

CITY INTERACTIVE S.A.

UNIT FINANCIAL REPORT
FOR THE PERIOD
FROM 01.01.2010 UNTIL 30.06.2010



I. Additional information to the Financial Statement for the period of 01.01.2010 – 30.06.2010

1. Information about the Company

- a) CITY INTERACTIVE S.A. was registered on 1 June 2007 under the transformation of CITY INTERACTIVE Sp. z o.o. by the notary deed Repertory No. A 2682/2007 of 16 May 2007. The Company is based at ul. Żupnicza 17 in Warsaw, Poland.
- b) The Company is registered in the Register of Entrepreneurs under KRS No. 0000282076. The registration was done by District Court for the Capital City of Warsaw in Warsaw, XIII Economic Department of the National Court Register.
- c) The Company's main object of activity is the manufacture, publishing and distribution of computer games.
- d) In accordance with the statute, the duration of the Company's activity is unlimited.
- e) During 2010 the following individuals were Members of the Management Board
- Marek Tymiński President of the Management Board from 01.01.2010 to 30.06.2010
 - Artur Winiarski Member of the Management Board from 01.01.2010 to 30.06.2010
- f) The Company Supervisory Board has operated in 2009 in the constant composition of:
- Krzysztof Sroczyński President of the SB from 01.01.2010 to 30.06.2010
 - Lech Tymiński SB Member from 01.01.2010 to 30.06.2010
 - Marek Tymiński Supervisory Board Member from 01.01.2010 to 30.06.2010
 - Tadeusz Kistrzyn SB Member from 01.01.2010 to 30.06.2010
 - Grzegorz Leszczyński SB Member from 01.01.2010 to 30.06.2010
- g) The Company is the dominant entity of the Holding Group, who prepares the Consolidated Statement. The Holding Group is composed of the following Subsidiaries:
- CITY INTERACTIVE PERU S.A.C.
 - CITY INTERACTIVE GERMANY GmbH
 - CITY INTERACTIVE USA Inc.
 - CITY INTERACTIVE SPAIN S.L.
 - CITY INTERACTIVE JOGOS ELECTRONICOS LTDA
 - CITY INTERACTIVE MEXICO S.A. de C.V.
 - CITY INTERACTIVE UK Ltd.
 - BUSINESS AREA SP. Z O.O.

2. The basis of the presentation and the preparation of the financial statement

- a) Consolidated Financial Statement encompasses the period of 01.01.2010 to 30.06.2010. Comparative data encompass the period of 01.01.2009 to 30.06.2009 as well as the balance for 31.12. 2009 and the entire year 2009.
- b) The financial statement was prepared according to International Accounting Standards and International Financial Reporting Standards (IAS/IFRS).
- c) The financial statement has been prepared under the assumption of maintaining business operation in foreseeable future and the lack of circumstances suggesting a threat to continued operation.

3. Applied Accounting Standards

Application of International Accounting Standards

The financial statement was prepared according to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the European Union ("EU") and interpretations adopted by the International Accounting Standards Board (IASB) and the Committee for Integration of International Accounting Standards (CIIAS) applicable to the activity conducted by the Company and binding in annual periods beginning from 1 January 2007 as well as to requirements introduced by the Ordinance of the Minister of Finance dated 19 February 2009 on current and periodical information communicated by the issuers of securities and on conditions of assuming the equivalence of data required by the laws of a non-member state (Journal of the Law No. 33 item 259).

The financial statement for the period from 01.01.2010 to 30.06.2010 is the next annual financial statement prepared in accordance with the IAS/IFRS. The comparative data for the period from 01.01.2009 to 30.06.2009 are taken from the statement of the Company, prepared in accordance with the IAS/IFRS subject to transformation described in note 40. 01.01.2007 was the date of transition to IAS/IFRS.

The basis for preparation of the financial statement

Data in the financial statement has been given in Polish zlotys, the currency of the presentation and functional currency.

The financial statement was prepared based on the historical cost principle. The preparation of the financial statement in accordance with IAS/IFRS requires professional judgement, estimates and assumptions from the Management Board that influence the adopted principles and presented values of assets, liabilities, incomes and costs. Estimates and associated assumptions are based on historical experience and other factors considered sensible in given circumstances, and their results give basis for professional judgement as pertains to balance sheet value of assets and liabilities that is not directly derived from other sources. The actual value may be different from estimated value.

Estimates and associated assumptions are subject to current verification. The change of estimates is recognized in the period in which it was made.

The principles of accounting policy described below were applied with respect to all periods represented in this statement.

Tangible fixed assets

(i) Own components of tangible fixed assets

Tangible fixed assets are such fixed assets that are maintained with the purpose to be used in the production process or in goods delivery and rendering of services, with the purpose to be given for use to other entities on the grounds of lease agreement and such ones that are expected to be used longer than in one period.

The costs incurred at a later date are formalized in the balance sheet value of the asset component or shown as a separate asset component only if it is probable that the Company will gain economic benefits related to said component, and the price of purchase of said item can be measured reliably. The expenditures on repair and maintenance are related to the profit and loss account for the financial period in which they were incurred. The cost of production is increased by the fees and, for specific assets, by the external financing costs capitalized according to principles described in the Company's accounting principles.

Depreciation pertaining to these fixed assets begins upon start of their usage. For every newly acquired fixed asset, the technical services are obliged to, if possible, allocate the significant component part and determine the means of depreciation.

Fixed assets in building created for means of production, lease or administration, as well as for yet undetermined means are presented in the balance sheet according to the cost of production diminished by allowances for the loss of value.

Profits or loss resulting from the sale/liquidation or ceasing of usage of fixed assets are determined as the difference between income from sale and net value of said fixed assets and are formalized in the profit and loss account.

Land – Perpetual usufruct is presented in the purchase price.

The Company does not depreciate of the perpetual usufruct. The depreciation rates have been established in consideration of the period of economic usefulness of fixed assets.

Tangible fixed assets are depreciated by the linear method using the following rates:

- technical equipment and machines 20-60%
- other fixed assets 20%

Tangible fixed assets of unitary purchase price up to 1 000 zlotys net are depreciated in a period from 12 to 24 months, not earlier than in the month of adoption for usage.

(ii) Components of tangible fixed assets used on the terms of lease agreements

Lease is classified as financial lease when the terms of agreement transfer substantially full potential benefits and risk resulting from ownership to the lessee. All other varieties of leasing are considered to be operating lease.

Assets used on the basis of a financial lease agreement are considered to be the Company's assets and are appraised in their fair value at the moment of their purchase, not higher than the current value of minimum lease fees.

The arising obligation to lessor is shown in the balance sheet in the item Financial Lease Obligations.

Leasing fees are divided into interest and capital parts. Financial costs are related to the profit and loss account.

(iii) Later expenditures

Costs incurred at a later date, the purpose of which is to exchange separately formalized components of tangible fixed assets are subject to activation. Other costs are capitalized only if they can be measured reliably and if they increase future economic benefits related to the component of tangible assets. The remaining disbursements are recognized currently in the profit and loss account as costs.

Intangible fixed assets

(i) Intangible fixed assets

The Company formalizes the intangible fixed assets component only if:

- a) it is probable that the Company will achieve future economic benefits that can be assigned to said asset component and
- b) it is possible to reliably set the purchase price or cost of production of said asset component.

The intangible fixed asset component is initially appraised at the price of purchase or cost of production. Intangible fixed assets are subject to depreciation. Depreciation rates have been set in relation to the period of economic usefulness of the intangible fixed assets.

Intangible fixed assets are depreciated using the linear method employing the following rates:

- licenses 20%-90%
- computer software 50%,

Intangible fixed assets of unitary purchase price up to 1000 zlotys net are depreciated in a period from 12 to 24 months.

Research work expenditures are related into costs at the moment of their incurrence.

Development work costs incurred before initiating production or application of new technological solutions are numbered among intangible fixed assets, if the Company can prove:

- to have the ability, from the technological standpoint, to finish the intangible fixed assets component in such a way it would be fit for usage or sale,
- the intention to finish the intangible fixed asset component, as well as the intention of its usage or sale,
- the ability to use or sell the intangible fixed assets component,
- the means by which the intangible fixed assets component will produce probable economic benefits. Inter alia, the Company should prove the existence of market for products created through said intangible fixed assets component or for the particular component or – if the component is to be used by an entity – the usefulness of the intangible fixed assets component,
- the availability of appropriate technological, financial and other means that are to be employed to finish the development work and to use or sell the intangible fixed assets component,
- the ability to reliably establish expenses incurred in the course of development work that can be assigned to said intangible fixed assets component.

The costs of development work with an a priori determined usage period are subject to depreciation. Depreciation deduction begins on the day when said asset component is ready for usage and ends when said assets component has been qualified for sale or stopped being formalized in the accounts.

The depreciation period is equal to the period of economic usefulness of said asset. The determined period and methods of depreciation of development work costs are verified at least at the end of every financial year. Development work costs are depreciated in the expected period of attaining income from the sale of products, but no longer than 3 years.

The Company does not depreciate development work costs with unspecified usage period. Intangible fixed assets with unspecified usage period are subject to an annual test for value loss using the IAS 36 guidelines, "asset value loss".

(ii) Value loss

The Company performs a review of durable property components on the balance sheet date in order to ascertain if no rationale for the possibility of loss of their value occurs.

In a case where such rationale was recognized, the recoverable value of a said assets component is evaluated in order to determine the potential resulting write-down.

In a case where an assets component does not generate flux of money that is largely independent from other assets, the analysis is performed for the group of assets generating flux of money the said component is a part of.

In a case of intangible fixed assets with unspecified usage period the test for value loss is performed annually and additionally when rationale indicating the possibility of value loss occurs. Recoverable value is set to be the higher of the following two values: fair value diminished by sale costs, or use value. The latter value corresponds to current value of future flux of money discounted using rate of discount reflecting current market value of money in time and risk specific to said asset.

If recoverable value is lower than the net book value of the asset component (or asset group), the book value is decreased to the recoverable value.

The loss through value loss is formalized as cost in period in which it occurred, with the exception of cases in which asset component was formalized in revaluated value (in such case the loss of value is considered as the decrease of previous revaluation).

At the moment of value loss reversal, the net value of the asset component (or asset group) is increased to the new assessed value, no larger than net value of said asset component that would have been assessed if loss of value was not recognized in previous years.

The reversal of loss of value is formalized in income if the component asset was previously not subject to revaluation – in such case the reversal of loss of value is related to capital from revaluation.

Investments

Investments other than real estate, intangible and legal assets and financial assets are formalized according to their price of purchase decreased by write-downs resulting from permanent loss of value.

Investments formalized according to historical costs in foreign currency on balance sheet day are evaluated applying average exchange rate set by the National Bank of Poland on balance sheet day.

Trade and other receivables

Short-term trade and other receivables are appraised in the amount requiring payment, unless the interest calculation is significant. In such case, receivables are initially formalized in their fair value and then appraised according to the depreciated cost using effective tax rate. In accord with the principle assumed by the Company, receivables with term of payment above 180 days are subject to discounting.

Stock

The initial value (cost) of stock encompasses all costs (of purchase, production and other) incurred in relation to bringing stock to its actual location and state.

The stock purchase price encompasses the purchase price increased by import tariffs and other taxes (impossible to be reclaimed from tax authority), transport costs, loading and unloading costs and other costs directly related to the acquisition of stock, decreased by deductions, rebates and other similar reductions.

The stock is evaluated at initial value (price of purchase or cost of production) or in net sale price, depending on which one is lower.

In case of remaining stock, the cost is appraised using the “First In First Out” (FIFO) method.

Inventory write-downs

Write-downs of tangible components of current assets related to their loss of value or appraisal on the balance sheet date are performed in correspondence with prime cost of sale (IAS2).

