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THE MAKARONY POLSKIE CAPITAL GROUP

ABRIDGED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR 1Q 2010

RZESZÓW, 13 MAY 2010

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Introduction

The data presented in the "Statement of Financial Position" are shown in juxtaposition with comparative financial data as at 31 December 2009 published in the consolidated and solo 2009 Annual Reports. The data presented in the "Statement of Comprehensive Income", "Statement of Cash Flows" are shown in juxtaposition with the financial data for the period from 1 January 2010 to 31 March 2010 and for 1Q 2009 published in the Interim Financial Statements for 1Q 2009. The "Statement of Changes in Equity" shows comparative financial data for the period from 1 January 2009 to 31 March 2010. The financial data are shown in compliance with the International Financial Reporting Standards.

Selected figures in EUR are presented in pursuance of Article 91(2) of the Ordinance of the Minister of Finance of 19 February 2009:

- ✓ items of the Consolidated Statement of Financial Position were converted at the average FX rate announced by the National Bank of Poland (NBP) as binding as at the end of the reporting period (31 March 2010 EUR 1 = PLN 3.8622; 31 December 2009 EUR 1 = PLN 4.1082),
- ✓ items of the Consolidated Statement of Comprehensive Income and Statement of Cash Flows were converted at the FX rate being arithmetic mean of the average FX rates determined by NBP as binding as at the last day of each month of 1Q 2010 EUR 1 = PLN 3.9669 and 1Q 2009 EUR 1 = PLN 4.5994.

These Abridged Consolidated Financial Statements were approved by the Management Board for publication on 13 May 2010.

I. General Information

Structure of the Makarony Polskie Capital Group as at 31 March 2010 and as at the report submission date:



As at 31 March 2010, the Makarony Polskie Capital Group ("The Group") consists of two companies: Makarony Polskie S.A. ("The Parent", "The Company") and its subsidiary Stoczek Sp. z o.o. seated in Stoczek Łukowski.

Makarony Polskie S.A. is in the business of pasta production and sale.

After taking over control of Stoczek Sp. z o.o., tinned vegetable and meat, fruit and vegetable preserves, and tinned meat and fatty meat was added to the product offer of the Group. The transaction took place on 1 June 2007.

Makarony Polskie S.A.

Registered seat: 35-082 Rzeszów, ul. Podkarpacka 15

District Court in Rzeszów, 12th Commercial Section of the National Court Register

KRS number 0000212001

Management Board Office: 05-091 Ząbki, ul. Piłsudskiego 180

Share capital: PLN 27,750,213

Regon number: 691674708

VAT identification number: 813-32-78-856

www.makarony.pl

Stoczek Sp. z o.o.

Registered seat: 21-450 Stoczek Łukowski, ul. Dwernickiego 5

District Court in Lublin, 11th Commercial Section of the National Court Register

KRS number: 0000050439

Share capital: PLN 15,207,800

Regon number: 711584640

NIP identification number: 825-17-27-212

www.stoczek.com.pl

100% shares of the share capital of Stoczek Sp. z o.o. is owned by Makarony Polskie S.A.

As at 31 March 2010, the share of the Parent's votes in the total number of votes at the General Meeting of the subsidiary is the same as its share in the subsidiary's capital.

Management Board of the Parent

As at 31 March 2010 and as at the Report submission date the composition of the Management Board of Makarony Polskie S.A. was as follows:

- ✓ Paweł Nowakowski, President of the Management Board,
- ✓ Marek Feruś, Vice President of the Management Board,
- ✓ Krzysztof Rubak, Vice President of the Management Board.

Number and nominal value of the shares of Makarony Polskie S.A. held by the Management Board Members as at the end of the reporting period:

Management Board	Shares held by the Management Board Members as at the date of the 1Q 2010 stock exchange report		Shares held by the Management Board Members as at the date of the 4Q 2009 stock exchange report	
	Number of shares	Nominal value	Number of shares	Nominal value
Paweł Nowakowski	218,066	654,198	218,066	654,198
Marek Feruś	-	-	-	-
Krzysztof Rubak	2,000	6,000	2,000	6,000

The Company has no information about any changes in the shareholding of the Members of the Management Board of Makarony Polskie S.A. in 1Q 2010 and in the period by the publication hereof.

The Supervisory Board of the Parent

As at 31 March 2010 and as at the Report submission date the composition of the Supervisory Board was as follows:

- ✓ Zenon Daniłowski, Chairman of the Supervisory Board,
- ✓ Zdzisław Sawicki, Vice Chairman of the Supervisory Board,
- ✓ Grzegorz Słomkowski, Vice Chairman of the Supervisory Board,
- ✓ Urszula Rogóż-Bury, Secretary of the Supervisory Board,
- ✓ Dariusz Bliźniak, Member of the Supervisory Board.

Number and nominal value of the shares of Makarony Polskie S.A. held by the Supervisory Board Members as at the end of the reporting period:

Supervisory Board	Shares held by the Supervisory Board Members as at the date of the 1Q 2010 report		Shares held by the Supervisory Board Members as at the date of the 4Q 2009 report	
	Number of shares	Nominal value	Number of shares	Nominal value
Zenon Daniłowski	130,000	390,000	130,000	390,000
Grzegorz Słomkowski *	1,183,040	3,549,120	1,183,040	3,549,120
Zdzisław Sawicki	430,220	1,290,660	1,354,302	4,062,906
Urszula Rogóż – Bury	12,680	38,040	12,680	38,040
Dariusz Bliźniak	-	-	-	-

* Total number of shares held by Mr. Grzegorz Słomkowski and his spouse.

According to the Company's knowledge, the following change in the shareholding took place In 1Q 2010 and in the period by the publication hereof:

- ✓ Zdzisław Sawicki, Vice Chairman of the Supervisory Board, disposed of 924,082 shares of the Company.

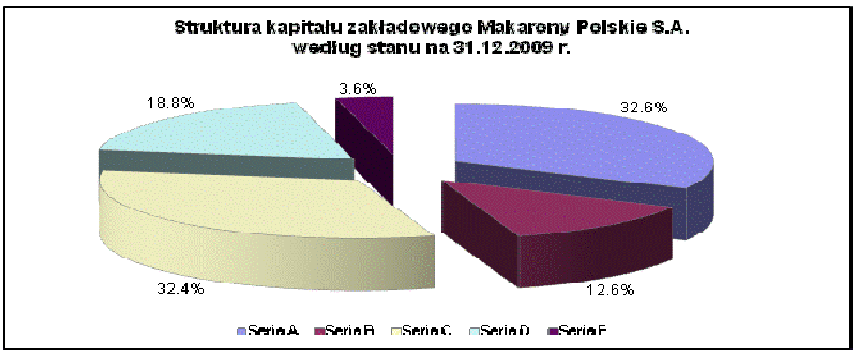
General Meeting of Makarony Polskie S.A.

As at 31 March 2010, the share capital of Makarony Polskie S.A. totalled PLN 27,750,213 and it was composed of:

- 3,013,250 shares of A series,
- 1,169,750 shares of B series,
- 3,000,000 shares of C series,
- 1,735,821 shares of D series,
- 331,250 shares of E series.

Structure of the share capital of Makarony Polskie S.A.
as at 31 December 2009

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The share capital of Makarony Polskie S.A. did not change by the report submission date.

Shareholders with at least 5%, directly or indirectly through subsidiaries, of the total number of votes at the General Meeting as at the report submission date.

