MAKARONY POLSKIE CAPITAL GROUP

ABRIDGED CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

RZESZÓW, 15 MAY 2012

The Abridged Consolidated Financial Statement of Makarony Polskie Group consists of:

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Selected financial data in EUR are presented in accordance with § 91, clause 2 of the Ordinance of the Minister of Finance of 19 February 2009:

- ✓ items of the statement on the financial standing were converted according to average exchange rate published by NBP biding on the balance sheet date (31 March 2012: 1 EUR= 4.1616 PLN; 31 December 2011: 1 EUR = 4.4168 PLN.),
- ✓ items in the statements of comprehensive income and cash flows were converted according to the exchange rate being the arithmetic mean of average exchange rates set forth by NBP, and biding on the last day of each month of the 1st Quarter 2012: 1 EUR= 4,1750 PLN and 1st Quarter of 2011: 1 EUR= 3.9742 PLN.

This Consolidated Financial Statement was not subject to review by an entity authorized to audit financial statements and was approved by the Management Board for disclosure on 15 May 2012.

1. General Information

1.1 Basis for compiling the Consolidated Financial Statement

a) Declaration of compliance and the basis for compiling the Statement

The abridged consolidated financial statement was compiled in accordance with the International Accounting Standards approved by the European Union (EU) and the related interpretations issued in the form of implementing regulations of the European Commission (further – IFRS) which are applicable for interim financial reporting as approved by the European Union (IAS 34 – Interim Financial Reporting), and had been published and were binding at the time of compiling this abridged consolidated financial statement. Semi-annual abridged financial statement does not include all information and data required for disclosure in annual financial statements and it should be read together with the annual financial statement of the Group and the Parent Company for the year ending on 31 December 2011.
The principles of presentation with regard to this statement are also regulated by the provisions of the Regulation of the Minister of Finance of 19 February 2009 on the current and periodic information to be published by the issuers of securities (Journal of Laws 2009, No. 33, item. 259).

b) Basis for evaluation

This consolidated financial statement was compiled in accordance with a rule of historical cost accounting with the exception of fair value accounting in the case of selected assets, that is components acquired under the purchase transaction for fixed assets used for manufacturing Tenczynek brand products, assets acquired under the purchase transaction of Stoczek Company, including the value of the company resulting from these transactions, assets acquired under the purchase transaction of Abak Sp. z o.o. as well as land designated for investments.

c) The currency of the evaluation and presentation

The currency used by the Group for evaluation and in this Consolidated Financial Statement as well as the reporting currency for this Consolidated Financial Statement is Polish zloty (PLN).
Unless indicated otherwise, the financial data are presented in thousand PLN.

d) Applied accounting principles and the basis for compiling the statement

The accounting principles applied in compiling the semi-annual abridged consolidated financial statement are consistent with those used in course of preparing the annual financial statement of the Capital Group for the year ending on 31 December 2011 (published on 20 March 2012). This statement also shows the changes resulting from inaccurate settlement of subsidy for fixed assets in 2010, as described below in point (f)

The consolidated statement of financial standing (and the statement of changes in consolidated equity) in addition to the current data contains comparable data as of 31 December 2011. Due to the corrections related to the presentation of the settlement of the subsidy for fixed assets, the statement additionally includes converted data as of 31 March 2011 and 31 December 2010.

The data presented in the consolidated statement of comprehensive income and consolidated statement of cash flows include comparable financial data for the period from 1 January 2011 to 31 March 2011.

Time of operation of Makarony Polskie S.A. is unlimited.
On 20 April 2012 a decision was taken with regard to merging Makarony Polskie Joint Stock Company with Stoczek Limited Liability Company. The merger shall be executed by assigning all the assets of Stoczek Spółka z o.o. to Makarony Polskie Spółka Akcyjna. The Annual General Meeting of Makarony Polskie S.A. on 21 May 2012 shall pass a Resolution concerning this matter.
Financial statements of all companies were compiled for the same reporting period, by applying consistent principles of accounting. Fiscal year of the Groups companies is the calendar year.