Cash and equivalents

Cash and cash equivalents encompass cash on hand and call deposits. Short-term investments that are not subject to significant changes in value and that can be easily converted into a given amount of cash and are a part of liquidity management policy of the Company are formalized as cash and cash equivalents for the purposes of flow-of-funds account.

Financial Instruments

Assets and financial liabilities are formalized in the balance sheet at the moment when the Company becomes a party in a binding agreement.

The Company qualifies as a financial instrument any agreement that results in the creation of a financial assets component with one of the parties and a financial liability or capital instrument with the other party, as long as economic results unequivocally stem from a contract concluded between two or more parties.

According to IAS number 39 the Company classifies financial instruments as divided into:

- a) instruments held for trading (appraised in fair value by result) – components of assets or financial liabilities that were purchased or created mainly to generate profit acquired by short-term price fluctuations,
- b) financial instruments held to maturity – financial assets with fixed or determinable payments or determined maturity date, excluding loans granted by entities and own liabilities, appraised according to depreciated cost employing the effective interest rate,

- c) financial instruments available for sale – financial assets that are neither granted loans nor own liabilities, assets held to maturity nor financial assets held for trading, appraised in fair value,
- d) loans and liabilities – financial assets that are no derivatives, with fixed or determinable payments that are not quoted in active market. Assets and liabilities are appraised on the date of purchase by the Company at the rate of cost (price) of purchase, i.e. at fair value of incurred payment in case of an asset component, or the amount received in case of a liability.

Transaction costs are included in the initial value of the appraisal of all assets and liabilities.

The differences from revaluation and achieved revenues or incurred losses, relative to the qualification of the financial instrument influence directly the financial result or revaluation capital as regards financial assets available for sale.

The Company appraises the principles of appraisal of financial instruments on balance sheet date according to depreciated cost, considering the effective interest rate:

- assets held to maturity,
- granted loans and own receivables and
- other financial liabilities not qualified for trading.

The appraisal can also be performed in:

- the value requiring payment, if the effect of discounting is not significant;
- the amount requiring payment: receivables and liabilities with short-term due/maturity date;
- the fair value: financial assets and liabilities held for trading and financial assets available for sale.

Changes in fair value of financial instruments held for trading that are no part of indemnity are formalized as financial income or costs at the moment of their occurrence.

Shares and stock in other entities are appraised according to their price of purchase decreased by write-downs resulting from permanent loss of value.

Share capital

Share capital was shown in nominal value of issued and registered stocks.

(i) Purchase of own shares

In case of the purchase of own shares, the resulting payment amount including direct transaction costs are shown as change in equity. Purchased shares are shown as decrease in equity.

(ii) Dividend

Dividend is formalized as liabilities in the period they were established.

Provisions

Provisions are liabilities whose amount or maturity date is uncertain.

The Companies create provisions when the following conditions are jointly met:

- An obligation (legal or customary) resulting from past events exists for the companies,
- It is probable that realizing this obligation will cause the necessity of outflow of resources signifying economic benefits,
- It is possible to make a reliable estimate of the amount of said obligation.

The Company creates provisions for creditors for the following titles:

- deferred income tax provision created due to existence of positive differences between book value of assets and liabilities and their tax value,
- provisions for employee benefits – provisions for severance payments for retirement are calculated based on own estimates, but due to the low average age of employees and resulting insignificant provision value they are currently not created,
- other provisions.

The dissolution of unused provisions follows on the date they were revealed to be redundant.

Liabilities

Trade and other liabilities are formalized according to depreciated cost.

Revenue

Revenue from product and services sale encompass sale of products produced by the Company, that the Company owns exclusive license rights due to their creation or has purchased license for publishing and distribution and rendering services to other entities.

Revenue from sale of goods and materials encompass the sale of products that were purchased and are intended for resale in unprocessed form as well as the sale of materials used for production.

Revenue from product and goods sale is formalized if the following conditions are met:

- The Company has transferred significant risk and benefits resulting from property rights to goods or products to the buyer,
- The Company ceases to be permanently engaged in management of sold goods or products to the degree it usually realizes in case of goods and products to which it owes property rights, nor does it effectively control them,
- The revenue amount can be reliably estimated,
- There is probability the Company will receive economic benefits resulting from the transaction,
- Costs incurred and those to be incurred by the Company resulting from the transactions can be reliably estimated.

Revenue is formalized only if obtaining economic benefits resulting from the concluded transactions by the Company is probable.

If an uncertainty towards the collection of receivable amount arises after said amount has already been included in revenue, the uncollectable amount or the amount whose collection has ceased to be probable is formalized as costs and not as a correction of the initially formalized revenue amount.

Revenue from sales are formalized in the fair value of payments received or due and represent receivables for products, goods and services provided in normal economic operations, after reductions resulting from rebates, VAT and other sales-related taxes.

Revenue from interest are formalized incrementally in relation to the main due amount, according to the effective interest rate of lease method.

Material costs

The Company prepares an account of results in a calculation version. Costs are classified according to their function.

(i) Payments under finance leases

Finance leases payments are divided into a part constituting the financing cost and a part decreasing liability. The part constituting the financing cost is ascribed to particular periods in the lease period using the effective interest rate method.

(ii) Net financing costs

Net financing costs comprise interest due to debt determined using effective interest rate, interest due to cash invested by the Company, due dividend, profits and losses due to exchange rate difference and profits and losses related to hedging instruments formalized in the profit and loss account.

Revenue due to interest is formalized in the profit and loss statement employing the accrual method, by using the effective interest rate method. Revenue due to dividend is formalized in the profit and loss account at the moment of acquisition of the rights to receive dividend by the Company. The part constituting financing cost resulting from financial lease payments is formalized in the profit and loss account by using the effective interest rate method.

Tax

Obligatory result charges are comprised of: current tax (CIT) and deferred tax.

Current tax charges are calculated on the basis of tax result (taxable base) for the given financial year. The tax for current financial period and previous periods is formalized as a liability in the amount that was not paid.

The profit (loss) is different from the net book profit (loss) due to exemption of taxable revenue and costs constituting costs of obtaining revenue in following years and cost and revenue items that will never be subject to taxation.

Deferred tax is calculated using the balance method as tax subject to payment or return at a future date on differences between balance sheet values of assets and liabilities and corresponding tax values used for calculating the taxable base.

Deferred income tax assets and deferred income tax provisions are appraised based on tax rates that are expected to be used when the asset component will be realised or provision dissolved, taking tax rates (and tax regulations) legally or effectively effective on the balance sheet date.

The value of asset component due to deferred tax is to be analysed on every balance sheet date, and in case when expected future tax profits will be insufficient for realisation of said component it is to be written down. Deferred income tax assets and deferred income tax provisions are not discounted.

Deferred tax is formalized in the profit and loss account, excluding the case when it pertains to items formalized directly in equity. In such case the deferred tax is also settled directly into equities. The Company compensates deferred income tax assets with deferred income tax provisions only if it owes an executable legal right to compensate deferred income tax assets with deferred income tax provisions.

Foreign currency transactions

Transactions made in foreign currencies are converted into functional currency with the use of exchange rate quoted in the day of signing the transaction according to the following rules:

- In case of selling foreign currencies and transactions of receivables payment – according to an exchange rate set by the bank, whose services are used by the Company;
- In case of buying foreign currencies and transactions of liabilities payment – according to an exchange rate set by the bank, whose services are used by the Company;
- In case of other transactions – according to average rate set for a given currency by the National Bank of Poland, providing that customs documentation does not contain different exchange rate.

Monetary balance sheet items formalized according to historical costs in foreign currency are presented on balance sheet day applying average exchange rate set by the National Bank of Poland on balance sheet day. Non-monetary balance sheet items are presented according to historical costs in foreign currency applying exchange rate from the day of transaction. Non-monetary balance sheet items accounted in fair value presented in foreign currency with the use of exchange rate from the day of setting the fair value.

Positive and negative exchange differences resulting from accounting transactions in foreign currencies and converting financial assets and liabilities according to average exchange rates set by National Bank of Poland at the end of the year are shown in profit and loss account, with the exception of cases of equity accounting compliant with the criteria of cash flow security.

Reporting business segments

Business segment is a separate division of the Company that provides specific products or services (trade segment) or provides products or services in a specific economic area (geographic segment), that is subject to risk and gains benefits different than other segments.

CITY INTERACTIVE S.A. divides the sales revenue into the following segments:

- Trade – including sale divided into: products, goods and services
- Geographic – including sale divided into the following areas: Europe, America and Asia with Australia.

Revenue on product sales include sale of products made by the Company, to which the Company has exclusive license rights as their producer or licensee.

Revenue on services sale includes revenue on the services that the Company provides to other companies.

Revenue on merchandise include sale of purchased products that are to be sold unprocessed as well as sale of materials necessary for production.

Operating costs are divided into the following types:

- immediate, that can be assigned to a given product or service or that equals the value of sold merchandise or materials of purchase price,
- indirect, which cannot be assigned to a given product, such as managing costs, sales costs, other operating costs.

Segmentation – assigned to specific business segments – applies to immediate costs and part of indirect costs that can be assigned to a given segment.

Activities subject to discontinuation and fixed assets held for trading

Prior to reclassification of assets as held for trading, their valuation (or all assets and liabilities designated for sale) is updated according to the relevant IFRS. Next, on the day of initial classification as held for trading, fixed assets and group held for trading are formalized according to the lower balance value or fair value decreased by the costs leading to sale.

Loss of value recognized during initial classification as held for trading is formalized in profit and loss account, even in case of revaluating. It also applies to profit and loss resulting from subsequent revaluation.

Discontinued activities are part of Company's activities, which is separate line of business or the geographic segment, or which is a subsidiary purchased in order to be resold.

Classification as discontinued activities is made in result of trading or when activities can be classified to be part of group held for trading.

4. Change of accounting terms (transformation of financial statements)

Financial Statement for CITY INTERACTIVE S.A. for the period of 01.01.2010 to 30.06.2010 maintains comparability in relation to data contained in statement for 01.01.2009 to 30.06.2009 which was prepared according to IAS/IFRS. Due to correction of an error from the previous years, the data covering the period from 01.01.2009 to 30.06.2009 has been reclassified. The span of reclassification is shown in Note 40 in the Additional Information for the Financial Statement.

5. Selected financial data

Balance data was converted according to average exchange rate announced by NBP's Chairman on the day of conducting the financial statement, which at that day amounted to:

As of 30.06.2009 – 4.4696 PLN / EUR

As of 31.12.2009 – 4.1082 PLN / EUR

As of 30.06.2010 – 4.1458 PLN / EUR

Net sales revenue, profits in PLN, as well as current cash flow account were converted to EURO according to the exchange rate determined as an arithmetic average of average rates announced by NBP's Chairman during the last day of each month.