Shareholder	Number of shares	% share in share capital	Number of votes at the General Meeting	% share in votes at the General Meeting
Agro-Technika S.A.	2,000,000	21.62%	2,000,000	21.62%
Elżbieta and Grzegorz Słomkowscy	1,183,040	12.79%	1,183,040	12.79%
Marek Jutkiewicz	924,082	9.99%	924,082	9.99%
OFE Polsat	488,733	5.28%	488,733	5.28%
Others, of which:	4,654,216	50,32%	4,654,216	50,32%
TOTAL	**9,250,071**	**100.00%**	**9,250,071**	**100.00%**

In 1Q 2010 and in the period by the publication hereof, the Company was advised about the following changes in the material shareholdings:

- ✓ On 24 February 2010, upon acquisition of 27,108 shares of Makarony Polskie S.A. Otwarty Fundusz Emerytalny Polsat */Polsat Open-ended Pension Fund, or OFE Polsat/* exceeded the 5% threshold. Before the transaction, OFE Polsat held 461,625 shares of Makarony Polskie S.A., or 4.99% of the Company's share capital, and had the same number of votes at the General Meeting. After the purchase transaction of 24 February 2010, OFE Polsat holds 488,733 shares of Makarony Polskie S.A., or 5.28% of the Company's share capital, which entitles OFE Polsat to 488,733 votes, or 5.28% of the total number of votes at the General Meeting.
- ✓ On 10 March 2010, Zdzisław Sawicki disposed of 924.082 shares of Makarony Polskie S.A. in two package transactions. The shares represented 9.99% of the Company's share capital and the same percentage of votes at the General Meeting. After the transaction, Zdzisław Sawicki holds 430.220 shares of the Company representing 4.65% of the share capital and the same percentage of votes at the General Meeting.
- ✓ On 10 March 2010, Marek Jutkiewicz exceeded the 5% threshold in the total votes in the Company after he acquired 924,082 shares of Makarony Polskie S.A. in a transaction concluded on the regulated market. He obtained 9.99% share in the Company's share capital and 924.082 votes at the General Meeting of the Company, or 9.99% of votes at the General Meeting of Makarony Polskie S.A.

The Company has no other information about changes in the number of shares held by material shareholders (with shareholding exceeding 5%).

Management Board of the Subsidiary

As at 31 March 2010, the composition of the Management Board of Stoczek Sp. z o.o. was as follows:

- ✓ Beata Elert, President of the Management Board,
- ✓ Jarosław Szpryngwald, Vice President of the Management Board.

Mr. Jarosław Szpryngwald, Vice President of the Management Board, tendered his resignation effective 8 April 2009. On the same date, the General Meeting appointed Mr. Jacek Wilkoszewski as the President of the Management Board of Stoczek Sp. z o.o., and Ms. Beata Elert was entrusted with the function of the Vice President of the Management Board.

In the period from 8 April 2010 by the date of publication hereof, the composition of the Management Board of Stoczek Sp. z o.o. was as follows:

- ✓ Jacek Wilkoszewski, President of the Management Board,
- ✓ Beata Elert, Vice President of the Management Board.

Basis for developing Consolidated Financial Statements

The Consolidated Financial Statements of the Makarony Polskie Capital Group that covers information on the Parent and its Subsidiary was prepared in compliance with the International Financial Reporting Standards (IFRS) approved by the European Union. Any issues not governed therein are presented herein in line with the requirements of the Act on Accounting dated 29 September 1994 (Journal of Laws of 2002, no. 76, item 694 as amended) and secondary legislature issued based thereon, and in compliance with the requirements stipulated in the Ordinance of the Minister of Finance of 19 February 2009 on Current and Interim Information to be Disclosed by Issuers of Securities (Journal of Laws of 2009, no. 33, item 259).

IFRS are the standards and interpretations accepted by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

The Subsidiary keeps its accounts in line with the accounting policy (principles) stipulated by the Act on Accounting of 29 September 1994 (the "Act") inclusive of amendments thereto and in line with the regulations enacted based thereon ("Polish Accounting Standards"). The Consolidated Financial Statements include adjustments that are not reflected in the accounting books of the Subsidiary but that were needed to conform the financial statements of the Subsidiary to the standards and interpretations issued by the International Accounting Standards Committee and by the International Financial Reporting Interpretations Committee.

The Consolidated Financial Statements were prepared in compliance with the historic cost principle, with the exception of the financial assets and liabilities (inclusive of derivatives) that are measured at fair value.

The Abridged Consolidated Financial Statements were prepared on the going concern basis, both as regards the Parent and the Subsidiary, in the foreseeable future. There are no indicators of any threat to continuing operations of the Group companies.

Financial statements of the members of the capital group are prepared in PLN. All figures presented herein are in PLN thousands, unless specified otherwise.

The consolidated and solo P/L is presented by function. The reporting period of the Subsidiary is the same as the reporting period of the Parent.

Makarony Polskie S.A. took control over Stoczek on 1 June 2007. Equity adjustments taken into account in the consolidated financial statement are the adjustments that resulted in elimination of specific elements of the Subsidiary's equity in order to reflect the share of Makarony Polskie S.A. in the losses from previous years, in current year results, and in order to determine the business combination cost and goodwill.

Currency of measurement and currency of the financial statements

Polish zloty is the currency of measurement for all Group companies included in these Consolidated Financial Statements and the reporting currency hereof.

II. Selected Financial Data – the Makarony Polskie Capital Group

	Selected financial data	31 March 2010	31 March 2009	31 March 2010 (in EUR thousands)	31 March 2009 (in EUR thousands)
1.	Net sales revenue on products, services, goods and materials	41,159	24,952	6,722	5,425
2.	Profit (loss) on continuing operations	1,757	1,429	443	311
3.	Gross profit (loss)	1,017	595	256	129
4.	Net profit (loss) on continuing operations	941	520	237	113
5.	Net cash flows on operating activities	11,267	- 1,911	2,840	- 416
6.	Net cash flows on investing activities	- 398	- 5,626	- 100	- 1,223
7.	Net cash flows on financing activities	619	7,228	156	1,571
8.	Total net cash flows	11,488	- 310	2,896	- 67
9.	Total assets ***	134,324	117,911	34,779	28,701
10.	Liabilities and provisions for payables ***	72,037	56,640	18,652	13,787
11.	Long-term liabilities ***	29,314	30,011	7,590	7,305
12.	Short-term liabilities ***	42,723	26,629	11,062	6,482
13.	Equity ***	62,287	61,271	16,127	14,914
14.	Share capital ***	27,750	27,750	7,185	6,755
15.	Number of shares as at the end of the reporting period	9,250,071	9,250,071	9,250,071	9,250,071
	Weighted average number of shares in 1Q of a given year	9,250,071	9,250,071	9,250,071	9,250,071
16.	Profit/loss per one ordinary share (in PLN/EUR) *	0.10	0.06	0.03	0.01
17.	Book value per share (in PLN/EUR) **	6.73	6.62	1.74	1.61

* Net profit/loss per one ordinary share = net result/weighted average number of shares in the period
** Book value per one ordinary share = equity/number of shares as at a given balance sheet moment
*** Selected financial data that refer to the Statement of Financial Position in "31 March 2009" column present the data as at 31 December 2009 and not as at 31 March 2009

III. Consolidated Statement of Financial Position

ASSETS	31 March 2010	31 December 2009
NON-CURRENT ASSETS	**86,505**	**86,917**
Property, plant and equipment	74,702	75,105
Goodwill		5,946
Other intangible assets	10,938	5,007
Long-term financial assets	390	374
Deferred tax assets	179	105
Long-term prepayments and deferred costs	296	380
CURRENT ASSETS	**46,657**	**29,884**
Inventories	7,908	8,636
Short-term receivables	23,667	19,176
Cash and cash equivalents	12,527	938
Short-term prepayments and deferred costs	2,555	1,119
NON-CURRENT ASSETS HELD FOR SALE	**1,162**	**1,162**
TOTAL ASSETS	**134,324**	**117,963**

EQUITY AND LIABILITIES	31 March 2010	31 December 2009
EQUITY	**62,287**	**61,242**
Share capital	27,750	27,750
Other capital	31,537	31,537
Retained profit/loss (profit/loss from previous periods)	2,059	-,243
Net profit	941	2,198
NON-CURRENT LIABILITIES	**29,314**	**30,012**
Deferred tax provision	855	705
Long-term bank loans and borrowings	18,798	19,570
Provision for pension and similar (long-term) benefits	184	184
Long-term accruals and deferred income	8,783	9,2,132
Non-current liabilities from finance lease agreements	694	340
CURRENT LIABILITIES	**42,723**	**26,709**
Short-term bank loans and borrowings	4,644	2,639
Current financial liabilities (related to leasing and factoring)	3,628	3,788
Other current liabilities	32,326	18,434
Short-term accruals and deferred income	1,723	1,720
Provision for pension and similar (short-term) benefits	71	71
Other short-term provisions	331	57
TOTAL LIABILITIES	**72,037**	**56,721**
TOTAL EQUITY AND LIABILITIES	**134,324**	**117,963**