No operations conducted by the Group were abandoned during the 1st Quarter of 2012.
Financial statements of the parent company -Makarony Polskie S.A. and the subsidiary company -Stoczek Sp. z o.o. are compiled in accordance with IFRS.

All transactions, balances, revenues and costs incurred between the affiliated entities are subject to exclusion due to consolidation.

e) Explanations related to the seasonal or periodic character of operations with reference to the semi-annual performance of the Group

There are no significant seasonal or periodic trends in the Group's business.

f) Changes in the principles of compiling the financial statement

Makarony Polskie Company accounts for revenues resulting from the obtained subsidy designated for fixed assets by interim settlement of prepayments and accruals. During 2009-2010 revenues due to the obtained subsidy for the purchase of selected fixed assets were accounted for according to different rate than the depreciation rate of the same fixed assets, which resulted in discrepancy between the recognized costs and revenues. As a result of identifying this error the comparable data for the first Quarter of 2011 and 2010 were adjusted.

The tables below show the adjusted values in the consolidated statements of financial standing in comparable periods, i.e. as of 31 March 2011 and 31 December 2010:

EQUITY AND LIABILITIES	31 March 2011 converted	31 March 2011 before adjustments
Retained profits/losses (profit/loss from previous years)	1 100	2 927
Net profit	- 1 032	- 783
Deferred income – long-term	10 133	7 063
Deferred income – short term	721	1 716

EQUITY AND LIABILITIES	31 December 2010 converted	31 December 2010 before adjustments
Retained profits/losses (profit/loss from previous years)	- 1 075	- 243
Net profit	2 175	3 170
Deferred income – long-term	10 372	7 550
Deferred income – short term	725	1 720

The aforementioned adjustment affected the Group's net profit in the 1st Quarter of 2011 by - 249 thousand PLN.

The table below shows the adjusted values in the consolidated statement of comprehensive income in the 1st Quarter of 2011:

	01.01.2011-31.03.2011 converted	01.01.2011-31.03.2011 before adjustments
Other income	1 278	1 527
Net result	- 1 032	- 783
Net result per 1 share	- 0,11	- 0,08

In the consolidated statement of financial standing for 31 March 2011 adjustments were introduced in the following items: "Income tax receivables" (amount before adjustment = 320 thousand PLN, amount after adjustment = 541 thousand PLN) and "Other receivables" (amount before adjustment 30 915 thousand PLN, amount after adjustment 30 693 thousand PLN).

g) Uncertainty of estimates

Below the basic assumptions are presented with regard to the future and key sources of uncertainty as of the end of the reporting period, which entail material risk of major adjustment of the values of the balance sheet assets and liabilities for the next fiscal year:

- ✓ depreciation rates,
- ✓ loss in the value of assets (including receivables),
- ✓ value of reserves,
- ✓ components of assets due to deferred income tax (companies recognize components of assets due to deferred income tax on the assumption that taxable profit gained in the future will allow for applying it; deterioration in taxable results in the future could result in the fact that this assumption would be unjustified). In accordance with the principle of conservative estimates the

financial statement of Makarony Polskie Group did not include assets due to deferred tax resulting from the possibility to carry forward the tax loss for 2011 amounting to 1 610 thousand PLN.