For the first half-year of 2009 – 4.5184 PLN / EURO

For 2009 – 4.3406 PLN / EUR

For the first half-year of 2010 – 4.0042 PLN / EURO

	cumulative 2 quarters 2010 / period from 01.01.2010 till 30.06.2010		cumulative 4 quarters 2009 / period from 01.01.2009 to 31.12.2009		cumulative 2 quarters 2009 / period from 01.01.2009 to 30.06.2009	
	'000 PLN	'000 EUR	'000 PLN	'000 EUR	'000 PLN	'000 EUR
Income statement						
Net revenue from product, merchandise and material sales	25 380	6 338	27 108	6 245	18 974	4 199
Profit (loss) on operating activity	11 089	2 454	-14 596	-3 363	1 982	439
Gross profit (loss)	11 829	2 618	-15 241	-3 511	2 416	535
Net profit (loss)	9 801	2 169	-12 668	-2 918	2 120	469
Number of shares (in thousands)	12 650	12 650	12 650	12 650	12 540	12 540
Profit (loss) on one ordinary share	0.77	0.17	-1.00	-0.23	0.17	0.04
Balance						
Fixed assets	15 800	3 811	14 694	3 577	18 955	4 241
Current assets	30 181	7 280	20 852	5 076	28 894	6 465
Total assets	45 981	11 091	35 546	8 652	47 849	10 705
Equity capital	27 857	6 719	18 047	4 393	32 568	7 286
Nominal capital	1 265	305	1 265	308	1 254	281
Liabilities and provisions for liabilities	18 124	4 372	17 498	4 259	15 281	3 419
Long-term liabilities	262	63	242	59	838	188
Short-term liabilities	17 862	4 309	17 256	4 200	14 443	3 231
Liabilities total	45 981	11 091	35 545	8 652	47 849	10 705
Cash flow statement						
Net cash flows from operating activity	5 828	1 455	3 671	846	1 172	259
Net cash flows from investment activity	-3 608	-901	-8 448	-1 946	-2 479	-549
Net cash flows from financial activity	-2 424	-605	3 839	884	711	157
Total net cash flows	-204	-51	-938	-938	-596	-132

BALANCE SHEET
as of 30 June 2010

	ASSETS	Note no.	As of 30.06.2010	As of 31.12.2009	As of 30.06.2009 correction (Note 40)	As of 30.06.2009
	FIXED ASSETS (long-term)		15 799 501.44	14 693 830.18	18 954 719.45	18 498 245.43
	Tangible fixed assets	1	277 141.18	551 779.50	941 894.57	941 894.57
	Intangible fixed assets	2	12 617 094.42	10 269 438.66	16 488 609.26	16 488 609.26
	Investment immovables		-	-	-	-
	Shares and stocks in subsidiaries	3	297 093.88	260 009.52	286 495.56	286 495.56
	Shares and stocks in entities, consolidated using the equity method		-	-	-	-
	Financial assets available for sale		-	-	-	-
	Deferred income tax assets	4	2 608 171.96	3 612 602.50	1 237 720.06	781 246.04
	Other fixed assets		-	-	-	-
	CURRENT ASSETS (short-term)		30 181 402.04	20 851 637.34	28 894 480.58	28 894 480.58
	Stock	5	3 662 136.26	4 284 998.11	5 162 144.38	5 162 144.38
	Short-term investments	6	250 756.68	1 482 554.93	729 677.89	729 677.89
	Advances - paid advances		1 457 091.59	-	-	-
	Trade receivables from supplies and services	7	22 855 257.02	11 980 450.09	19 940 274.10	19 940 274.10
	Receivables from income tax	8	-	386 604.00	161 085.00	161 085.00
	Cash and equivalents	9	254 172.64	457 759.62	799 238.78	799 238.78
	Other current assets	10	1 701 987.85	2 259 270.59	2 102 060.43	2 102 060.43
	TOTAL ASSETS		45 980 903.48	35 545 467.52	47 849 200.03	47 392 726.01

BALANCE SHEET
as of 30 June 2010

continuation

	LIABILITIES	Note no.	As of 30.06.2010	As of 31.12.2009	As of 30.06.2009 correction (Note 40)	As of 30.06.2009
	EQUITY CAPITAL		27 856 574.85	18 047 198.96	32 567 714.46	34 513 739.17
	Share capital	11	1 265 000.00	1 265 000.00	1 254 000.00	1 254 000.00
	Capital reserves from share sales above face value	12	20 555 689.15	20 555 689.15	20 456 689.15	20 456 689.15
	Unregistered capital		-	-	110 000.00	110 000.00
	Capital reserves from appraisal revaluation	13	71 405.84	52 081.58	78 567.62	78 567.62
	Capital for incentive program	12a	282 550.00	293 675.00	-	-
	Own stocks		-	-	-	-
	Capital elements concerning assets for sale		-	-	-	-
	Retained earnings	14	5 681 929.86	-4 119 246.77	10 668 457.69	12 614 482.40
	LIABILITIES		18 124 328.63	17 498 268.56	15 281 485.57	12 878 986.84
	Total long-term liabilities		261 953.49	242 466.55	838 253.34	838 253.34
	Liabilities from credits, loans and other debt instruments	15	-	-	-	-
	Retirement benefit and similar provisions	16.18	33 270.04	9 410.17	21 905.04	21 905.04
	Long-term financial lease liabilities	15	11 902.76	86 851.37	175 958.82	175 958.82
	Other long-term liabilities		-	-	-	-
	Deferred income tax provision	4	216 780.69	146 205.01	640 389.48	640 389.48
	Future periods revenue		-	-	-	-
	Total short-term liabilities		17 862 375.14	17 255 802.01	14 443 232.23	12 040 733.50
	Liabilities under credits, loans and other debt instruments	15	5 094 064.63	7 064 730.86	3 575 342.74	3 575 342.74
	Liabilities from current income tax	8	952 962.00	-	-	-
	Trade liabilities and other	17	11 281 327.24	8 581 747.49	8 263 922.20	8 263 922.20
	Short-term financial lease liabilities	15	164 021.27	178 309.34	175 950.08	175 950.08
	Other short-term provisions	18	-	-	25 518.48	25 518.48
	Future periods revenue		-	1 431 014.32	2 402 498.73	-
	Other liabilities	18	370 000.00	-	-	-
	TOTAL LIABILITIES		45 980 903.48	35 545 467.52	47 849 200.03	47 392 726.01

Book value in PLN	27 856 574.85	18 047 198.96	32 567 714.46	34 513 739.17
Number of registered shares	12 650 000	12 650 000	12 540 000	12 540 000
Book value per share	2.20	1.43	2.60	2.75

PROFIT AND LOSS
for period from 01 January to 30 June 2010 PLN
Calculation format

Specification	Note no.	For period 01.01 - 30.06.2010	For period 01.01 - 31.12.2009	For period 01.01 - 30.06.2009 correction (NOTE 40)	For period 01.01 - 30.06.2009
Continued activities					
Net sales revenue		25 379 807.76	27 108 130.97	18 974 310.78	17 861 989.84
Revenue on sales of products and services	19.20	24 386 343.23	26 497 564.98	18 882 393.46	17 770 072.52
Revenue on sales of merchandise and materials		993 464.53	610 565.99	91 917.32	91 917.32
Costs of production, merchandise and services sold		9 044 191.03	20 148 635.10	10 576 980.81	10 576 980.81
Manufacturing cost of products sold	21.22	8 538 445.60	19 815 274.12	10 544 839.94	10 544 839.94
Cost of merchandise and materials sold		505 745.43	333 360.98	32 140.87	32 140.87
Gross profit (loss) on sales (A – B)		16 335 616.73	6 959 495.87	8 397 329.97	7 285 009.03
Other operating revenue	23	547 036.14	636 211.84	201 370.66	201 370.66
Sales costs	21	2 718 674.58	6 687 598.77	3 220 941.53	3 220 941.53
Costs of general management	21	1 660 343.48	4 355 323.30	2 629 695.92	2 629 695.92
Other operating costs	24	1 415 081.85	11 149 246.42	766 504.63	766 504.63
Profit (loss) on operating activity		11 088 552.96	-14 596 460.78	1 981 558.55	869 237.61
Financial revenue	25	1 152 884.50	247 441.42	715 023.26	715 023.26
Financial costs	25	412 221.61	891 944.92	280 774.72	280 774.72
Profit (loss) before taxation		11 829 215.85	-15 240 964.28	2 415 807.09	1 303 486.15
Income tax	26	2 028 039.22	-2 572 986.17	296 080.74	84 739.76
Profit (loss) from continued activities		9 801 176.63	-12 667 978.11	2 119 726.35	1 218 746.39
Loss from discontinued activities		-	-	-	-
NET PROFIT (LOSS)		9 801 176.63	-12 667 978.11	2 119 726.35	1 218 746.39

Net profit (loss)		9 801 176.63	-12 667 978.11	2 119 726.35	1 218 746.39
Number of registered shares	11	12 650 000.00	12 650 000.00	12 540 000.00	12 540 000.00
Profit (loss) per one share		0.77	-1.00	0.17	0.10

TOTAL REVENUE
from 01 January to 30 June 2010

STATEMENT OF INCOME	For period 01.01 - 30.06.2010	For period 01.01 - 31.12.2009	For period 01.01 - 30.06.2009 correction (NOTE 40)	For period 01.01 - 30.06.2009
Yearly net profit	9 801 176.63	-12 667 978.11	2 119 726.35	1 218 746.39
Other gross income (loss) in total:	19 324.26	-7 411.12	19 074.92	19 074.92
Effects of financial assets evaluation	19 324.26	-7 411.12	19 074.92	19 074.92
Cash flow hedges (gross tax)	-	-	-	-
Profits from property revaluation	-	-	-	-
Actuarial losses / profits from defined pension plans	-	-	-	-
Associated entities' share in other incomes in total	-	-	-	-
Income tax on the components of other incomes in total	-	-	-	-
Other incomes in total after taxation (net balance)	-	-	-	-
Overall income (loss) for the year	9 820 500.89	-12 675 389.23	2 138 804.27	1 237 821.31

STATEMENT OF CHANGES IN EQUITY CAPITAL
from 01 January to 30 June 2010

		Share capital	Capital from share issue above face value	Capital from appraisal revaluation	Capital from incentive program	Total unregistered share capital	Retained earnings	Total equity capital
1.	Account balance on 01.01.2009	1 254 000.00	20 456 689.15	59 492.70	-	-	11 395 736.01	33 165 917.86
2.	Change in company accounting policy	-	-	-	-	-	-	-
3.	Account balance on 01.01.2009 after transition	1 254 000.00	20 456 689.15	59 492.70	-	-	11 395 736.01	33 165 917.86
Changes in equity capital from 01.01.2009 to 31.12.2009								
4.	Profits and losses during period	-	-	-	-	-	1 218 746.39	1 218 746.39
5.	Purchase/sales of own shares	-	-	-	-	-	-	0.00
6.	Dividend reimbursement to shareholders	-	-	-	-	-	-	-
7.	Issue of shares	-	-	-	-	110 000.00	-	110 000.00
8.	Cost of issue of shares	-	-	-	-	-	-	-
9.	Allocation of financial results	-	-	-	-	-	-	-
10.	Increase due to appraisal revaluation	-	-	19 074.92	-	-	-	19 074.92
11.	Adjustment from previous years*	-	-	-	-	-	-1 946 024.71	-1 946 024.71
As of 31.12.2009		1 254 000.00	20 456 689.15	78 567.62	-	110 000.00	10 668 457.69	32 567 714.46
1.	Account balance on 01.01.2009	1 254 000.00	20 456 689.15	59 492.70	-	-	11 395 736.01	33 165 917.86
2.	Change in company accounting policy	-	-	-	-	-	-	-
3.	Account balance on 01.01.2009 after transition	1 254 000.00	20 456 689.15	59 492.70	-	-	11 395 736.01	33 165 917.86
Changes in equity capital from 01.01.2009 to 31.12.2009								
4.	Profits and losses during period	-	-	-	-	-	-12 667 978.11	-12 667 978.11
5.	Purchase/sales of own shares	-	-	-	-	-	-	-
6.	Dividend reimbursement to shareholders	-	-	-	-	-	-	-
7.	Issue of shares	11 000.00	99 000.00	-	293 675.00	-	-	403 675.00
8.	Cost of issue of shares	-	-	-	-	-	-	-
9.	Allocation of financial results	-	-	-	-	-	-	-
10.	Decreases due to appraisal revaluation	-	-	-7 411.12	-	-	-	-7 411.12
11.	Adjustment from previous years	-	-	-	-	-	-	-
As of 31.12.2009		1 265 000.00	20 555 689.15	52 081.58	293 675.00	-	-4 119 246.77	18 047 198.96

STATEMENT OF CHANGES IN EQUITY CAPITAL
from 01 January to 30 June 2010

continuation

		Share capital	Capital from share issue above face value	Capital from appraisal revaluation	Capital from incentive program	Total unregistered share capital	Retained earnings	Total equity capital
1.	Account balance as of 01.01.2010	1 265 000.00	20 555 689.15	52 081.58	293 675.00	-	-4 119 246.77	18 047 198.96
2.	Change in company accounting policy	-	-	-	-	-	-	-
3.	Account balance as of 01.01.2010 after transition	1 265 000.00	20555689.15	52081.58	293675.00	-	-4 119 246.77	18 047 198.96
	Changes in equity capital from 01.01.2010 to 30.06.2010							
4.	Profits and losses during period	-	-	-	-	-	9 801 176.63	9 801 176.63
5.	Purchase/sales of own shares	-	-	-	-	-	-	-
6.	Dividend reimbursement to shareholders	-	-	-	-	-	-	-
7.	Issue of shares	-	-	-	-	-	-	-
8.	Cost of issue of shares	-	-	-	-	-	-	-
9.	Allocation of financial results	-	-	-	-	-	-	-
10.	Decreases due to appraisal revaluation	-	-	19 324.26	- 11 125.00	-	-	8 199.26
11.	Adjustment from previous years	-	-	-	-	-	-	-
	As of 30.06.2010	1 265 000.00	20 555 689.15	71 405.84	282 550.00	-	5 681 929.86	27 856 574.85

*Details on transformation of comparison data for the first quarter of 2009 found in note 40.