IV. Consolidated Statement of Comprehensive Income

FOR THE PERIOD	01.01.2010-31.03.2010	01.01.2009-31.03.2009
Net sales revenue	**41,159**	**24,952**
Net sales revenue on products and services	26,666	21,330
Net sales revenue on goods and materials	14,493	3,622
Prime costs	**36,415**	**18,970**
Costs of manufacture of sold products and services	21,441	16,970
Value of sold goods and materials	14,974	2,000
Gross sales profit (loss)	**4,744**	**5,982**
Costs of sale	3,904	3,431
Costs of general governance	1,327	1,236
Other income	2,311	275
Other costs	67	161
Profit (loss) on continuing operations	**1,757**	**1,429**
Financial income	105	34
Financial costs	845	868
Gross profit (loss)	**1,017**	**595**
Income tax - current	-	138
Income tax - deferred	76	- 63
Net profit (loss) on continuing operations	**941**	**520**

V. Consolidated Statement of Cash Flows

FOR THE PERIOD	01.01.2010-31.03.2010	01.01.2009-31.03.2009
Operating cash flows		
Profit/loss before tax	**1,018**	**595**
Adjustment by:	**10,249**	**- 2,506**
Amortization and depreciation	1,348	1,189
Foreign exchange gains/losses	138	278
Interest costs and income	423	442
Investment profits/losses	- 18	- 52
Movements in provisions	291	352
Movements in inventories	753	- 1,352
Movements in receivables	- 4,467	- 1,365
Movements in liabilities, prepayments and accruals	12,065	1,994
Paid/reimbursed corporate income tax	- 8	
Other adjustments	-	- 4
Net operating cash flows	**11,267**	**- 1,911**

Investment cash flows		
Inflows on the sale of fixed assets and intangible assets	8	8
Inflows on the sale of affiliates and subsidiaries	-	-
Inflows on the sale of financing assets	-	-
Interest inflows	41	33
Inflows from extended borrowings	-	-
Repayment of extended borrowings	-	-
Outflows on the acquisition of property, plant and equipment and on the acquisition of intangible assets	431	5,667
Outflows on the purchase of investment real property	16	-
Outflows on the acquisition of subsidiaries and affiliates	-	-
Outflows on the acquisition of current financial assets	**-**	**-**
Extended borrowings	**-**	**-**
Other	**-**	**-**
Outflows on the purchase of investment real property		**-**
Net cash flows on investing activities	**- 398**	**- 5,626**
Cash flows on financing activities		
Cash inflows from loans and borrowings	1,848	3,740
Net inflows on issue of shares, debentures, drafts and bills	-	-
Repayment of loans and borrowings	614	555
Repayment of finance lease liabilities	216	131
Dividends paid to the Company's shareholders	-	-
Dividends paid to minority shareholders	-	-
Acquisition of own shares	-	-
Interest paid	399	479
Other financing inflows	-	- 4,653
Net cash flows on financing activities	**619**	**7,228**
Increase/decrease in cash and cash equivalents	**11,488**	**- 309**
Cash, cash equivalents and loans in current account at beginning of period	**938**	**1,291**
Profit/loss on exchange rate differences related to measurement of cash, cash equivalents and loans in current account	**101**	**45**
Cash, cash equivalents and loans in current account at the end of the period	**12,527**	**1,027**

VI. Statement of Changes in Consolidated Equity

For the period from 1 January 2010 to 31 March 2010

	Share capital	Supplementary capital and other reserve capital	Current year profit	Loss from previous years	Total
As at 1 January 2010	**27,750**	**31,537**	**-**	**2,059**	**61,346**
Issue of shares	**-**	**-**	**-**	**-**	**-**
Profit distribution	-	-	-	-	-
Profit for the period from 1 January 2010 to 31 March 2010	-	-	941	-	941
Other changes in capital:					
-	-	-	-	-	-
-	-	-	-	-	-
As at 31 March 2010	**27,750**	**31,537**	**941**	**2,059**	**62,287**

For the period from 1 January 2009 to 31 December 2009

	Share capital	Other capital	Current year profit	Profit/loss from previous years	Total
As at 1 January 2009	**27,750**	**31,941**	**-**	**- 647**	**59,044**
Profit distribution/covering losses	-	- 404	-	404	-
Profit in 2009	-	-	2,198	-	2,198
As at 31 December 2009	**27,750**	**31,537**	**-**	**- 243**	**61,242**

VII. Information about the Makarony Polskie Capital Group

1. Agreements material for the Group's business

1. Agreement concluded with Asseco Business Solutions S.A. regarding implementation of the integrated IT system in the companies of the Makarony Polskie Capital Group.

   On 17 December 2009, Makarony Polskie S.A. and Asseco Business Solutions S.A. signed agreements regarding implementation of the integrated IT system in the companies of the Makarony Polskie Capital Group.

   Implementation of the Softlab ERP IT system will refer to the following system areas: Logistics and Sale, Production, Finances and Accounting, Non-current Assets, Human Resources and Wages and Salaries.

   In 1Q 2010, implementation works were underway that led to start-up of the key system modules on 1 April 2010. Subsequent modules and functionalities will be started gradually in the course of 2010.

   Implementation of Softlab ERP will result in standardisation of the IT systems in the Makarony Polskie Capital Group, which in turn will improve effectiveness of management in all business areas of the Group member companies, which should be directly reflected in future financial results.

2. Agreement concluded by Makarony Polskie S.A. with the Agricultural Market Agency

   On 12 February 2010, Makarony Polskie S.A. and the Agricultural Market Agency signed an agreement for supply of foodstuff (pasta) to the warehouses of the charity organisations under the "Supplying food for the poorest people of the EU in 2010" programme. Net value of the agreement is PLN 13.2 million. The Agreement will be executed by the end of December 2010. The Company will receive barley from the intervention warehouses as a consideration for the supply of foodstuff.

3. Agreement concluded by Stoczek Sp. z o.o. with the Agricultural Market Agency

   On 11 February 2010, Stoczek Sp. z o.o. and the Agricultural Market Agency signed an agreement for supply of foodstuff – barley soup - to the warehouses of charity organisations under the "Supplying food for the poorest people of the EU in 2010" programme. Net value of the agreement is PLN 1.3 million. The Agreement will be executed by the end of December 2010. The Company will receive barley from the intervention warehouses as a consideration for the supply of foodstuff.

4. Contract concluded by Stoczek Sp. z o.o. with TDM Arrtrans S.A.

   On 22 March 2010, Stoczek Sp. z o.o. and Towarowy Dom Maklerski Arrtrans S.A. */Commodity Brokerage House/* seated in Łódż signed a contract for supplying ready-made dishes of the contract total net value of PLN 13.1 million.

   The Contract will be executed from April to November 2010.

2. Information regarding issue, redemption and repayment of the debt and equity securities

In 1Q 2010, the companies of the Makarony Polskie Capital Group neither issued nor redeemed/repaid debt or equity securities.

3. Information regarding changes in contingent liabilities or assets that happened from the end of the last financial year

The change of the contingent liabilities or assets that happened from the end of the last financial year:

Off-balance sheet items	**31 March 2010**	**31 December 2009**
1. Contingent receivables	**70,301**	**44,949**
1.1. From affiliates:	54,951	36,295
- received guarantees and warranties	13,677	16,925
- collaterals on property	41,274	19,370
1.2. From other entities:	15,351	8,654
- received guarantees and warranties	15,346	8,649
- promissory notes	5	5
2. Contingent liabilities	**37,022**	**36,295**
2.1. As regards affiliates	37,022	36,295
- extended guarantees and warranties	14,452	16,925
- collaterals on property	22,570	19,370
2.2. As regards other entities	-	-
- extended guarantees and warranties	-	-
3. Other related to:	**134,028**	**99, 917**
- notes payable	61,087	61,087
- collaterals on property	70,624	37,704
- other – assignment of debt claims and power of attorney to bank account	2,317	1 125
Total off-balance sheet items	**- 100,749**	**- 91,263**

Values of the received guarantees, collaterals, notes payables, mortgages and other off-balance sheet liabilities are presented in the above table as maximum ones, without exclusions between the related companies.