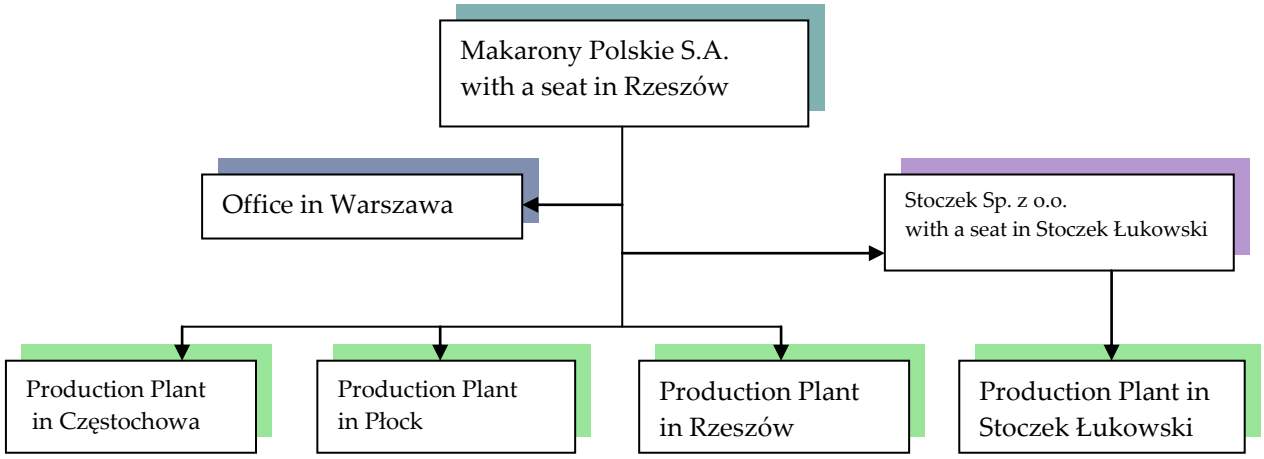
- ✓ valuation of assets with undetermined term of use.
  As of the day of compiling this statement there are no indications for offsetting the value of Stoczek Company, the value of Abak and Tenczynek brand. Adequate tests, in accordance with applicable regulations, were conducted taking into account the situation as of 31 December 2011.

Assumptions regarding the future and the adopted estimates are consistent with the assumptions and estimates adopted by the Group for the financial statement for 2011.

1.2. The structure of Makarony Polskie Capital Group as of 31 March 2012, and on the day of submitting the statement

Makarony Polskie Capital Group ("Group") consists of two companies:

- Makarony Polskie S.A. („Company", "Parent Company")
- Stoczek Sp. z o.o. („Subsidiary Company")



Makarony Polskie Company offers a wide assortment of pastas (incl. rolled and extruded) manufactured with or without eggs in a large variety of shapes: spirals, elbows, thin noodles, shells, spaghetti, penne and others. It owns the following pasta brands: SORENTI and ABAK.

Stoczek Sp. z o.o. is a manufacturer of ready-made meals, meat pates, lard spreads as well as fruit and vegetable preserves on offer under the company's own Stoczek brand. From 25 February 2011 the company also owns Tenczynek brand whose catalogue contains jams, plum butter, pickled vegetables, salads and syrups.

No changes were introduced in the organization of Makarony Polskie Group during the 1st Quarter 2012.

The essential registration and contact data for the companies of Makarony Polskie Group are as follows:

Makarony Polskie S.A.

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

Regional Court in Rzeszów, the 12th Commercial Department of the National Court Register

KRS Number 0000212001,

Management Board Office: 01-217 Warszawa, ul. Kolejowa 5/7,

Share capital: 27 750 213 zł,

Regon Number: 691674708,

Tax identification number - NIP: 813-32-78-856.

www.makarony.pl.

Stoczek Sp. z o.o.

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

Lublin-Wschód Commercial Court with a seat in Świdnik, 6th Commercial Division

KRS Number: 0000050439,

Share capital: 15 207 800 zł,

Regon Number: 711584640,

Tax identification number - NIP: 825-17-27-212,

www.stoczek.com.pl.

100% shares in the share capital of Stoczek Sp. z o.o are owned by Makarony Polskie S.A.. As of 31 March 2012, the share in the total number of votes at the Shareholder Meeting owned by the Parent Company in the Subsidiary Company equals its share in that entity's capital.

1.3. The number of employees in Makarony Polskie Group as of 31 March 2012:

- ✓ Makarony Polskie S.A. – 371 employees,
- ✓ Stoczek Sp. z o.o. – 93 employees.