CASH FLOW
indirect method For period 01.01.2010 – 30.06.2010

CONTENT		For period 01.01 - 30.06.2010	For period 01.01 - 31.12.2009	For period 01.01 - 30.06.2009 correction (NOTE 40)	For period 01.01 - 30.06.2009
A.	OPERATING ACTIVITY CASH FLOW				
I.	Gross profit (loss)	11 829 215.85	-15 240 964.28	2 415 807.09	1 303 486.15
II.	Total adjustments	-6 000 844.31	18 911 621.09	-1 244 126.62	-131 805.68
	1. Depreciation	2 646 897.16	10 402 265.47	4 887 936.12	4 887 936.12
	2. Write-down for fixed assets	54 048.30	5 363 748.31	-	-
	3. Other write-downs	-47 190.92	253 907.67	155 967.23	155 967.23
	4. Profits (losses) on exchange rates differences	111 223.24	46 821.01	-240 116.67	-240 116.67
	5. Profits (losses) on investment activity	-	536 154.75	-	-
	6. Profits (losses) on sales of fixed assets	-	-77 417.64	284.49	284.49
	7. Interest	348 098.54	419 090.44	19 654.57	19 654.57
	8. Income tax	-	-	-	-
	9. Change in receivables balance	-9 841 683.54	5 177 439.09	-2 610 174.75	-2 610 174.75
	10. Advances - paid advances	-1 457 091.59	-	-	-
	11. Change of stock status	622 861.85	-713 493.32	-1 590 639.59	-1 590 639.59
	12. Change of trade liability status and other	2 980 272.10	-288 899.51	-572 914.22	-572 914.22
	13. Change of provisions and liabilities status due to fringe benefits	23 859.87	-31 260.83	-18 765.96	-18 765.96
	14. Other adjustments	-	-	-1 951.90	-1 951.90
	15. Adjustment for 2008	-1 431 014.32	-2 083 805.35	-1 112 320.94	-
	16. Incentive program	-11 125.00	293 675.00	-	-
	18. Tax paid	-	-386 604.00	-161 085.00	-161 085.00
III.	Net cash flows from operating activity	5 828 371.54	3 670 656.81	1 171 680.46	1 171 680.46
B.	CASH FLOW FROM INVESTMENT ACTIVITY				
	1. Income from sales of intangible and legal assets and tangible fixed assets	-	125 729.51	1 229.51	1 229.51
	2. Income from sales of financial assets	-	2 127 385.50	2 127 385.50	2 127 385.50
	3. Repayment of loans	1 292 413.30	1 364 307.94	1 025 744.31	1 025 744.31
	4. Received dividend	-	-	-	-
	5. Received interest	-	120 194.79	107 215.22	107 215.22
	6. Income from company sale	-	-	-	-
	7. Other income	0.00	114 983.82	217 629.03	217 629.03
	8. Disbursements on subsidiary company purchase	-8 794.00	-	-	-
	9. Disbursements on intangible assets and tangible fixed assets purchase	-454 333.38	-2 291 667.12	-1 506 109.15	-1 506 109.15
	10. Disbursements on investment immovables purchase	-	-	-	-
	11. Disbursements on financial assets purchase	-	-	-	-
	12. Disbursements on developing works	-4 319 629.52	-8 168 158.99	-4 636 175.20	-4 636 175.20
	13. Disbursement on granting short-term loans	-	-1 840 330.25	183 776.17	183 776.17
	14. Other disbursements	-117 601.17	-	-	-
	Net cash flows from investment activity	-3 607 944.77	-8 447 554.80	-2 479 304.61	-2 479 304.61

continuation

CASH FLOW

For period 01.01.2010 – 30.06.2010

CONTENT		For period 01.01 - 30.06.2010	For period 01.01 - 31.12.2009	For period 01.01 - 30.06.2009 correction (NOTE 40)	For period 01.01 - 30.06.2009
C.	CASH FLOW FROM FINANCIAL ACTIVITY				
	1. Net income from issue of shares and other capital instruments	-	-	-	-
	2. Contracting a credit and loans	2 742 818.33	14 030 934.50	7 859 181.90	7 859 181.90
	3. Income from bonds	-	5 000 000.00	-	-
	4. Other financial income	-	-	-	-
	5. Purchase of own shares	-	-	-	-
	6. Dividend and other disbursements for owners	-	-	-	-
	7. Credits and loans granted	-	-	-	-
	8. Disbursements on credits and loans payoffs	-4 717 236.43	-14 534 147.73	-6 939 944.22	-6 939 944.22
	9. Redemption of bonds	-	-	-	-
	10. Payments of financial leases liabilities	-99 366.04	-160 839.06	-82 382.97	-82 382.97
	11. Interest	-344 833.90	-464 454.42	-125 745.06	-125 745.06
	12. Other financial disbursements	-5 395.71	-32 588.96	-	-
	Net cash from financial activity	-2 424 013.75	3 838 904.33	711 109.65	711 109.65
D.	TOTAL NET CASH FLOWS	-203 586.98	-937 993.66	-596 514.50	-596 514.50
E.	BALANCE CHANGE OF CASH STATUS, including:	-203 586.98	-937 993.66	-596 514.50	-596 514.50
E.	CASH AT THE BEGINNING OF THE TERM	457 759.62	1 395 753.28	1 395 753.28	1 395 753.28
F.	CASH AT THE END OF THE TERM	254 172.64	457 759.62	799 238.78	799 238.78

Note 1 Changes in fixed assets according to group types

In PLN

	Land (including perpetual usufruct)	Buildings, premises and civil engineering structures	Technical equipment and machines	Means of transport	Other fixed assets	Fixed assets under construction	Prepayment for fixed assets under construction	Total
Gross value as of 01.01.2009	-	-	1 470 152.71	621631.75	163072.33	-	-	2 254 856.79
Increases:	-	-	60 574.12	-	5 027.73	-	-	65 601.85
- purchase	-	-	60 574.12	-	5 027.73	-	-	65 601.85
- in-kind contribution	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
- revaluation of pricing	-	-	-	-	-	-	-	-
Decreases:	-	-	2 795.08	12 694.61	-	-	-	15 489.69
- sales	-	-	2 795.08	-	-	-	-	2 795.08
- liquidation	-	-	-	12 694.61	-	-	-	12 694.61
- transfer	-	-	-	-	-	-	-	-
- revaluation of pricing	-	-	-	-	-	-	-	-
Gross value as of 30.06.2009	-	-	1 527 931.75	608 937.14	168 100.06	-	-	2 254 856.79
Amortization as of 01.01.2009	-	-	644 296.00	244 522.18	89 069.82	-	-	977 888.00
Increases:	-	-	241 212.34	115 220.71	30 034.41	-	-	386 467.46
- revaluation of pricing	-	-	-	-	-	-	-	-
- amortization	-	-	241 212.34	115 220.71	30 034.41	-	-	386 467.46
- transfer	-	-	38 918.18	-	-	-	-	38 918.18
Decreases:	-	-	1 281.08	-	-	-	-	1 281.08
- sales	-	-	1 281.08	-	-	-	-	1 281.08
- liquidation	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
Amortization as of 30.06.2009	-	-	884 227.26	359 742.89	119 104.23	-	-	1 363 074.38
Net value								
As of 01.01.2009	-	-	825,856.71	377 109.57	74,002.51	-	-	1 276 968.79
As of 30.06.2009	-	-	643 704.49	249 194.25	48 995.83	-	-	941 894.57



	Land (including perpetual usufruct)	Buildings, premises and civil engineering structures	Technical equipment and machines	Means of transport	Other fixed assets	Fixed assets under construction	Prepayment for fixed assets under construction	Total
Gross value as of 01.01.2009	-	-	1 470 152.71	621 631.75	163 072.33	-	-	2 254 856.79
Increases:	-	-	74 477.27	-	5 552.24	-	-	80 029.51
- purchase	-	-	74 477.27	-	5 552.24	-	-	80 029.51
- in-kind contribution	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
- revaluation of pricing	-	-	-	-	-	-	-	-
Decreases:	-	-	80 251.23	222 694.61	-	-	-	302 945.84
- sales	-	-	5 249.92	210 000.00	-	-	-	215 249.92
- liquidation	-	-	75 001.31	-	-	-	-	75 001.31
- transfer	-	-	-	-	-	-	-	-
- revaluation of pricing	-	-	-	12 694.61	-	-	-	12 694.61
Gross value as of 31.12.2009	-	-	1 464 378.75	398 937.14	168 624.57	-	-	2 031 940.46
Amortization as of 01.01.2009	-	-	644 296.00	244 522.18	89 069.82	-	-	977 888.00
Increases:	-	-	487 338.18	202 103.08	42 313.47	-	-	731 754.73
- revaluation of pricing	-	-	-	-	-	-	-	-
- amortization	-	-	487 338.18	202 103.08	42 313.47	-	-	731 754.73
- transfer	-	-	-	-	-	-	-	-
Decreases:	-	-	65 481.80	163 999.97	-	-	-	229 481.77
- sales	-	-	2 938.08	163 999.97	-	-	-	166 938.05
- liquidation	-	-	62 543.72	-	-	-	-	62 543.72
- transfer	-	-	-	-	-	-	-	-
Amortization as of 31.12.2009	-	-	1 066 152.38	282 625.29	131 383.29	-	-	1 480 160.96
Net value								
As of 01.01.2009	-	-	825 856.71	377 109.57	74 002.51	-	-	1 276 968.79
As of 31.12.2009	-	-	398 226.37	116 311.85	37 241.28	-	-	551 779.50