4. Information about dividends paid and approved to be paid

In 1Q 2010, no Ordinary General Meeting of Makarony Polskie S.A. was convened. In line with the terms provided for in relevant legal acts, the agenda of the Ordinary General Meeting of Makarony Polskie S.A. that is planned for 2Q 2010 will include a resolution regarding profit distribution.

5. Material achievements and failures in the period from 1 January 2010 to the report publication date inclusive of a list of most important events pertaining thereto

Detailed information on the factors impacting the achieved quarterly results and forecasts for the consecutive months are described among others in the **"Commentary to consolidated and solo financial results".**

On 25 March 2010, the Makarony Polskie S.A. Group published its strategy for the years 2010-2012

The Group defined its mission there: "We want to be the best at supplying high quality, tasty and healthy products" and enumerated the strategic directions of development in the years 2010-2012:

- ✓ Consistent strengthening of the position of the Group in the segment of pasta, vegetable and fruit preserves, and development of complementary categories of foodstuff.
- ✓ Ensuring complex co-operation with trade partners by offering products under the brands belonging to the Group, and in the private label segment.
- ✓ Development of the product offer, ensuring synergy as regards supply of raw material, production, distribution and marketing.
- ✓ Development of the structures of sale and numerical distribution on the Polish market and increase in export sale.
- ✓ Creating a technological and production competitive edge by investing in innovative solutions, automation and scale of operations.
- ✓ Ensuring at least 20% organic growth annually and applying an active approach to acquisitions treated as an important element that supports development and facilitates achieving the assumed strategic targets.

Becoming one of the top three biggest suppliers in specific product categories, or obtaining at least 10% share in the Polish market, and maintaining the position is the long-term strategic goal of the Makarony Polskie Group.

The strategy assumes adding to the offer new products manufactured based on grains, vegetable and fruit that should be included in a healthy diet, and which are easy and quick to prepare.

New brands and products of the Makarony Polskie Group will be created by developing the assortment, and by acquisitions, assuming that potential acquisitions will be intended to support the development of the Group in strategic areas, namely: pastry market, ready-made dishes and new categories of products manufactured based on grains, vegetable and fruit.

Forecast forms of financing the development will be considered in terms of maximisation of the earnings per share.

The Company intends to finance its organic development with its own funds, but allows issue of shares or convertible bonds in case of acquisition.

Liquidity is to be ensured by maintaining interest bearing liabilities at the level of maximum 50% of equity and not higher than three times EBITDA. The Makarony Polskie Group still intends to use the subsidy funds actively.

6. Segments of operation

In geographical terms, the Makarony Polskie Group distinguishes the domestic and export sale segments.

Description of the sale by specific reporting segments is shown under the **"Commentary to consolidated and solo financial results"**.

7. Standpoint of the Management Board regarding the possible execution of the forecast results that were published earlier

The 2010 financial forecasts of the Makarony Polskie Capital Group were prepared based on the financial plan approved by the Supervisory Board of the Company and disclosed to the public on 25 March 2010. The said forecasts are in short as follows:

- sales revenue: PLN 150,485,000,
- gross profit on sale: PLN 33,632,000,
- EBITDA: PLN 13,244,000,
- EBIT: PLN 7,385,000,
- net profit: PLN 4,522,000.

The 1Q results are in line with the financial plan. The Management Board sustain the forecast results published in the current report no. 14/2010 of 25 March 2010.

8. Information on pending proceedings regarding liabilities or debt claims of the Parent or of the Subsidiary

In the presented reporting period, there were no pending proceedings before any court of justice, any court of arbitration or any public administration authority as regards liabilities and debt claims of

Makarony Polskie S.A. or of its Subsidiary, of the total disputable value of at least 10% of the equity of Makarony Polskie S.A.

9. Cyclical and seasonal nature of business

In terms of annual business, operations of the member companies of the Makarony Polskie Capital Group are not materially seasonal.
The sales figures of Makarony Polskie S.A. are slightly lower in April, May and December, which is connected with fewer trading days due to holidays. Whereas, in summer time more ready-made dishes as well as fruit and vegetable preserves produced by Stoczek Sp. z o.o. are sold.

10. Description of transactions between related entities

In the period from 1 January 2010 to 31 March 2010, Makarony Polskie S.A. did not conclude any one-time transactions with its Subsidiary Stoczek Sp. z o.o. of the transaction amount exceeding 10% of the total vale of sale.

In the reporting period, there were no material transactions concluded between the related entities. Any transactions by and between the related entities were of typical trading settlement nature. Makarony Polskie S.A. rendered distribution and marketing services for Stoczek Sp. z o.o., which resulted from following the strategy of lowering the structural costs by centralising certain functions of the Group. The total value of transactions did not exceed 10% of the total sales in particular companies.

All and any agreements by and between the Group Members were concluded on the market terms and conditions.

11. Information on granting warranties for a loan, borrowing and on granting guarantees by Makarony Polskie S.A. – status as at the report submission date

Makarony Polskie S.A granted warranties to its Subsidiary Stoczek Sp. z o.o., and their status as at 31 March 2010 is shown in the table herein below:

Warranty	Name of creditor	Warranty amount	Collateral date	Valid by	Secured liability as at 31.03.2010
Warranty for working capital loan of EUR 300,000	Bank Pekao S.A. (former Bank BPH S.A.)	EUR 375,000	09.07.2007	31.12.2012	EUR 150,000
Warranty for loan in current account of PLN 2.0 million	HSCB Bank Polska S.A.	PLN 3,000,000	29.10.2009	28.02.2014	PLN 1,990,000 *
Warranty for non-revolving loan of PLN 4.0 million	HSBC Bank Polska S.A.	PLN 6,000,000	29.10.2009	11.03.2016	PLN 3,486,000 **
Warranty for multi-purpose credit line of PLN 2.0 million	Fortis Bank Polska S.A.	PLN 2,000,000	29.12.2009	27.01.2020	PLN 1,155,000
Warranty for working capital loan of PLN 650,000	Bank Spółdzielczy w Łosicach */Co-operative Bank in Łosice/*	PLN 650,000	25.09.2009	30.09.2012	PLN 650,000
Warranty for a blank promissory note issued by Stoczek securing the due performance of the contract concluded by Stoczek with the Agricultural Market Agency	Stu Ergo Hestia S.A.	PLN 1,396,000	01.02.2010	30.04.2011	PLN 1,396,000

*as at the publication date hereof, the balance of principal indebtedness was **EUR 100,000** due to the repayment of the principal instalment of EUR 50,000 by Stoczek on 30 April 2010.

** as at the publication date hereof, the balance of principal indebtedness was **PLN 3,196,000** due to the repayment of the principal instalment of PLN 291,000 by Stoczek on 30 April 2010.

In 1Q 2010, on 5 January 2010, Makarony Polskie S.A. granted Stoczek a warranty for a blank promissory note securing a guarantee for a bid bond for the tender announced by the Agricultural Market Agency under the "Supplying food for the poorest people of the EU in 2010" programme. The warranty was granted for the amount up to PLN 250,000 for the period up to 15 April 2010. In connection with the agreement signed by Stoczek Sp. z o.o. and the Agricultural Market Agency, the said collateral was released and returned to Stoczek Sp. z o.o. in 1Q 2010.

Makarony Polskie S.A. will not receive any consideration for granting the above mentioned warranties.

12. Information on planned issues of shares

In 1Q 2010 and in the period by the publication date hereof, the Company did not issue any shares, and no such actions are planned in foreseeable future.