1.4. Membership of the Management Board of the Parent Company

On 31 March 2012, and on the day of disclosing this statement the Management Board of Makarony Polskie S.A. consisted of:

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

Number and the nominal value of Makarony Polskie S.A. shares owned by the Management Board members as of the date of compiling the report:

Management Board	Shares owned by members of the Management Board on the date of compiling stock exchange report for the 1st Quarter of 2012		Shares owned by members of the Management Board on the date of compiling stock exchange report for 2011	
	Number of shares	Nominal value	Number of shares	Nominal value
Paweł Nowakowski	218 066	654 198	218 066	654 198
Krzysztof Rubak	2 000	6 000	2 000	6 000

1.5. Supervisory Board

As of 31 March 2012, the Supervisory Board consisted of:

- ✓ Zenon Daniłowski – Chairman of the Supervisory Board,
- ✓ Marek Jutkiewicz- Co-Chairman of the Supervisory Board,
- ✓ Grzegorz Słomkowski - Co-Chairman of the Supervisory Board,
- ✓ Urszula Rogóż-Bury – Secretary of the Supervisory Board,
- ✓ Marek Rocki - Member of the Supervisory Board.

Number and the nominal value of Makarony Polskie S.A. shares owned by the Supervisory Board as of the date of compiling the report (in accordance with available information):

Supervisory Board	Shares owned by members of the Supervisory Board on the date of compiling stock exchange report for the 1st Quarter of 2012		Shares owned by members of the Supervisory Board on the date of compiling stock exchange report for 2011	
	Number of shares	Nominal value	Number of shares	Nominal value
Zenon Daniłowski	130 000	390 000	130 000	390 000
Marek Jutkiewicz	1 360 000	4 080 000	1 360 000	4 080 000
Grzegorz Słomkowski *	1 183 040	3 549 120	1 183 040	3 549 120
Urszula Rogóż – Bury	12 680	38 040	12 680	38 040
Marek Rocki	-	-	-	-

* The total number of shares owned by Mr Grzegorz Słomkowski and his wife.

1.6. The General Meeting of Makarony Polskie S.A.

As of 31 March 2012 the share capital of Makarony Polskie S.A. was 27 750 213 PLN, and was divided in the following way:

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

The amount of the share capital of Makarony Polskie has not changed by the day of submitting this statement.

Shareholders who own directly or indirectly, via affiliated entities, the minimum of 5% votes in the total number of votes at the General Meeting of the Company's Shareholders as of the publication date of the report (in accordance with available information):

Shareholder	Number of shares	% share in the Share Capital	Number of votes at the General Meeting	% share in the total number of votes at the General Meeting
Agro-Technika S.A.	2 000 000	21.62%	2 000 000	21.62%
Elżbieta i Grzegorz Słomkowscy	1 183 040	12.79%	1 183 040	12.79%
Marek Jutkiewicz	1 360 000	14.70%	1 360 000	14.70%
OFE Polsat	488 733	5.28%	488 733	5.28%
Others	4 218 298	45.60%	4 218 298	45.60%
TOTAL	**9 250 071**	**100.00%**	**9 250 071**	**100.00%**

1.7. Management Board of the Subsidiary Company

As of 31 March 2012, the Management Board of Stoczek Sp. z o.o. consisted of:

- ✓ Leszek Trzciński– President of the Management Board

2. Selected Financial Data - Makarony Polskie Capital Group

	Selected financial data	31 March 2012	31 March 2011converted	31 March 2012 (thousand EUR)	31 March 2011 (thousand EUR) converted
1	Net sales revenue on products, services, goods and materials	32 960	50 985	7 895	12 829
2	Profit (loss) from continuing operations	620	829	149	208
3	Gross profit (loss)	291	- 82	70	- 21
4	Net profit (loss) from continuing operation	82	- 1 032	20	- 260
5	Net cash flows from operating activities	798	8 795	191	2 213
6	Net cash flows from investing activities	- 334	- 5 333	- 80	- 1 342
7	Net cash flows from financing activities	- 1 319	- 3 487	- 316	- 877
8	Total net cash flows	- 855	- 25	- 205	- 6
9	Total assets ***	141 048	142 157	33 893	32 186
10	Liabilities and provisions for payables ***	81 559	82 750	19 598	18 735
11	Long-term liabilities ***	21 708	31 127	5 216	7 047
12	Short-term liabilities ***	59 851	51 623	14 382	11 688
13	Equity ***	59 489	59 407	14 295	13 450
14	Share capital ***	27 750	27 750	6 668	6 283
15	Number of shares (ea.)	9 250 071	9 250 071	9 250 071	9 250 071
16	Weighted average number of shares in a given fiscal year	9 250 071	9 250 071	9 250 071	9 250 071
17	Profit/loss per one ordinary share (in PLN/EUR)	0.01	- 0.11	0.002	- 0.03
18	Book value per one share (in PLN/EUR)	6.43	6.42	1.55	1.45

* 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 of a given balance sheet moment
*** Comparable data related to the statement of financial standing as of 31 December 2011

3. Consolidated Statement of Comprehensive Income

FOR THE PERIOD	01.01.2012-31.03.2012	01.01.2011-31.03.2011 converted
Net sales revenue	**32 960**	**50 985**
Net sales revenue on products and services	26 624	29 367
Net sales revenue on goods and materials	6 336	21 618
Prime costs	**27 086**	**41 061**
Cost of manufacturing sold products and services	21 762	27 383
Value of sold goods and materials	5 324	13 678
Gross sales profit (loss)	**5 874**	**9 924**
Costs of sale	4 363	4 489
Costs of general administration	1 252	1 363
Other income	433	1 278
Other costs	72	4 521
Profit (loss) on continuing operations	**620**	**829**
Financial income	378	15
Financial costs	707	926

Gross profit	**291**	**- 82**
Income tax - current	-	782
Income tax - deferred	209	168
Net profit (loss) on continuing operations	**82**	**- 1 032**
Including, as distributed per:		
Shareholders of the Parent Company	82	- 1 032
Non-controlling interest	-	-
Basic net result per one share in PLN	0.01	- 0.11
Diluted net result in PLN	0.01	- 0.11
Other total net profit/loss	-	-
Total net profit	**82**	**- 1 032**
Total net profit distributed per:		
Shareholders of the Parent Company	82	- 1 032
Non-controlling interest	-	-

4. Consolidated Statement of Financial Standing

ASSETS	**31 March 2012**	**31 December 2011**	**31 March 2011 converted**	**31 December 2010 converted**
NON-CURRENT ASSETS	**93 568**	**95 359**	**90 099**	**90 620**
Property, plant & equipment	77 183	78 275	77 748	77 912
Investment properties	318	318	318	318
Goodwill	5 946	5 946	5 946	5 946
Other intangible assets	9 592	9 492	4 990	4 990
Long-term financial assets	76	76	76	76
Deferred tax assets	381	1 172	820	1 186
Other long-term assets	72	80	201	192
CURRENT ASSETS	**47 480**	**46 798**	**68 149**	**41 586**
Inventories	15 842	13 937	34 510	11 287
Short-term receivables	29 237	29 457	30 694	28 880
Corporate income tax receivables	1 810	1 810	541	417
Loans granted	162	160	162	101
Cash and cash equivalents	117	979	340	363
Other short-term assets	312	455	1 902	538
ASSETS HELD FOR SALE	**-**	**-**	**3 985**	**-**
TOTAL ASSETS	**141 048**	**142 157**	**162 233**	**132 206**

EQUITY AND LIABILITIES	**31 March 2012**	**31 December 2011**	**31 March 2011 converted**	**31 December 2010 converted**
EQUITY	**59 489**	**59 407**	**61 657**	**62 689**
Share capital	27 750	27 750	27 750	27 750
Other capital	36 194	34 119	33 839	33 839
Retained profit/loss (profit/loss from previous periods)	- 4 537	885	1 100	- 1 075
Net profit	82	- 3 347	- 1 032	2 175
NON-CURRENT LIABILITIES	**21 708**	**31 127**	**28 432**	**30 125**
Deferred tax provision	1 234	1 816	1 032	1 230
Long-term bank loans and borrowings	9 909	18 378	15 600	16 630