	Land (including perpetual usufruct)	Buildings, premises and civil engineering structures	Technical equipment and machines	Means of transport	Other fixed assets	Fixed assets under construction	Prepayment for fixed assets under construction	Total
Gross value as of 01.01.2010	-	-	1 464 378.75	398 937.14	168 624.57	-	-	2 031 940.46
Increases:	-	-	4 761.53	-	-	-	-	4 761.53
- purchase	-	-	4 761.53	-	-	-	-	4 761.53
- in-kind contribution	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
- revaluation of pricing	-	-	-	-	-	-	-	-
Decreases:	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
- permanent loss of value write-down	-	-	-	-	-	-	-	-
Gross value as of 30.06.2010	-	-	1 469 140.28	398 937.14	168 624.57	-	-	2 036 701.99
Amortization as of 01.01.2010	-	-	1 066 152.38	282 625.29	131 383.29	-	-	1 480 160.96
Increases:	-	-	199 375.34	72 882.12	7 142.39	-	-	279 399.85
- revaluation of pricing	-	-	-	-	-	-	-	-
- amortization	-	-	199 375.34	72 882.12	7 142.39	-	-	279 399.85
- transfer	-	-	-	-	-	-	-	-
Deductions:	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
Amortization as of 30.06.2010	-	-	1 265 527.72	355 507.41	138 525.68	-	-	1 759 560.81
Net value								
As of 01.01.2010	-	-	398 226.37	116 311.85	37 241.28	-	-	551 779.50
As of 30.06.2010	-	-	203 612.56	43 429.73	30 098.89	-	-	277 141.18

Note 2 CHANGES IN INTANGIBLE FIXED ASSETS (ACCORDING TO GROUP TYPES)

	Costs of completed development projects	Goodwill	Copyright, related rights, licences, concessions	Inventions, patents, trademarks, utility models, and decorative design rights	Press titles rights	Other intangible and legal fixed assets	Prepayment for intangible and legal fixed assets	Total
Gross value as of 01.01.2009	6 007 666.10	-	4 144 265.37	-	51 000.00	1 327 555.65	1 010 443.36	21 768 891.35
Increases:	9 227 960.87	-	1 665 424.46	-	-	46 498.02	1 419 418.47	12 372 780.17
- purchase	9 227 960.87	-	1 665 424.46	-	-	46 498.02	1 419 418.47	12 372 780.17
- transfer	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
Decreases	4 240 938.62	-	-	-	-	-	1 674 793.61	5 915 732.23
- sales	-	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-	-
- transfer	4 240 938.62	-	-	-	-	-	1 674 793.61	5 915 732.23
- permanent loss of value write-down	-	-	-	-	-	-	-	-
Gross value as of 30.06.2009	20 236 127.57	-	5 809 689.83	-	51 000.00	1 374 053.67	755 068.22	28 225 939.29
Amortization as of 01.01.2009	3 758 829.68	-	2 522 910.18	-	17 000.00	571 402.58	-	6 870 142.44
Increases	3 747 716.23	-	903 275.64	-	5 100.00	211 095.72	-	4 867 187.59
- amortization	3 747 716.23	-	903 275.64	-	5 100.00	211 095.72	-	4 867 187.59
- transfer	-	-	-	-	-	-	-	-
- in-kind contribution	-	-	-	-	-	-	-	-
Decreases:	-	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
Amortization as of 30.06.2009	7 506 545.91	-	3 426 185.82	-	22 100.00	782 498.30	-	11 737 330.03
Net value								
As of 01.01.2009	11 476 797.29	-	1 621 355.19	-	34 000.00	756 153.07	387 466.99	14 898 748.91
As of 30.06.2009	12 729 581.66	-	2 383 504.01	-	28 900.00	591 555.37	755 068.22	16 488 609.26

	Costs of completed development projects	Goodwill	Copyright, related rights, licences, concessions	Inventions, patents, trademarks, utility models, and decorative design rights	Press titles rights	Other intangible and legal fixed assets	Prepayment for intangible and legal fixed assets	Total
Gross value as of 01.01.2009	15 235 626.97	-	4 144 265.37	-	51 000.00	1 327 555.65	1 010 443.36	21 768 891.35
Increases:	8 962 631.72	-	2 115 151.67	-	-	50 437.42	2 076 918.09	13 205 138.90
- purchase	8 962 631.72	-	2 115 151.67	-	-	50 437.42	2 076 918.09	13 205 138.90
- transfer	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
Decreases	4 401 817.21	-	851 363.49	-	-	3 575.16	2 196 525.28	7 453 281.14
- sales	-	-	-	-	-	-	-	-
- liquidation (discontinued investment)	-	-	-	-	-	3 575.16	81 373.61	84 948.77
- transfer	-	-	-	-	-	-	2 115 151.67	2 115 151.67
- permanent loss of value write-down	4 401 817.21	-	851 363.49	-	-	-	-	5 253 180.70
Gross value as of 31.12.2009	19 796 441.48	-	5 408 053.55	-	51 000.00	1 374 417.91	890 836.17	27 520 749.11
Amortization as of 01.01.2009	3 758 829.68	-	2 522 910.18	-	17 000.00	571 402.58	-	6 870 142.44
Increases	8 094 873.61	-	1 900 680.06	-	10 200.00	378 989.50	-	10 384 743.17
- amortization	8 094 873.61	-	1 900 680.06	-	10 200.00	378 989.50	-	10 384 743.17
- transfer	-	-	-	-	-	-	-	-
- in-kind contribution	-	-	-	-	-	-	-	-
Decreases:	-	-	-	-	-	3 575.16	-	3 575.16
- liquidation	-	-	-	-	-	3 575.16	-	3 575.16
- transfer	-	-	-	-	-	-	-	-
Amortization as of 31.12.2009	11 853 703.29	-	4 423 590.24	-	27 200.00	946 816.92	-	17 251 310.45
Net value								
As of 01.01.2009	11 476 797.29	-	1 621 355.19	-	44 200.00	291 286.73	387 466.99	13 821 106.20
As of 31.12.2009	7 942 738.19	-	984 463.31	-	23 800.00	427 600.99	890 836.17	10 269 438.66

	Costs of completed development projects	Goodwill	Copyright, related rights, licences, concessions	Inventions, patents, trademarks, utility models, and decorative design rights	Press titles rights	Other intangible and legal fixed assets	Prepayment for intangible and legal fixed assets	Total
Gross value as of 01.01.2010	19 796 441.48	-	5 408 053.55	-	51 000.00	1 374 417.91	890 836.17	27 520 749.11
Increases:	4 556 762.86	-	845 741.72	-	-	38 509.13	376 500.47	5 817 514.18
- purchase	4 556 762.86	-	845 741.72	-	-	38 509.13	376 500.47	5 817 514.18
- transfer	-	-	-	-	-	-	-	-
- leasing	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	845 741.72	845 741.72
- sales	-	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	845 741.72	845 741.72
- permanent loss of value write-down	-	-	-	-	-	-	-	-
Gross value as of 30.06.2010	24 353 204.34	-	6 253 795.27	-	51 000.00	1 412 927.04	421 594.92	32 492 521.57
Amortization as of 01.01.2010	11 853 703.29	-	4 423 590.24	-	27 200.00	946 816.92	-	17 251 310.45
Increases	1 875 066.31	-	616 843.35	-	5 100.00	127 107.04	-	2 624 116.70
- amortization	1 875 066.31	-	616 843.35	-	5 100.00	127 107.04	-	2 624 116.70
- transfer	-	-	-	-	-	-	-	-
- in-kind contribution	-	-	-	-	-	-	-	-
Decreases:	-	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	-	-	-
Amortization as of 30.06.2010	13 728 769.60	-	5 040 433.59	-	32 300.00	1 073 923.96	-	19 875 427.15
Net value								
As of 01.01.2010	7 942 738.19	-	984 463.31	-	23 800.00	427 600.99	890 836.17	10 269 438.66
As of 30.06.2010	10 624 434.74	-	1 213 361.68	-	18 700.00	339 003.08	421 594.92	12 617 094.42

Note 3

Shares and stocks in subordinated entities

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
City Interactive Peru (5.940 PEN)	4 807.24	5 638.25	5 638.25
City Interactive Germany (25.000 EUR)	103 645.00	102 705.00	111 740.00
City Interactive USA (50.000 USD)	169 730.00	142 515.00	158 665.00
City Interactive Spain (3.600 EUR)	14 924.88	14 789.52	16 090.56
City Interactive Brazil (90.000 BRL)	105 750.66	114 318.00	114 318.00
City Interactive Mexico (47.500 MXN)	10 621.00	10 188.75	10 188.75
Business Area Sp. z o.o.	8 794.00	-	-
Net financial fixed assets	418 272.78	390 154.52	416 640.56
Revaluation write-down	-121 178.90	-130 145.00	-130 145.00
including: City Interactive Peru	-4 807.24	-5 638.25	-5 638.25
City Interactive Brazil	-105 750.66	-114 318.00	-114 318.00
City Interactive Mexico	-10 621.00	-10 188.75	-10 188.75
Gross financial fixed assets	297 093.88	260 009.52	286 495.56

Note 4

Deferred income tax assets and provisions

Deferred income tax assets

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period) correction (Note 40)	30.06.2009 (previous period)
1. Status of deferred income tax assets at the beginning of the period	3 612 602.50	1 263 515.48	595 700.48	595 700.48
<i>including:</i>				
applied to financial results	3 612 602.50	1 263 515.48	595 700.48	595 700.48
Increases	2 608 171.96	3 612 602.50	1 237 720.06	781 246.04
- applied to financial results	2 608 171.96	3 612 602.50	1 237 720.06	781 246.04
Decreases	3 612 602.50	1 263 515.48	595 700.48	595 700.48
- applied to financial results	3 612 602.50	1 263 515.48	595 700.48	595 700.48
1. Status of deferred income tax assets at the end of the period	2 608 171.96	3 612 602.50	1 237 720.06	781 246.04

Deferred income tax provision

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period) correction (Note 40)	30.06.2009 (previous period)
1. Status of deferred income tax assets at the beginning of the period	146 205.01	370 104.16	370 104.16	370 104.16
<i>including:</i>				
applied to financial results	146 205.01	370 104.16	370 104.16	370 104.16
Increases	216 780.69	146 205.01	640 389.48	640 389.48
- applied to financial results	216 780.69	146 205.01	640 389.48	640 389.48
Decreases	146 205.01	370 104.16	370 104.16	370 104.16
- applied to financial results	146 205.01	370 104.16	370 104.16	370 104.16
1. Status of deferred income tax assets at the end of the period	216 780.69	146 205.01	640 389.48	640 389.48

Note 5**Stock**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (present period)
Materials	119 184.45	352 522.73	150 472.42
Work in progress	-	-	-
Finished products	2 982 589.96	3 800 231.88	3 580 827.55
Merchandise	560 361.85	132 243.50	1 430 844.41
Total stock	3 662 136.26	4 284 998.11	5 162 144.38

Note 5a

Stock ageing as of 30.06.2010

0-90 days	999 161.59
91-180 days	567 762.95
180-360 days	694 302.58
over 360 days	1 400 909.14
	3 662 136.26

Stock whose storing period is over 360 days is still serviceable, and will be used in the Company's activity.
Value of unsalable stock removal in the reported period 362 093.47 (note 24).

Note 6**Short-term investments**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Bonds kept until the maturity date	-	-	-
Granted loans	2 526 100.39	3 796 166.92	2 945 349.44
Revaluation write-down	-2 275 343.71	-2 313 611.99	-2 215 671.55
Other short-term bonds	-	-	-
Other	-	-	-
Total	250 756.68	1 482 554.93	729 677.89

Description of granted loans:

Borrower	Amount in a foreign currency granted as of 30.06.2010	Total amount according to agreement	Interest rate	Maturity date	Due interest charged
CITY INTERACTIVE GERMANY GmbH	29 851.58 EUR	200 000 EUR	1M Libor EUR+1,5%	31.03.2011	1 480.59 EUR
CITY INTERACTIVE PERU SAC	702 223.16 USD	1 000 000 USD	1M Libor USD+1,5%	31.12.2008	11 446.44 USD
CITY INTERACTIVE USA Inc.	USD 0.00	Financing purchases from Nintendo of America	1M Libor USD+1,5%	31.03.2011	1 791.77 USD
CITY IINTERACTIVE SPAIN S.L.	60 000.00 USD	230 000 USD	1M Libor EUR+1,5%	30.06.2010	2 366.44 EUR

The Company created a write-down for the amounts due for the loan granted to CITY INTERACTIVE PERU SAC, a subsidiary, referring to the Resolution no. 1 passed by the Board on 10 October 2008 on desisting from developing the activity of CITY INTERACTIVE PERU SAC. There is a possibility of loss of the amount of the loan. The Company created a write-down for these assets amounting to 2 016 784.92 PLN and included it in the costs of the previous financial years.