13. Information about employment in the companies of the Makarony Polskie Group

As at 31 March 2010, the Makarony Polskie Group employed:
- Makarony Polskie S.A. – 348 employees,
- Stoczek Sp. z o.o. – 84 employees.

Structure of employment in Makarony Polskie S.A.

	As at 31 March 2010	As at 31 December 2009
Management Board	3	3
Administration	21	22
Production	267	250
Sale	57	56
Other employees	0	0
Total employees	**348**	**331**

Structure of employment in Stoczek Sp. z o.o.

	As at 31 March 2010	As at 31 December 2009
Management Board	2	2
Administration	7	7
Production	63	61
Sale	2	2
Other employees	10	15
Total employees	**84**	**89**

14. Factors influencing materially the financial results in 2Q 2010 and subsequent periods

- Financial results in the subsequent quarters will be mostly influenced by the increase in sale in the Group that will result from the investments made and concluded or negotiated contracts for the sale of pasta and ready-made dishes. The basic assumption determining the operations of the Group companies is aiming at the increase in the market share – especially in case of the brand products. Increase in sale is planned in all distribution channels of the Group: in modern and traditional trade as well as under export. The obtained commercial

contracts ensure that Makarony Polskie S.A. will sell pasta products at the level close to full utilization of its production capacity (80% of nominal capacity).

- Stabilisation of prices of raw materials, especially of wheat, which is reflected in the stabilisation of the price of flour, makes the production costs predictable. Furthermore, Makarony Polskie S.A. tries to protect itself against negative consequences of the increase in prices of raw materials by diversifying suppliers and concluding contracts regulating the prices to be paid to the key suppliers for the deliveries of raw material needed for the performance of long-term contracts, which in turn will make it possible to improve and maintain the stability of margins regarding the sale of specific products.
- Increase in production capacity and mitigation of unit costs of pasta production in connection with the investments being executed will be reflected in the increase in margin. Investments caused increase in depreciation costs in Makarony Polskie S.A., however full utilization of the production capacity in 2010 will render it possible to further improve the profitability.
- Upon the completion of the Group reorganisation process, the EBITDA margin will be at approximately 10% in 2010, and later further improvement of profitability is expected.

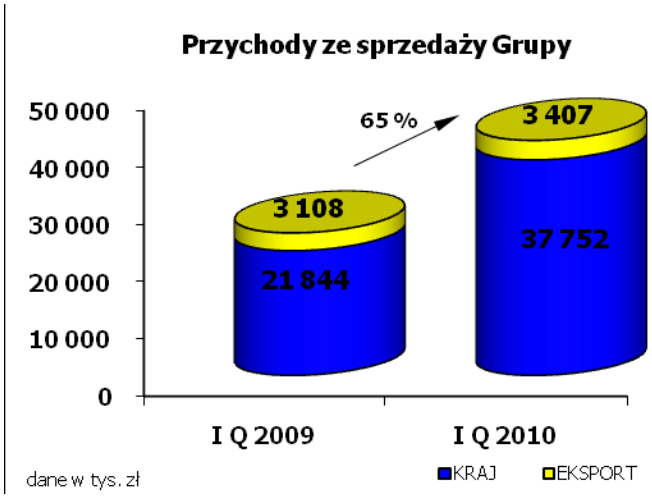
Production capacity, production and sale of pasta assure Makarony Polskie S.A. a high position among the biggest pasta producers in Poland and in the Central and Eastern Europe. Makarony Polskie S.A. intends to achieve minimum 25% of the total volume of production on the Polish market in 2010 (increase from 23% in 2009).

VIII. Commentary to consolidated and solo financial results

1. SALES ANALYSIS

a) Sales revenue by markets – the Makarony Polskie Group

In 1Q 2010, the Makarony Polskie Group generated sales revenue of PLN 41 million, higher by 65% from a year earlier. The major one-time event that happened in 1Q 2010 and which had an impact on the so significant deviations was the sale of barley worth PLN 12.6 million. After the adjustment of revenue by the said amount, the sales would grow in 1Q 2010 by 14.9% from a year earlier. The Makarony Polskie Group sells its products mostly on the domestic market (92% of the sales revenue of the Group).

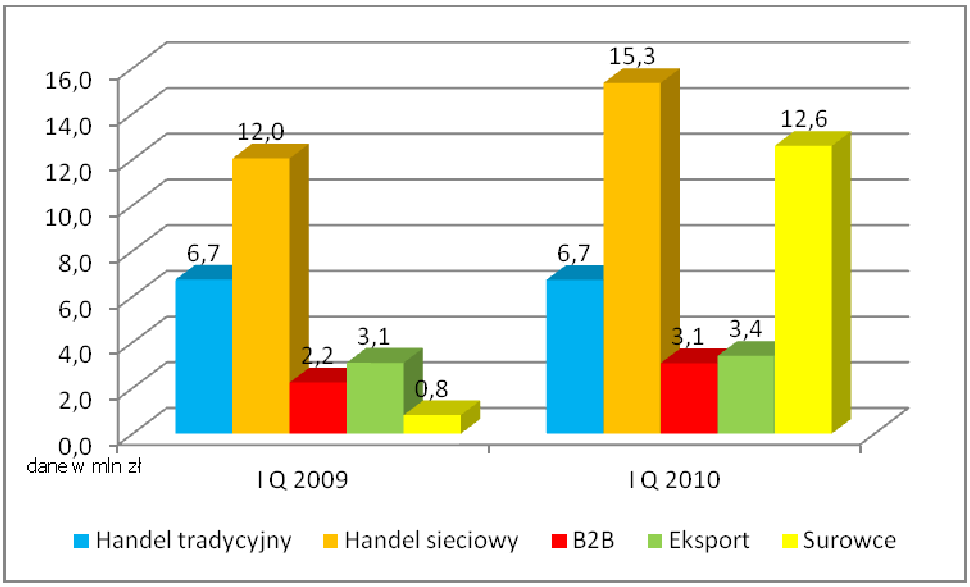


In 1Q 2010, the Group exported products worth PLN 3.4 million, more by 8% from a year earlier.

Domestic market

In 1Q 2010, domestic sales amounted to PLN 37.8 million, or increased by 72.8% from a year earlier.

Structure of sales revenue of the Makarony Polskie Group



In 1Q 2010, revenue from traditional trade was similar to the last year figures, whereas revenue from all other distribution channels increased. The revenue generated in 1Q 2010 was greatly influenced by a one time business event - sale of barley worth PLN 12.6 million.

Traditional trade

In 1Q 2010, the traditional trade sales figure of the Group was PLN 6.7 million, which means that it was similar to the 1Q 2009 sales figure from this channel. However, it should be remembered that the Group reported increase in sale through this distribution channel from 4Q 2009 when the Group generated the revenue in the amount of PLN 5.1 million. The Group takes actions aimed at strengthening this distribution channel.

Addition of new products to the assortment as well as introduction of the products to subsequent distributors is planned.

Network trade

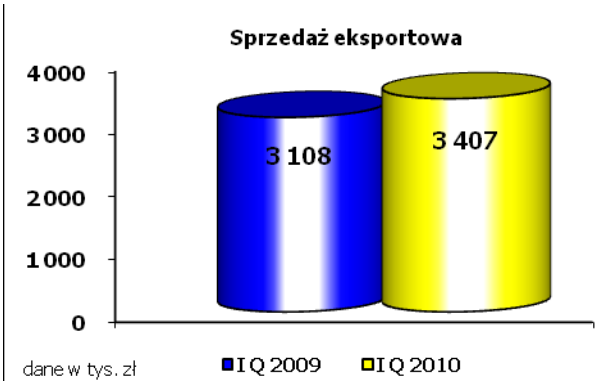
In 1Q 2010, the network trade sales figure of the Group was PLN 15.3 million, up by 27.4% from a year earlier. The Makarony Polskie Group continues activities aimed at increasing profitability in this distribution channel, mostly by increasing the number of buyers and by launching brand-name products. Development of this distribution channel is connected with one-time outlay, which lowers profitability in the initial period of sale.

