (in PLN)	As at 2011.12.31	As at 2010.12.31
Book value	123 301	123 954
Number of shares	23,166,700	23,166,700
Book value per share (in PLN)	5,32	5,35

XXIII. Consolidated statement of cash flows.
CONDENSED CONSOLIDATED FINANCIAL STATEMENT
of the Pamapol GROUP
ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF CASH FLOWS from 01.01.2011 to 31.12.2011 (in thousands of PLN)

	period from 2011.01.01 to 2011.12.31	period from 2010.01.01 to 2010.12.31
<i>Cash flows from operating activities (indirect method)</i>		
Net profit before tax	641	5 968
Adjustments:		
Depreciation and write-downs on tangible fixed assets	18 373	18 771
Depreciation and write-downs on intangible assets	307	365
Goodwill impairment write-downs		
Gain (loss) on disposal of non-financial fixed assets	-2 106	-1 010
Change in fair value of investment real estates		
Gain (loss) on disposal of financial assets	- 215	-264
Fixed asset impairment write-downs	460	-123
Change in fair value of financial assets (liabilities) measured through income statement	- 92	-263
Revenues and expenses from interest and dividends	10 458	9 600
Participation in profits (losses) of associated entities		
Negative goodwill write-down		
Foreign exchange gains (losses)	42	134
Other adjustments	10	-10
Total adjustments	27 237	27 200
Change in inventory	-19 514	-9 314
Change in receivables	-42 241	-21 315
Change in liabilities	63 469	26 571
Change in provisions and in prepayments and accruals	-4 306	-4 317
Other adjustments		
Change in working capital	-2 592	-8 375
Proceeds (expenses) from settlement of financial instruments	-207	-1 503
Taxes paid on operating activities		
Income tax paid	-1 130	-207
Net cash from operating activities	23 949	23 083
<i>Cash flows from investment activities</i>		
Acquisition of subsidiary less acquired cash	-8	-15
Other proceeds from financial assets		
Proceeds from sale of subsidiaries	-113	
Expenses for the purchase of intangible assets	- 1 101	-2 995
Proceeds from the sale of intangible assets		
Expenses for the purchase of tangible fixed assets	-11 211	-11 007
Proceeds from the sale of tangible fixed assets	1 388	1 768
Expenses for the purchase of investment real estates	-2 200	
Proceeds from the sale of investment real estates		
Expenses for the purchase of other financial assets		-1 436
Proceeds from the sale of other financial assets	623	2 972

Loans granted	-50	
Received repayments of loans granted	1 220	18
Proceeds from government subsidies received	3 609	7 883
Interest received	23	106
Dividends received	3	6
Net cash used in investment activities	- 7 817	-2 700
<i>Cash flows from financial activities</i>		
Net proceeds from issuance of shares		
Purchase of own shares		
Proceeds from issuance of bills of exchange		7 250
Redemption of bills of exchange	- 1 750	-6 900
Credits and loans received	62 867	58 531
Repayment of credits and loans	- 64 804	-64 994
Repayment of liabilities arising from financial lease	- 2 394	-3 645
Interest paid	- 10 005	-9 330
Dividends paid to Company's shareholders		
Dividends paid to minority shareholders		
Other financial inflows	201	
Other financial outflows		-2 129
Net cash from financial activities	-15 885	-21 217
Net increase (decrease) in cash and cash equivalents	247	-834
Cash and equivalents opening balance	1 746	-2 580
Change in cash and equivalents due to exchange differences		-10
Cash and equivalents closing balance	1 993	1 746

* The negative amount in the proceeds from sale of subsidiaries constitutes cash of the entity sold as at the date of sale.

This position does not include proceeds from sales because the value of the receivables was subject to compensation with liabilities towards the party purchasing the subsidiary.

XXIV. Consolidated statement of income.
CONDENSED CONSOLIDATED FINANCIAL STATEMENT
of the Pamapol GROUP
ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
FROM 01.01.2011 TO 31.12.2011 (in thousands of PLN)

MULTI-STEP FORMAT	Q4/2011 period from 01.10.11 to 31.12.11	Q4 cumulatively /2011 period from 2011.01.01 to 2011.12.31	Q4/2010 period from 01.10.10 to 31.12.10	Q4 cumulatively /2010 period from 2010.01.01 to 2010.12.31
Revenues from sales	162 237	661 754	144 010	550 697
Revenues from sale of products and services	142 703	526 692	118 344	439 738
Revenues from sale of goods and materials	19 534	135 062	25 666	110 959
Own cost of sales (cost of products, services, goods and materials sold)	138 297	554,570	119 701	447 298
Own cost of products and services sold	122 155	433 125	96 689	348 751
Cost of goods and materials sold	16 142	121 445	23 012	98 547
Gross profit (loss) on sales	23 940	107 184	24 309	103 399
Selling costs	17 712	64 873	16 681	57 859
General and administrative costs	9 751	35 719	9 072	33 251
Profit (loss) on sales	-3 523	6 592	-1 444	12 289
Other operating revenues	8 136	16 884	5 672	12 646
Other operating costs	5 398	10 684	2 767	10 840
Profit (loss) on sale of subsidiaries (+/-)		+741		
Profit (loss) on operating activities	-785	13 533	1 461	14 095
Financial revenues	2 102	2 774	2 122	3 196
Financial costs	4 799	15 666	3 233	11 323
Share in profit (loss) of entities valued using an equity method (+/-)				
Profit (loss) before tax	-3 482	641	350	5 968
Income tax	-301	1 452	365	2 943
Net profit (loss) on continued business	-3 181	-811	-15	3 025
Abandoned activities				
Net profit (loss) on abandoned business				
Net profit (loss)	-3 181	-811	-15	3 025
- including minority's net profit (loss)	-43	-157	-28	-68
- including net profit (loss) of shareholders of parent company	-3 138	-654	13	3 093

Other comprehensive income

Revaluation of tangible fixed assets				
Financial assets available for sale				
Instruments securing cash flows				
Foreign exchange rate differences from valuation of entities operating abroad				
Foreign exchange differences carried over to the financial result - sales of foreign entities				
Share in other comprehensive income of entities valued using an equity method				
Income tax on other comprehensive income				
Other net comprehensive income				
TOTAL INCOME FOR THE FINANCIAL YEAR	-3 181	-811	-15	3 025

Total profit attributable to

- shareholders of the parent company	-3 138	-654	13	3 093
- non-controlling interests	-43	-157	-28	-68

Total comprehensive income attributable to

- shareholders of the parent company	-3 138	-654	13	3 093
- non-controlling interests	-43	-157	-28	-68