The Company created a write-down for loan receivables for CITY INTERACTIVE SPAIN S.L., a subsidiary, referring to the Resolution passed by the Board on 13 November 2009 on desisting from developing the activity of CITY INTERACTIVE SPAIN S.L. The Company created a write-down amounting to 258 558.79 PLN.

Note 7**Trade receivables**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Commercial receivables from subsidiaries	10 180 723.12	4 124 691.17	7 799 659.51
Commercial receivables from other entities	17 139 137.98	11 933 733.05	12 850 148.92
up to 12 months	17 139 137.98	11 933 733.05	12 850 148.92
over 12 months	-	-	-
Other receivables and prepayments	1 457 091.59	-	-
Total trade receivables	28 776 952.69	16 058 424.22	20 649 808.43
Write-down of trade receivables	-4 464 604.08	-4 077 974.13	-709 534.33
Net trade receivables	24 312 348.61	11 980 450.09	19 940 274.10

In most contracts signed by the Company the payment date for sold merchandise is specified as between 30 and 90 days.

Note 7 a**Commercial receivables ageing**

	Receivables 30.06.2010		Receivables 31.12.2009		Receivables 30.06.2009
Timely	14 607 871.11	Timely	8 055 199.22	Timely	6 766 972.84
Overdue	12 711 989.99	Overdue	8 003 225.00	Overdue	13 882 835.59
0-30 days	1 114 883.87	0-30 days	903 400.64	0-30 days	3 161 989.15
31-90 days	4 137 871.96	31-90 days	2 059 654.11	31-90 days	5 151 555.06
91-180 days	1 732 440.43	91-180 days	1 930 542.04	91-180 days	3 319 903.27
> 180 days	5 726 793.73	> 180 days	3 109 628.21	> 180 days	2 249 388.11
write-downs	-4 464 604.08	write-downs	-4 077 974.13	write-downs	-709 534.33
	22 855 257.02		11 980 450.09		19 940 274.10

Note 8**Receivables from income tax**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
- corporate	-	386 604.00	161 085.00
- personal	-	-	-
Total	-	386 604.00	161 085.00

Liabilities from income tax

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (present period)
- corporate	952 962.00	-	-
- personal	26 127.00	32 327.00	34 409.81
Total	979 089.00	32 327.00	34 409.81

Note 9**Cash and equivalents**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (present period)
Bank accounts (current accounts)	253 137.91	34 214.75	798 748.08
Short-term deposits	-	422 816.80	-
Cash at hand	1 034.73	728.07	490.70
Credits on current account	-69 407.10	-457 743.24	-
Cash and Cash equivalents, value indicated in the cash flow statement	254 172.64	457 759.62	799 238.78

Note 10**Other current assets**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
tax receivables	1 183 272.35	1 839 016.94	1 674 509.23
employee payroll liabilities	14.40	14.40	0.00
other employee liabilities	240 016.32	181 021.69	189 564.12
shareholder liabilities	25 250.00	0.00	0.00
deposits (credit cards + rents)	31 254.64	35 512.94	103 514.67
other liabilities	97 596.86	93 979.74	43 235.75
Payment and cost accruals	124 583.28	109 724.88	91 236.66
Total	1 701 987.85	2 259 270.59	2 102 060.43

Note 11**Share capital**

As of 30.06.2010 the share capital consisted of four series of shares with following parameters:

Series	Share type	Number pc.	Series nominal value PLN	Capital coverage method	Registration date	Right to a dividend (onwards from)
A	ordinary bearer shares	10 000 000	1 000 000.00	paid up	01.06.2007	01.01.2007
B	ordinary bearer shares	40 000	4 000.00	paid up	10.08.2007	01.01.2007
C	ordinary bearer shares	2 500 000	250 000.00	paid up	17.12.2007	01.01.2007
D	ordinary bearer shares	110 000	11 000.00	paid up	09.10.2009	01.01.2009
		12 650 000	12 650.00			

Total number of shares 12 650 000.00

Total share capital 1 265 000.00

Nominal value of 1 share 0.10

Specification	Number of shares held	Number of votes held	Share capital interest
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Shareholders with at least 5% of votes at the Shareholder General Meeting:

Marek Tymiński	7 225 704	57.12%	57.12%
Aviva Investors Poland S.A.	696 568	5.51%	5.51%

Small shareholders with less than 5% of votes at the AGM:

Small shareholders	4 727 728	37.37%	37.37%
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Note 12**Capital reserves from share sales above face value**

The capital includes the value of share premium for B, C and D series shares:

Series	Number of shares pc.	Nominal value PLN	Sale price PLN	Share premium for the series PLN
B	40 000	0.10	1.00	36 000.00
C	2 500 000	0.10	9.00	22 250 000.00
D	110 000	0.10	1.00	99 000.00
				22 385 000.00
				costs of issue of series B and C
				-1 829 310.85
				Capital reserves value
				20 555 689.15

Note 12a**Capital for incentive program**

Appraisal date	Series	Number of shares pc.	Nominal value PLN	Sale price PLN	Date of receiving	Date of rate pricing program	Rate pricing PLN	Capital value PLN
30.06.2010	D	85 000	0.10	1.00	30.10.2009	30.10.2009	3.780	236 300.00
	D	25 000	0.10	1.00	25.01.2010	25.01.2010	2.850	46 250.00
							Capital for incentive program	282 550.00
31.12.2009	D	85 000	0.10	1.00	30.10.2009	30.10.2009	3.780	236 300.00
	D	25 000	0.10	1.00	25.01.2010	31.12.2009	3.295	57 375.00
							Capital for incentive program	293 675.00

The evaluation of services received was made based on the fair value of equity instruments granted.

Note 13**Capital from appraisal
revaluation**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
City Interactive Peru	-	831.01	831.01
City Interactive Germany	11 262.50	10 322.50	19 357.50
City Interactive USA	57 310.50	30 095.50	46 245.50
City Interactive Spain	2 832.84	2 697.48	3 998.52
City Interactive Brazil	-	8 567.34	8 567.34
City Interactive Mexico	-	-432.25	-432.25
Total	71 405.84	52 081.58	78 567.62

Note 14**Retained earnings**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period) correction (note 40)	30.06.2009 (previous period)
Opening balance	-4 119 246.77	8 548 731.34	11 395 736.01	11 395 736.01
<i>Increases</i>	9 801 176.63	-12 667 978.11	-727 278.32	1 218 746.39
Profit/loss in the period	9 801 176.63	-12 667 978.11	-727 278.32	1 218 746.39
Profit from previous years	-	-	-	-
Supplementary capital	-	-	-	-
Reserve capital	-	-	-	-
<i>Decreases</i>	-	-	-	-
Capital from revaluation	-	-	-	-
Closing balance	5 681 929.86	-4 119 246.77	10 668 457.69	12 614 482.40

Note 15**Liabilities from credits, loans and other debt instruments**

Long-term liabilities	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Credits and loans	-	-	-
Debt securities liabilities	-	-	-
Financial leasing liabilities	11 902.76	86 851.37	175 958.82
Other liabilities	-	-	-
Total	11 902.76	86 851.37	175 958.82

Short-term liabilities	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Current account credit	69 407.10	457 743.24	-
Credits and loans – short-term share	-	1 580 686.25	3 575 342.74
Debt securities liabilities	5 024 657.53	5 026 301.37	-
Financial leasing liabilities – short-term share	164 021.27	178 309.34	175 950.08
Other liabilities	-	-	-
Total	5 258 085.90	7 243 040.20	3 751 292.82

The company has issued bonds on 16 September 2009. The overall nominal value of this issue is 5 000 000.00 PLN. The nominal value of a single bond is 50 000.00 PLN. These bonds are bearer documents. The day of redemption is 16 September 2010. The interest rate is 12% per year. The sum of interests to be due as for the balance day is 24 657.53 PLN.

Note 16**Provisions for employee benefits**

Provisions for employee benefits include the amounts allocated for equivalents in lieu of holidays not taken as of 30.06.2010. Provisions were set as 20% of total benefits that would be available for employees that day.

Since the average age of employees is low and the value of the related provision is insignificant, no provision for retirement and pension gratuities was established.

Note 17**Trade and other liabilities**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Trade liabilities towards subsidiaries	226 175.29	24 958.80	1 070 958.70
Trade liabilities towards other entities	10 309 090.60	7 901 509.21	6 618 309.80
up to 12 months	10 309 090.60	7 901 509.21	6 618 309.80
over 12 months	-	-	-
Tax liabilities not including income tax from legal entities	436 467.95	426 586.68	461 711.41
Advance payments received	-	-	-
Other liabilities	195 635.57	151 258.43	75 564.64
Social funds (Company Social Benefits Fund)	113 957.83	77 434.37	37 377.65
Total	11 281 327.24	8 581 747.49	8 263 922.20

Note 17 a**Ageing of trade liabilities**

	Liabilities 30.06.2010		Liabilities 31.12.2009		Liabilities 30.06.2009
Timely	4 406 084.52	Timely	1 616 569.94	Timely	2 563 516.27
Overdue	6 129 181.37	Overdue	6 309 898.07	Overdue	5 125 752.23
0-30 days	1 566 719.75	0-30 days	1 781 055.63	0-30 days	1 609 253.28
31-60 days	660 698.52	31-60 days	1 073 293.56	31-60 days	1 219 707.64
61-90 days	512 670.80	61-90 days	537 955.06	61-90 days	723 806.81
91-180 days	698 822.97	91-180 days	1 161 252.68	91-180 days	274 370.51
> 180 days	2 690 269.33	> 180 days	1 756 341.14	> 180 days	1 298 613.99
write-downs		write-downs	-	write-downs	
	10 535 265.89		7 926 468.01		7 689 268.50

Note 18**Other short-term provisions**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period)
Provision for salary costs	-	-	-
Provision for balance sheet audit costs	-	--	-
Provision for employee holidays	33 270.04	9 410.17	-
Provision for bonus costs	-	-	-
Provision for operating costs	370 000.00	-	12 518.42
Provision for project costs	-	-	-
Provision for localization costs	-	-	-
Provision for non-invoiced costs	-	-	13 000.06
Total	403 270.04	9 410.17	25 518.48

Note 19**Net revenue on sales of goods and materials (structure by kind of activity)**

Specification	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	For period from 01.01.2009 to 30.06.2009 correction (NOTE 40)	Period from 01.01.2009 to 30.06.2009
a) Sales of products	24 331 105.12	26 144 955.14	18 834 687.46	17 722 366.52
- including subsidiaries	6 289 979.26	5 427 661.28	4 709 998.96	4 709 998.96
b) sales of goods and materials	993 464.53	610 565.99	91 917.32	91 917.32
- including subsidiaries	459 922.73	0.00	453 940.08	453 940.08
c) sales of services	55 238.11	352 609.84	47 706.00	47 706.00
- including subsidiaries	-	-	-	-
TOTAL	25 379 807.76	27 108 130.97	18 974 310.78	17 861 989.84

Note 20

Net revenue on sales of products (structure by territory)