B2B

In 2010, under the institutional contracts, the Group will execute contracts for delivery of pasta (contract execution by Makarony Polskie S.A.) and for delivery of barley soup (contract execution by Stoczek Sp. z o.o.). The above contracts will be executed under the agreement signed with the Agricultural Market Agency. Moreover, Stoczek will execute an agreement for the production of barley soup concluded with Towarowy Dom Maklerski Arrtrans S.A. */Commodity Brokerage House/* that subcontracted manufacturing of this product. The Group supplies also ready to eat meals to PKP */Polish Railways/*, WARS and to a power plant. Besides the above, the Group provides services to other producers and sells pasta and tinned food to them.

Foreign market

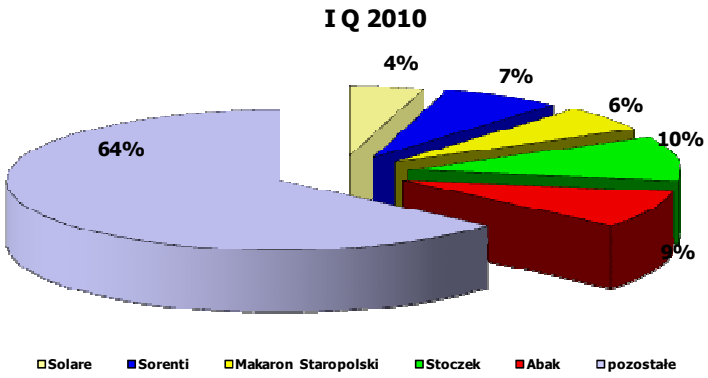
The Makarony Polskie Group exports its products to such countries as: Slovakia, the Czech Republic, Germany, Great Britain, Canada, USA, Lithuania, Ukraine, Latvia, Estonia, Australia, and the Netherlands. In 1Q 2010, export sale of the Makarony Polskie Group was PLN 3.4 million, up by 9.7% from a year earlier (PLN 3.1 million).



The Makarony Polskie Group develops its export department dynamically. All activities taken by the Group are reflected in obtaining new contracting parties and in increase in sale to its existing clients. Further increase in export figure is expected in subsequent quarters.

b) Sales revenue by own and third-party brands – the Makarony Polskie Group

The Makarony Polskie Group continues development of the brand-name products. In 1Q 2010, the sale of the brand-name products generated PLN 10.4 million for the Group, while in 1Q 2009 PLN 10.2 million. Sale of the brand-name products in 1Q 2010 constituted 36% of the revenue of the Group (exclusive of revenue on the sale of raw materials).



The Group increased slightly the sale of the brand-name products in the total sales, increasing the sales revenue at the same time. The sales policy of the Makarony Polskie Group is aimed at the increase in share of brand-name products in total sales. Upon introducing brand-name products in traditional or network trade, the Group achieved higher profitability on sale than from the sale of products under third-party brand-names.

Pasta brands: Sorenti, Abak, Staropolski, Solare

In 1Q 2010, revenue on the sale of brand-name pasta amounted to PLN 7.4 million, up by PLN 0.4 million from the same period last year, which represents 5% increase in sale.

Stoczek brand

Products of Stoczek brand include: zamojskie chitterlings and tripe in broth, beans stewed with meat in tomato source, hunter's stewed dish made of sauerkraut, meat and mushrooms, meatballs, staffed cabbage, stew and low- and high-sugar jam.

In 1Q 2010, the sale of products under the Stoczek brand was similar to the 1Q 2009 figure and it was approximately PLN 2.5 million.

2. ANALYSIS OF THE FINANCIAL STATEMENTS

2.1 Solo Financial Statements of Makarony Polskie S.A.

Makarony Polskie S.A.	1Q 2010	1Q 2009	% change
Sales revenue on products, services, goods and materials	37,232	19,846	87.6%
Costs of sold products, services, goods and materials	32,739	14,683	123.0%
Gross profit on sale	4,493	5,163	-13.0%
Costs of sale	3,457	2,936	17.7%
Costs of governance	1,144	887	29.0%
Amortization and depreciation	964	800	20.5%
EBIT	2,045	1,437	42.3%
EBITDA	3,009	2,237	34.5%
Gross profit	1,454	926	57.0%
Net profit	1,378	851	61.9%
EBIT profitability	5.49%	7.24%	
EBITDA profitability	8.08%	11.27%	
Gross profitability on sale	3.91%	4.67%	
Net profitability on sale	3.70%	4.29%	

Revenue of Makarony Polskie S.A. is growing dynamically. Revenue for 1Q 2010 totalled PLN 37.2 million, up by 87.6% from a year earlier. A material one-time event that happened in 1Q 2010 and that had an impact on the so significant deviations was the sale of barley worth PLN 12.6 million. After adjusting the revenue by the said amount, the 1Q 2010 sale grew by 22.2% from a year earlier. Increase of the sales revenue results mostly from higher sale in the network trade. It results most of all from increasing the production capacity of Makarony Polskie S.A. in 2009. Thanks to the increased scale of production, the margin obtained by the Company on the sale of products also improved. In 1Q 2010, the Company recorded the net profit in the amount of PLN 1,378,000 compared to PLN 851,000 a year earlier.

Moreover, the Makarony Polskie Group carries out a project called "Qualifications of the personnel as a key to development of the Makarony Polskie Group". The project is co-financed by the European Social Fund and is supervised by the Polish Agency for Enterprise Development. Under the project the Group will receive PLN 3.1 million as a subsidy. As at 31 December 2009, the Group already received PLN 1.1 million. According to the stipulations of an agreement signed by and between PARP and Makarony Polskie S.A., all costs will be incurred by Makarony Polskie S.A. All costs related to the above project execution shall be recognised in accordance with the applicable legal regulations to the general governance costs, and the received subsidies shall be recognised under operating income.

It is worth noticing that the dynamics of the growth of the costs of sale is much lower, and at the level of PLN 3.5 million it increased only by 17.8% from 1Q 2009. Costs of general governance increased in 1Q 2010 by 29.0% from 1Q 2009, and they were at the level of PLN 1.1 million.

		31 March 2010	31 December 2009	% change
A.	**NON-CURRENT ASSETS**	**78,735**	**79,064**	**-0.4%**
1.	Property, plant and equipment	52,382	52,738	-0.7%
2.	Other intangible assets	4,938	4,943	-0.1%
3.	Long-term financial assets	20,968	20,951	0.1%
4.	Deferred tax assets	151	95	58.9%
5.	Long-term prepayments and deferred costs	296	337	-12.2%
B.	**CURRENT ASSETS**	**41,723**	**26,384**	**58.1%**
1.	Inventories	4,502	5,219	-13.7%
2.	Short-term receivables	23,514	19,354	21.5%
3.	Corporate income tax receivables	-	15	-100.0%
4.	Extended borrowings	-	-	
5.	Cash and cash equivalents	11,471	726	1480.0%
6.	Short-term prepayments and deferred costs	2,236	1,070	109.0%
C.	**NON-CURRENT ASSETS HELD FOR SALE**	**1,162**	**1,162**	**0.0%**
	TOTAL ASSETS	**121,620**	**106,610**	**14.1%**

As at the end of 1Q 2010, the Company's assets grew by 14.1% from the end of 2009, from PLN 106.6 million to PLN 121.6 million.

There were mostly two reasons for such a dynamic increase in total assets:

- Cash held as at 31 March 2010 in the amount of PLN 11.5 million obtained mostly from cashing the foodstuff received as a consideration for the execution of the contract signed with the Agricultural Market Agency.
- Increase in receivables from PLN 19.3 million as at 31 March 2009 to PLN 23.5 million as at 31 March 2010, which resulted from the dynamic increase in revenue.

Despite of dynamic increase in sale, the Company limited inventories, which is a proof of positive effects of the carried out policy of optimisation of inventories that resulted from the executed package of activities aimed at improvement of the Company's liquidity.

		31 March 2010	31 December 2009	% change
A.	**EQUITY**	**62,897**	**61,519**	**2.2%**
1.	Share capital	27,750	27,750	0.0%
2.	Other capital	31,537	31,537	0.0%
3.	Profit/loss from previous periods	2,232	-	
4.	Net profit	1,378	2,232	
I.	**NON-CURRENT LIABILITIES**	**24,898**	**23,863**	**4.3%**
1.	Deferred tax provision	826	694	19.0%
2.	Long-term bank loans and borrowings	14,668	13,462	9.0%
3.	Provision for pension and similar (long-term) benefits	153	153	0.0%
4.	Long-term accruals and deferred income	8,783	9,214	-4.7%
5.	Non-current liabilities from finance lease agreements	468	340	37.6%
II.	**SHORT-TERM LIABILITIES**	**33,825**	**21,228**	**59.3%**
1.	Short-term bank loans and borrowings	876	860	1.9%
2.	Current financial liabilities (related to leasing and factoring)	3,579	3,772	-5.1%
3.	Other current liabilities	27,286	14,794	84.4%
4.	Short-term accruals and deferred income	1,723	1,720	0.2%
5.	Provision for pension and similar (short-term) benefits	57	57	0.0%
6.	Other short-term provisions	304	25	1116.0%
B.	**TOTAL LIABILITIES**	**58,723**	**45,091**	**30.2%**
	TOTAL EQUITY AND LIABILITIES	**121,620**	**106,610**	**14.1%**

The basic reason for the increase in the total equity and liabilities up to PLN 121.6 million is increase in liabilities.

As at the end of 1Q 2010, liabilities amounted to PLN 58.7 million and consisted mostly of trade liabilities (PLN 25.5 million), interest bearing liabilities (PLN 19.6 million) and accruals and deferred income (PLN 10.4 million).

Significant increase in trade liabilities results from including there non-invoiced trade liabilities related to the execution of contract concluded with the Agricultural Development Agency that will be gradually accounted for in line with the contract execution.

Short-term and long-term accruals and deferred income item consists of the received subsidy related to the investment in the Production Plant in Rzeszów that was carried out and accomplished in 1H 2009, and which is being settled in the depreciation period of the subsidized non-current assets.

2.2 Solo Financial Statements of Stoczek Sp. z o.o.

Stoczek Sp. z o.o.	1Q 2010	1Q2009	% change
Sales revenue on products, services, goods and materials	4,650	6,088	-24%
Costs of sold products, services, goods and materials	4,188	5,041	-17%
Gross profit on sale	462	1 047	-56%
Costs of sale	620	729	-15%
Costs of governance	187	350	-47%
Amortization and depreciation	384	389	-1%
EBIT	-225	-8	
EBITDA	159	381	-58%
Gross profit	-374	-331	13%
Net profit	-374	-331	13%
EBIT profitability	-4.84%	-0.13%	
EBITDA profitability	3.42%	6.26%	
Gross profitability on sale	-8.04%	-5.44%	
Net profitability on sale	-8.04%	-5.44%	

In 1Q 2010, the revenue of Stoczek Sp. z o.o. amounted to PLN 4.7 million, down by 23.6% from a year earlier. A great difference compared to the last year results most of all from the fact that a part of 1Q 2009 revenue related to deliveries started in March 2009 under the contract signed with the Agricultural Development Agency (the revenue related thereto totalled PLN 1.2 million). Adjusting the 2009 revenue by the said amount, and referring it to the 1Q 2010 revenue, there would be a decrease of 4.1%.

Costs of sale in the amount of PLN 0.6 million were lower by 15.0% from a year earlier.

Costs of general governance were also significantly mitigated, and totalling PLN 0.2 million they are down by 46.6% from a year earlier.

2.3 Consolidated Financial Statements of the Makarony Polskie Group

The Makarony Polskie Group	1Q 2010	1Q 2009	% change
Sales revenue on products, services, goods and materials	41,159	24,952	65%
Costs of sold products, services, goods and materials	36,415	18,970	92%
Gross profit on sale	4,744	5,982	-21%
Costs of sale	3,904	3,431	14%
Costs of governance	1,327	1,236	7%
Amortization and depreciation	1,348	1,189	13%
EBIT	1,757	1,429	23%
EBITDA	3,105	2,618	19%
Gross profit	1,017	595	71%
Net profit	941	520	81%
EBIT profitability	4.27%	5.73%	
EBITDA profitability	7.54%	10.49%	
Gross profitability on sale	2.47%	2.38%	
Net profitability on sale	2.29%	2.08%	

In 1Q 2010, the Group generated sales revenue of PLN 41.2 million, up by 65.0% from a year earlier. The major one-time event that happened in 1Q 2010 and which had an impact on the so significant deviations was the sale of barley worth PLN 12.6 million. After the adjustment of revenue by the said amount, the sales would grow in 1Q 2010 by 14.9% from a year earlier. Furthermore, such an increase in revenue was significantly influenced by the fact that the deliveries under the contract signed with the Agricultural Development Agency were started later than last year.

The Group continues its strategy of minimizing raw materials and structural costs. Costs of sale and costs of general governance may serve as an example thereof as their dynamics of growth is lower than adjusted revenue growth ratio.

These activities were reflected in the net profit of the Group that amounted to PLN 941,000, compared to PLN 520,000 in 1Q 2009, up by 81.0% from a year earlier.

In 1Q 2010, two buyers exceeded 10% of the share in sales revenue:
- Jeronimo Martins Dystrybucja S.A. (owner of the Biedronka network) - 17% share,
- Avena Nordic Grain Oy (a one-time operation – sale of barley received in consideration for the execution of the contract signed with the Agricultural Market Agency) - 29% share.

Besides commercial contracts, Makarony Polskie S.A. and Stoczek Sp. z o.o. are not formally related to the mentioned above entities.

In 1Q 2010, the Makarony Polskie Group was selling its products per the mentioned herein below basic reporting segments and generated the following sales revenue:

The Makarony Polskie Group – sales	**1Q 2010**	**1Q 2009**
Pasta	24,196	18,956
Ready-made dishes, tinned food	3,671	3,826
Jam	280	792
Raw materials	12,593	812
Other	419	566
Total	**41,159**	**24,952**

Increase of sales revenue (exclusive of revenue on sale of raw material) results from intensified actions taken by the Makarony Polskie Group aimed at changing the sales portfolio by replacing the one-time contracts with brand-name products of higher profitability of sales, and by gaining more buyers offering long-term co-operation. Furthermore, Stoczek decreased employment in connection with production costs optimization.

The Group continues its strategy of minimizing the raw material and structural costs. At the same time, the scale of production was increased, which resulted in lowering the unit fixed costs. Stoczek Sp. z o.o. and Makarony Polskie S.A. plan to increase the sales thanks to launching new products onto the market, and lowering the unit fixed costs by that. As at the end of 2008, the three plants of Makarony Polskie S.A. had the production capacity of 2,400 tons. Thanks to the investments made in the plant in Rzeszów and thanks to adopting the four-shift work system by the plant in Częstochowa, which allows the continuous work of the machinery, production capacity of Makarony Polskie S.A. is now 4,300 tons monthly.

Makarony Polskie S.A. accomplished its investment in the plant in Rzeszów. The investment was executed under the project called Sector Operating Programme – Increase of Competitiveness of Entrepreneurs. Upon settling the investment in line with the concluded subsidy agreement, the Company received reimbursement of the incurred costs in the amount higher than PLN 11.5 million.