Specification of territorial structure of revenues	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	For period from 01.01.2009 to 30.06.2009 correction (NOTE 40)	Period from 01.01.2009 to 30.06.2009
Domestic	4 559 179.27	7 219 972.77	4 328 091.97	4 328 091.97
- including subsidiaries	1 483 713.06	-	-	-
Export	20 820 628.49	19 888 158.20	14 646 218.81	13 533 897.87
- including subsidiaries	5 266 246.31	5 427 661.28	5 163 939.04	5 163 939.04
TOTAL	25 379 807.76	27 108 130.97	18 974 310.78	17 861 989.84

Specification of territorial structure of revenues	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	For period from 01.01.2009 to 30.06.2009 correction (NOTE 40)	Period from 01.01.2009 to 31.12.2009
America	7 128 460.25	4 861 793.85	351 609.30	351 609.30
Asia and Australia	405 099.03	1 017 700.43	690 793.29	690 793.29
Europe	17 846 248.48	21 228 636.69	17 931 908.19	16 819 587.25
TOTAL	25 379 807.76	27 108 130.97	18 974 310.78	17 861 989.84

Note 21**Costs by type**

Titles	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	Period from 01.01.2009 to 30.06.2009
Depreciation	2 646 897.16	10 402 265.47	4 887 936.12
Materials and energy consumption	242 543.81	784 814.15	525 343.81
External services	3 818 162.10	7 258 849.88	4 191 677.18
Taxes and charges	33 968.29	73 762.74	51 187.03
Employee benefits	896 442.83	3 506 538.82	2 093 753.27
Other costs	876 916.96	3 307 186.67	1 663 094.11
<i>including:</i>			
Costs of business trips	119 794.54	337 149.41	247 242.37
Costs of advertisements	140 495.03	1 031 620.34	676 409.93
Costs of servicing of vehicles	35 749.13	58 816.82	41 541.51
Costs of personal and property insurance	63 545.13	126 439.57	44 466.00
Entertainment expenses	35 891.07	161 309.56	76 873.24
Other marketing expenses	289 729.76	528 219.25	229 325.16
Games related to business entertainment activities	28 453.37	107 194.20	68 562.87
Rechargeable costs	824.15	34 550.01	8 079.15
Costs of completed projects	93 294.38	229 719.12	190 529.62
Other disbursements	10 260.65	609 725.64	28 625.67
Other expenses considered as non-deductible expenses	58 879.75	82 442.75	51 438.59
Total costs by type	8 514 931.15	25 333 417.73	13 412 991.52
Sales costs	-2 718 674.58	-6 687 598.77	-3 220 941.53
General costs	-1 660 343.48	-4 355 323.30	-2 629 695.92
Value of products sold	4 402 532.51	5 524 778.46	2 982 485.87
Costs of products sold	8 538 445.60	19 815 274.12	10 544 839.94

Note 22**Employee benefits**

Titles	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	Period from 01.01.2009 to 30.06.2009
Salaries	724 442.74	2 861 419.56	1 725 052.83
Social security	73 228.20	438 594.13	172 364.05
Jubilee bonuses and retirement payments (including increases in related provisions)	-	-	-
Other benefits	98 771.89	206 525.13	196 336.39
Total	896 442.83	3 506 538.82	2 093 753.27

Note 23**Other operating revenue**

Titles	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	Period from 01.01.2009 to 30.06.2009
Release of provisions for bad debts	455 317.75	25 294.94	25 294.94
Release of other provisions	0.00	1 963.40	1 963.40
Compensation received	45 152.33	50 449.58	50 389.78
Inventory differences	0.00	207 942.85	113 143.07
Profit from sale of non-financial fixed assets	100.00	77 417.64	-
Liabilities written off	-	-	-
Reinvoices	741.39	34 550.71	8 079.15
Other	45 724.67	238 592.72	2 500.32
Total	547 036.14	636 211.84	201 370.66

Note 24**Other operating costs**

Titles	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	Period from 01.01.2009 to 30.06.2009
Provision for bad debts	794 713.32	3 728 841.07	262 460.83
Inventory differences	-0	-	-
Liquidation of sub-standard materials (returns)	362 093.47	1 601 929.13	495 341.35
Settlements, contractual fines, sanctions	-	118.66	-
Donations made	-	-	-
Loss on sale of non-financial fixed assets	-	-	284.49
Receivables written down	-	-	-
Court fees	4 072.00	-	-
Write-down of goodwill	-	-	-
Inventory write-down for intangible assets	-	4 954 170.76	-
Intangible assets amortised once	-	299 009.94	-
Other	254 203.06	565 176.86	8 417.96
Total	1 415 081.85	11 149 246.42	766 504.63

Note 25**Net financial revenues / costs**

Titles	Period from 01.01.2010 to 30.06.2010	Period from 01.01.2009 to 31.12.2009	Period from 01.01.2009 to 30.06.2009
Interest	9 467.76	84 838.95	10 096.08
Dividend	-	-	-
Net exchange rate gains	1 143 416.74	-	542 324.68
Net profit on sale of financial assets	-	-	-
Provision for financial assets	-	-	-
Reimbursement of perpetual usufruct fee	-	-	-
Other	-	162 602.47	162 602.50
Total financial revenues	1 152 884.50	247 441.42	715 023.26
Interest	388 193.07	529 468.38	197 814.22
Net exchange rate differences	-	148 048.06	-
Provision for financial assets	-	-	-
Net loss on foreign exchange contracts	-	-	-
Costs of representation at proceedings at law	-	-	-
Other	24 028.54	214 428.48	82 960.50
Total financial costs	412 221.61	891 944.92	280 774.72
Net financial revenues / costs	740 662.89	-644 503.50	434 248.54

Note 26**Income tax**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period) correction (Note 40)	30.06.2009 (previous period)
Current tax	953 033.00	-	-	-
Current income tax	-	-	-	-
Income tax concerning previous years	-	-	-	-
Deferred tax	1 075 006.22	-2 572 986.17	296 080.74	84 739.76
Income tax on profit and loss account	2 028 039.22	-2 572 986.17	296 080.74	84 739.76

Note 27**Effective tax rate**

Titles	30.06.2010 (present period)	31.12.2009 (previous year)	30.06.2009 (previous period) correction (Note 40)	30.06.2009 (previous period)
Profit before tax	11 829 215.85	-15 240 964.28	2 415 807.09	1 303 486.15
Tax based on current tax rate	953 033.00	-	-	-
Difference resulting from using tax rates applicable in other legal and tax regulations *	-	-	-	-
Non-deductible expenses *	4 439 463.01	12 168 469.51	1 724 898.35	1 724 898.35
Increases in deductible expenses*	5 853 476.06	1 048 007.69	122 042.27	122 042.27
Non-taxable revenue *	4 333 016.73	2 871 490.69	3 518 970.16	3 406 649.22
Increases of revenue *	1 000 000.00	2 828 685.66	-	-
Change of statutory tax rates *	-	-	-	-
Adjustments of income tax for previous years *	-	-	-	-
Use of tax losses previously not included in calculation of tax deferred in previous years *	2 066 224.73	-	-	-
Effective tax rate	8.06%	0.00%	0.00%	0.00%

Gross value (tax included)

Note 28

Business sectors.

01.01. - 30.06.2010

	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
<u>Revenue</u>	<u>70%</u>	<u>8%</u>	<u>4%</u>	<u>15%</u>	<u>3%</u>	<u>100%</u>
Segment revenue in total	17 715 586.51	2 108 691.30	993 464.53	3 759 489.78	802 575.64	25 379 807.76
Segment revenue	17 715 586.51	2 108 691.30	993 464.53	3 759 489.78	802 575.64	25 379 807.76
Direct segment costs in total	-6 775 917.24	-1 223 096.65	-569 898.00	-242 768.40	-232 506.90	-9 044 191.03
Costs of sale segment	-3 756 866.08	-470 085.14	-505 745.43	0.00	-175 581.29	-4 908 277.94
Sale margin	78.79%	77.71%	49.09%	100.00%	78.12%	80.66%
Amortization regarding segment	-1 979 690.62	-629 296.81	-5 867.18	-22 202.71	-9 839.83	-2 646 897.16
Other direct segment costs	-1 039 361.32	-123 715.47	-58 285.88	-220 566.69	-47 086.56	-1 489 015.93
Result	0.62	0.42	0.43	0.94	0.71	0.64
Profit (loss) of segment in total	10 939 669.27	885 594.65	423 566.52	3 516 721.38	570 068.74	16 335 616.73
Costs of sales and general management	-3 056 637.54	-363 832.44	-171 411.82	-648 660.30	-138 475.96	-4 379 018.06
Other revenue / operating costs	-605 916.18	-72 121.92	-33 978.69	-128 582.89	-27 449.87	-868 049.54
Profit (loss) on operating activity	7 277 115.55	449 640.30	218 176.01	2 739 478.20	404 142.91	11 088 552.96
EBITDA OR/NS	9 256 806.18	1 078 937.11	224 043.19	2 761 680.91	413 982.74	13 735 450.12
	41.08%	21.32%	21.96%	72.87%	50.36%	43.69%
Net financial revenues / costs	516 996.73	61 538.27	28 992.43	109 713.78	23 421.69	740 662.89
Profit (loss) before taxation	7 794 112.28	511 178.56	247 168.44	2 849 191.97	427 564.60	11 829 215.85
Income tax	-1 415 609.79	-168 500.44	-79 385.35	-300 411.76	-64 131.88	-2 028 039.22
Net profit (loss) in financial year	6 378 502.49	342 678.13	167 783.09	2 548 780.21	363 432.72	9 801 176.63

Assets and liabilities	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
Fixed and intangible assets	11 156 587.61	1 657 982.98	10 848.39	41 052.69	27 763.93	12 894 235.60
Other fixed assets	2 027 930.58	241 385.15	113 723.42	430 354.61	91 872.07	2 905 265.84
Current assets	21 067 190.28	2 507 633.65	1 181 417.63	4 470 745.95	954 414.56	30 181 402.04
Assets in total	34 251 708.48	4 407 001.79	1 305 989.43	4 942 153.25	1 074 050.56	45 980 903.48
Liabilities	12 651 124.68	1 505 866.97	709 456.82	2 684 741.71	573 138.49	18 124 328.63
Equity capital	19 444 416.85	2 314 474.47	1 090 414.84	4 126 371.23	880 897.47	27 856 574.85
Liabilities and capitals in total	32 095 541.53	3 820 341.44	1 799 871.65	6 811 112.93	1 454 035.96	45 980 903.48

Other information about segment	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
Investment spending on:						
tangible fixed assets	3 323.64	395.61	186.38	705.32	150.57	4 761.53
Intangible assets	4 583 242.96	1 225 441.74	1 507.40	5 704.33	1 217.76	5 817 114.18
Depreciation of tangible fixed assets	104 624.31	12 453.46	5 867.18	22 202.71	4 739.83	149 887.50
Depreciation of intangible assets	1 875 066.31	616 843.35	0.00	0.00	5 100.00	2 497 009.66