IX. Selected solo financial data – Makarony Polskie S.A.

	Selected financial data	31 March 2010	31 March 2009	31 March 2010 (in EUR thousands)	31 March 2009 (in EUR thousands)
1	Net sales revenue on products, services, goods and materials	37,232	19,846	9,386	4,315
2	Profit (loss) on continuing operations	2,045	1,437	515	312
3	Gross profit (loss)	1,454	926	367	201
4	Net profit (loss) on continuing operations	1,378	851	347	185
5	Net cash flows on operating activities	10,252	- 2,393	2,584	- 520
6	Net cash flows on investing activities	- 415	- 5,621	- 105	- 1,222
7	Net cash flows on financing activities	807	7,654	203	1,664
8	Total net cash flows	10,644	- 360	2,683	- 78
9	Total assets ***	121,620	106,610	31,490	25,950
10	Liabilities and provisions for payables ***	58,723	45,091	15,205	10,976
11	Long-term liabilities ***	24,899	23,863	6,447	5,809
12	Short-term liabilities ***	33,824	21,228	8,758	5,167
13	Equity ***	62,897	61,519	16,285	14,975
14	Share capital ***	27,750	27,750	7,185	6,755
15	Number of shares as at the end of the reporting period	9,250,071	9,250,071	9,250,071	9,250,071
	Weighted average number of shares in 1Q of a given year	9,250,071	9,250,071	9,250,071	9,250,071
16	Profit/loss per one ordinary share (in PLN/EUR) *	0.15	0.09	0.04	0.02
17	Book value per share (in PLN/EUR) **	6.80	6.65	1.76	1.62

* Net profit/loss per one ordinary share = net result/weighted average number of shares in the period
** Book value per one ordinary share = equity/number of shares as at a given balance sheet moment
*** Selected financial data that refer to the Statement of Financial Position in "31 March 2009" column present the data as at 31 December 2009 and not as at 31 March 2009

X. Statement of Financial Position of Makarony Polskie S.A.

		31 March 2010	31 December 2009
A.	**NON-CURRENT ASSETS**	**78,735**	**79,064**
1.	Property, plant and equipment	52,382	52,738
2.	Other intangible assets	4,938	4,943
3.	Long-term financial assets	20,968	20,951
4.	Deferred tax assets	151	95
5.	Long-term prepayments and deferred costs	296	337
B.	**CURRENT ASSETS**	**41,723**	**26,384**
1.	Inventories	4,502	5,219
2.	Short-term receivables	23,514	19,354
3.	Corporate income tax receivables	-	15
4.	Extended borrowings	-	-
5.	Cash and cash equivalents	11,471	726
6.	Short-term prepayments and deferred costs	2,236	1,070
C.	**NON-CURRENT ASSETS HELD FOR SALE**	**1,162**	**1,162**
	TOTAL ASSETS	**121,620**	**106,610**

		31 March 2010	31 December 2009
A.	**EQUITY**	**62,897**	**61,519**
1.	Share capital	27,750	27,750
2.	Other capital	31,537	31,537
3.	Profit/loss from previous periods	2,232	-
4.	Net profit	1,378	2,232
I.	**NON-CURRENT LIABILITIES**	**24,898**	**23,863**
1.	Deferred tax provision	826	694
2.	Long-term bank loans and borrowings	14,668	13,462
3.	Provision for pension and similar (long-term) benefits	153	153
4.	Long-term accruals and deferred income	8,783	9,214
5.	Non-current liabilities from finance lease agreements	468	340
II.	**SHORT-TERM LIABILITIES**	**33,825**	**21,228**
1.	Short-term bank loans and borrowings	876	860
2.	Current financial liabilities (related to leasing and factoring)	3,579	3,772
3.	Other current liabilities	27,286	14,794
4.	Short-term accruals and deferred income	1,723	1,720
5.	Provision for pension and similar (short-term) benefits	57	57
6.	Other short-term provisions	304	25
B.	**TOTAL LIABILITIES**	**58,723**	**45,091**
	TOTAL EQUITY AND LIABILITIES	**121,620**	**106,610**

XI. Statement of Comprehensive Income of Makarony Polskie S.A.

FOR THE PERIOD	01.01.2010 31.03.2010	01.01.2009 31.03.2009
Net sales revenue	**37,232**	**19,846**
Net sales revenue on products and services	23,265	17,452
Net sales revenue on goods and materials	13,967	2,394
Prime costs	**32,739**	**14,683**
Costs of manufacture of sold products and services	17,868	12,728
Value of sold goods and materials	14,872	1,955
Gross sales profit (loss)	**4,493**	**5,163**
Costs of sale	3,457	2,936
Costs of general governance	1,144	887
Other income	2,184	225
Other costs	32	128
Profit (loss) on continuing operations	**2,045**	**1,437**
Financial income	88	50
Financial costs	678	561
Gross profit (loss)	**1,454**	**926**
Income tax - current	-	138
Income tax - deferred	76	-,63
Net profit (loss) on continuing operations	**1,378**	**851**

XII. Statement of Cash Flows of Makarony Polskie S.A. – Indirect Method

	01.01.2010 31.03.2010	01.01.2009 10.03.2009
Operating cash flows		
Net profit/loss before tax	**1,454**	**926**
Adjustment by:	**8,798**	**3,243**
Share in net profits/losses of affiliates and joint ventures settled with the equity method	-	-
Minority interests	-	-
Amortization and depreciation	964	800
Foreign exchange gains/losses	- 101	121
Interest costs and income	257	269
Dividend income	-	-
Investment profits/losses	- 5	- 18
Movements in provisions	278	433
Movements in inventories	717	- 445
Movements in receivables	- 4,136	- 390
Movements in liabilities, prepayments and accruals	10,832	- 4,013
Paid/returned corporate income tax	- 8	-
Other adjustments	-	-
Net operating cash flows	**10,252**	**- 2,317**
Investment cash flows		
Inflows on the sale of fixed assets and intangible assets	5	-

Inflows on the sale of affiliates and subsidiaries	-	-
Inflows on the sale of financing assets	-	-
Interest inflows	41	32
Inflows from extended borrowings	-	-
Repayment of extended borrowings	-	-
Outflows on the acquisition of property, plant and equipment and on the acquisition of intangible assets	445	5,654
Outflows on the purchase of investment real property	16	-
Outflows on the acquisition of subsidiaries and affiliates	-	-
Outflows on the acquisition of current financial assets	-	-
-Extended borrowings	-	-
Other	-	-
Net cash flows on investing activities	**- 415**	**- 5,621**
Cash flows on financing activities		
Cash inflows from loans and borrowings	1,545	3,440
Net inflows on issue of shares, debentures, drafts and bills	-	-
Repayment of loans and borrowings	323	-
Repayment of finance lease liabilities	146	119
Dividends paid to the Company's shareholders	-	-
Dividends paid to minority shareholders	-	-
Acquisition of own shares	-	-
Interest paid	269	320
Other financing inflows	-	4,653
Net cash flows on financing activities	**807**	**7,653**
Increase/decrease in cash and cash equivalents	**10,644**	**- 360**
Cash, cash equivalents and loans in current account at the beginning of the period	**726**	**1,144**
Profit/loss on exchange rate differences related to measurement of cash, cash equivalents and loans in current account	**101**	**45**
Cash, cash equivalents and loans in current account at the end of the period	**11,471**	**829**

XIII. Statement of Changes in Equity of Makarony Polskie S.A.

For the period from 1 January 2010 to 31 March 2010

	Share capital	Other capital	Current year profit/loss	Profit/loss from previous periods	Total
As at 1 January 2010	**27,750**	**31,537**	**-**	**2,232**	**61,519**
Issue of shares	-	-	-	-	**-**
Profit distribution	-	-	-	-	**-**
Profit for the period from 01.01.2010 to 30.03.2010	-	-	1,378	-	**1,378**
Other changes in capital:					
-	-	-	-	-	**-**
-	-	-	-	-	**-**
As at 31 March 2010	**27,750**	**31,537**	**1,378**	**2,323**	**62,897**

For the period from 1 January 2009 to 31 December 2009

	Share capital	Other capital	Current year profit	Profit/loss from previous years	Total
As at 1 January 2009	**27,750**	**31,941**	**-**	**- 404**	**59,287**
Issue of shares	**-**	**-**	**-**	**-**	**-**
Carried net loss from 2008	-	- 404	-	404	**-**
Profit for the period from 1 January 2009 to 31 December 2009	-	-	2,232	-	**2,232**
Other changes in capital	-	-	-	-	**-**
As at 31 December 2009	**27,750**	**31,537**	**2,232**	**-**	**61,519**

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Marek Feruś Vice President of the Management Board	Krzysztof Rubak Vice President of the Management Board	Paweł Nowakowski President of the Management Board

Rzeszów, 13 May 2010