01.01. - 30.06.2010

	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
Revenue	43%	35%	2%	4%	16%	100%
Segment revenue in total	8 195 302.59	6 604 314.32	359 085.18	779 205.20	3 036 403.49	18 974 310.78
Segment revenue	8 195 302.59	6 604 314.32	359 085.18	779 205.20	3 036 403.49	18 974 310.78
Direct segment costs in total	-6 494 526.36	-2 896 056.40	-85 421.51	-86 226.66	-1 014 745.94	-10 576 980.81
Costs of sale segment	-1 839 913.80	-1 261 941.24	-45 685.65	0.00	-673 635.13	-3 821 175.81
Sale margin	77.55%	80.89%	87.28%	100.00%	77.81%	79.86%
Amortization regarding segment	-3 847 853.40	-983 972.76	-4 387.61	-9 520.99	-42 201.36	-4 887 936.12
Other direct segment costs	-806 759.93	-650 143.20	-35 349.13	-76 706.67	-298 910.23	-1 867 869.17
Result	0.21	0.56	0.76	0.89	0.67	0.44
Profit (loss) of segment in total	1 700 776.23	3 708 257.92	273 663.67	692 978.54	2 021 657.55	8 397 329.97
Costs of sales and general management	-2 526 986.08	-2 036 408.55	-110 722.19	-240 264.17	-936 260.41	-5 850 641.40
Other revenue / operating costs	-244 090.23	-196 703.98	-10 695.05	-23 207.97	-90 436.73	-565 133.96
Profit (loss) on operating activity	-1 070 300.08	1 475 145.40	152 246.43	429 506.39	994 960.42	1 981 558.55
EBITDA	2 777 553.32	2 459 118.16	156 634.03	439 027.38	1 037 161.78	6 869 494.67
OR/NS	-13.06%	22.34%	42.40%	55.12%	32.77%	10.44%
Net financial revenues / costs	187 558.76	151 147.19	8 218.07	17 832.99	69 491.52	434 248.54
Profit (loss) before taxation	-882 741.32	1 626 292.59	160 464.50	447 339.38	1 064 451.94	2 415 807.09
Income tax	-127 881.92	-103 055.67	-5 603.27	-12 158.95	-47 380.94	-296 080.74
Net profit (loss) in financial year	-1 010 623.24	1 523 236.93	154 861.23	435 180.43	1 017 071.01	2 119 726.35

Assets and liabilities	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
Fixed and intangible assets	13 391 902.75	3 672 314.17	29 020.25	62 973.15	274 293.51	17 430 503.83
Other fixed assets	658 332.65	530 527.78	28 845.49	62 593.93	243 915.77	1 524 215.62
Current assets	12 479 979.60	10 057 189.12	546 822.48	1 186 590.11	4 623 899.27	28 894 480.58
Assets in total	26 530 215.00	14 260 031.07	604 688.22	1 312 157.20	5 142 108.55	47 849 200.03
Liabilities	6 600 313.43	5 318 967.06	289 199.17	627 554.44	2 445 451.47	15 281 485.57
Equity capital	14 066 506.96	11 335 717.30	616 337.73	1 337 436.32	5 211 716.15	32 567 714.46
Liabilities and capitals in total	20 666 820.39	16 654 684.36	905 536.90	1 964 990.77	7 657 167.61	47 849 200.03

Other information about segment	Own products	Licensed products	Goods and materials	Licenses	Colportage	Total
Investment spending on:						
tangible fixed assets	28 334.47	22 833.78	1 241.50	2 694.03	10 498.07	65 601.85
Intangible assets	9 874 591.56	2 175 660.29	27 742.19	60 199.80	234 586.33	12 372 780.17
Depreciation of tangible fixed assets	100 137.17	80 697.12	4 387.61	9 520.99	37 101.36	231 844.25
Depreciation of intangible assets	3 747 716.23	903 275.64	0.00	0.00	5 100.00	4 656 091.87

Note 29**Loss per share**

Net profit on a single share in turnover as of 30.06.2010 amounts to 0.77 PLN
Registered shares have been used as a base for establishing the value.

Note 30**Disposition of profits for 2008 and plans to cover losses in that period.**

Net profit for the period of six months is not subject to distribution.

Under resolution no. 5 ZWZA of 16.08.2010, the Issuer's net loss for 2009 amounting to 12 667 978.11 PLN was covered by the supplementary capital.

Note 31**Contingent liabilities and receivables**

As of 30.06.2010 the Company did not have any contingent liabilities except from bills of exchange issued for lessors Raiffeisen Leasing Polska, Volkswagen Leasing Polska and SEB Leasing Polska securing the payments stipulated in concluded leasing contracts.

On 02.03.2009, the Company has signed addendum no. 1 to the registered lien agreement on working capital which sets the maximum amount of bank debt security of Raiffeisen Bank Polska S.A. for 8 700 000 PLN. The registered lien agreement is associated with the receivables transfer agreement from 24 September 2008 between City Interactive S.A. and Raiffeisen Bank Polska S.A. On 29 October 2009 the Company concluded addendum no. 3 to the credit agreement from 24 September 2008 and addendum no. 6 to the debt limit agreement from 24 September 2008 with Raiffeisen Bank Polska S.A. The total credit limit, according to these changes, is 3 800 000 PLN. Also, addendum no. 2 to the registered lien agreement on working capital from 20 November 2008 was signed on the same date. The lien now amounts to 5 700 000 PLN.

On 11.06.2010 City Interactive S.A. has guaranteed a blank promissory note issued by Business Area Sp. z o.o. for securing a factory agreement No. 1155/06/2010 and loan agreement No.1155/06/2010, entered into on 11.06.2010 between Business Area Sp. z o.o. and Fortis Commercial Finance Sp. z o.o..

Note 32**Transactions with affiliates**

Transactions with companies of CITY INTERACTIVE S.A. Holding Group

	costs	revenue	Receivables as of date of creation	Appraisal as of 30.06.2010	Receivables after balance appraisal as of 30.06.2010
City Interactive Germany Gmbh	167 094.20	-266 002.25	281 150.92	-6 764.42	274 386.50
City Interactive USA Inc.	-	5 538 588.69	7 740 357.77	513 952.57	8 254 310.34
Business Area	-	1 483 712.86	1 810 129.69	-	1 810 129.69
TOTAL	167 094.20	6 756 299.30	9 831 638.38	507 188.15	10 338 826.53

	Liabilities as of date of creation	Appraisal as of 30-06-2010	Liabilities after balance appraisal as of 30-06-2010
City Interactive Germany Gmbh	81 686.47	-4 412.47	86 098.94
City Interactive USA Inc.	-	-	-
Business Area	126 437.92	-	126 437.92
TOTAL	208 124.39	-4 412.47	212 536.86

Transactions with companies personally connected with Mr. Marek Tymiński – the main shareholder of the Company, who directly or indirectly controls the following entities:

	costs	revenue	receivables	liabilities
Onimedia Sp. z o.o.	-	10 800.00	47 124.48	266 375.60
ATS Sp. z o.o.	565 698.52	21 600.00	4 392.00	335 714.09
Premium Food Sp. z o.o.	2 826.09	-	3 710.07	-
FFR S.A.	2 654.46	35 206.00	17 672.50	6 382.60
Tech Marek Tymiński	-	741.39	766.77	-
TOTAL	571 179.07	68 347.39	73 665.82	608 472.29

Transactions with companies personally connected with Members of the Supervisory Board

	costs	revenue	receivables	liabilities
KS Konsulting Krzysztof Sroczyński	-	-	-	4 050.00
IDM S.A. (Grzegorz Leszczyński)	41 000.00	-	-	194 845.00
IDEA (Grzegorz Leszczyński)	297 534.16	-	-	5 024 657.53
TOTAL	338 534.16	-	-	5 223 552.53

Transactions with members of the Board. On balance date the Company has an obligation to repay an advance payment of 170 000 PLN to the President of the Board, Marek Tymiński.

Note 33**Explanatory note to the cash flow statement**

	As of 30.06.2010	As of 31.12.2009	change
Cash at hand	1 034.73	728.07	306.66
Cash at bank	253 137.91	457 031.55	-203 893.64
Other fixed assets	-	-	-
Other financial assets	-	-	-
	254 172.64	457 759.62	-203 586.98
Short-term financial assets classified to cash for the needs of cash flow statement	-	-	-
Total cash for the needs of cash flow statement	254 172.64	457 759.62	-203 586.98

Note 34**Information about employment**

	as of 30.06.2010 No. of employees	as of 30.06.2009 No. of employees	as of 30.06.2008 No. of employees
Direct production employees	49	50	64
Indirect production employees	6	8	4
Other	8	19	17
Total white collars	63	77	85
Average employment rate	63	77	85

Note 35**Remuneration of the Members of the Management Board and the Supervisory Board**

Remuneration paid to the Members of the Management Board from 01.01.2010 to 30.06.2010

Marek Tymiński – President of the Board	138 000.00
Artur Winiarski – Board Member	18 000.00

Remuneration paid to the Members of the Supervisory Board from 01.01.2010 to 30.06.2010

Krzysztof Sroczyński – Chairman of the Supervisory Board	21 000.00
Marek Dworak – Supervisory Board Member	15 000.00
Grzegorz Leszczyński - Supervisory Board Member	15 000.00
Lech Tymiński - Supervisory Board Member	15 000.00
Tadeusz Kistryn - Supervisory Board Member	15 000.00

Note 36**Number of shares held by the Members of the Management Board and the Supervisory Board**

As of 30.06.2010, the Members of the Management Board of the Company held the following number of company shares:

Marek Tymiński – President of the Board	7 225 704
Artur Winiarski – Board Member	20 000

As of 30.06.2010, the Members of the Supervisory Board held the following number of company shares:

Lech Tymiński - Supervisory Board Member	48 565
Grzegorz Leszczyński - Supervisory Board Member	409 328

Note 37**INFORMATION ABOUT ONGOING JUDICIAL OR ADMINISTRATIVE PROCEEDINGS AS OF 30-06-2010**

Litigation is pending before The Supreme Administrative Court in regard to a cassation appeal presented by The Minister of Finance referring to Voivodship Administrative Court decision dated on 20 April 2009 (Sygn. Akt. III SA/Wa 3276/08) overruling individual interpretation by The Minister of Finance dated on 08 August 2008 (IP-PB3-423-754/08-2/JG) sued by the dominant entity, declaring that the position of the Company, that recognized the expenses on implementing development strategy as tax deductible expenses, is incorrect. The abovementioned appeal received the Company's answer 29 June 2009 regarding the cassation appeal.

The Supreme Administrative Court overruled the appeal on 9 February 2010 and referred the case for reconsideration by a lower court.

Notion for payment issued by "City Interactive S.A." against "Odeon A and R" Sp. z o.o. On 19 July 2010 a writ for payment of 11 002.57 PLN together with statutory interests and proceedings cost of 2 555.00 PLN was issued in payment-order proceeding. The receivable has not been paid yet.

Note 38**Events following balance sheet date**

There are no material events after balance date that would have a material impact on the financial status of the Company as of 30.06.2010.

Note 39**Information about risk factors.**

Detailed description of risk factors can be found in board's report of Issuer's activity.

Note 40**Adjustment from previous years**

In 2009 the Company revised the time of revenue recognition for sales of licenses for computer games.

The Company complied with the Auditor's stand in regards to the definition of sale, i.e. recognition of time when significant risks and benefits are taken by the buyer. According to this stand the revenue recognition moment starts when the game production by the Company is finished, i.e. when so-called "Gold Master" is ready. The previous presentation followed as important parts of the product were manufactured and delivered, on the basis of relevant provisions of the contract. Delivered product parts enable the buyer to prepare their own version of the product (localize it). The buyer prepares sales network and marketing strategies for the product for the period of contract validity.

This adjustment resulted in modification of comparative data in the financial statement, and the results are presented in the balance sheet, income statement and specific notes in the statement.

Adjustment of 2008 financial statement

Income reduction	3 514 819.67
Deferred tax assets	-667 815.00
Adjustment of net profit	2 847 004.67

Of which the following

were recognized as income for 2009:	2 083 805.35
first half-year:	1 112 320.94
second half-year:	971 484.41
net income for 2010:	1 431 014.32

Two last figures are income values for future periods in adjusted comparison balance data as of 30.06.2009.

Modification of comparative data for the first half-year of 2009 is described in notes 4, 14, 19, 20, 26, 27 of additional information.

Artur Winiarski

.....
Drawing up the Financial Statement

Marek Tymiński

Artur Winiarski

.....
President of the Board

.....
Member of the Board

Date