Provision for pension and similar (long-term) benefits	290	290	256	257
Deferred income – long-term	9 571	9 612	10 133	10 372
Non-current liabilities from finance lease agreements	704	1 031	1 411	1 636
CURRENT LIABILITIES	**59 851**	**51 623**	**72 144**	**39 392**
Short-term bank loans and borrowings	20 938	12 827	7 531	9 320
Current financial liabilities	7 460	5 376	2 258	2 597
Other current liabilities	30 207	32 265	56 417	26 521
Deferred income – short term	600	709	721	725
Provision for pension and similar (short-term) benefits	143	143	95	132
Other short-term provisions	503	303	5 122	97
TOTAL LIABILITIES	**81 559**	**82 750**	**100 576**	**69 517**
TOTAL EQUITY AND LIABILITIES	**141 048**	**142 157**	**162 233**	**132 206**

5. Consolidated Statement of Cash Flows

FOR THE PERIOD	**01.01.2012-31.03.2012**	**01.01.2011-31.03.2011 converted**
Operating cash flows		
Profit / loss before tax	**291**	**- 82**
Adjustments by:	**507**	**8 877**
Amortization and depreciation	1 404	1 556
Foreign exchange gains/losses	6	2
Interest costs and income	465	401
Investment profits/losses	- 110	- 35
Movements in provisions	57	4 974
Movements in inventories	- 1 906	- 23 282
Movements in receivables	222	- 1 814
Movements in liabilities, prepayments and accruals	369	27 985
Paid/reimbursed corporate income tax	-	- 906
Other adjustments	-	- 4
Net operating cash flows	**798**	**8 795**

Investment cash flows		
Inflows on the sale of fixed assets and intangible assets	103	15
Interest income	-	9
Outflows on the acquisition of tangible fixed assets, and intangible assets	- 437	- 5 297
Loans granted	-	- 60
Net cash flows on investing activities	**- 334**	**- 5 333**
Cash flows on financing activities		
Cash inflows from loans and borrowings	1 000	240
Repayment of loans and borrowings	- 1 351	- 3 051
Repayment of finance lease liabilities	- 326	- 255
Interest paid	- 642	- 421
Net cash flows on financing activities	**- 1 319**	**- 3 487**
Increase/decrease in cash and cash equivalents	**- 855**	**- 25**
Cash, cash equivalents and loans in current account at the beginning of the period	**979**	**363**
Profit/loss on exchange rate differences related to the evaluation of cash, cash equivalents and loans in current account	**- 7**	**2**
Cash, cash equivalents and loans in current account at the end of the period	**117**	**340**

6. Statement of Changes in Consolidated Equity

For the period from 1 January 2012 to 31 March 2012

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 Jan. 2012	**27 750**	**34 119**	**-**	**- 2 462**	**59 407**
Profit distribution/covering losses	-	2 075	-	- 2 075	-
Net result in the 1st Quarter 2012	-	-	82	-	82
As of 31 March 2012	**27 750**	**36 194**	**82**	**- 4 537**	**59 489**

For the period from 1 January 2011 to 31 December 2011

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2011	**27 750**	**33 839**	**-**	**1 100**	**62 689**
Profit distribution/covering losses	-	280	-	- 215	65
Net result in 2011	-	-	- 3 347-	-	- 3 347
As of 31 December 2011	**27 750**	**34 119**	**- 3 347**	**885**	**59 407**

For the period from 1 January 2011 to 31 March 2011 - converted

	Share capital	Other capitals	Current year profit	Profit/loss from previous years	Total
As of 1 Jan. 2011	**27 750**	**33 839**	**-**	**1 100**	**62 689**
Profit distribution/covering losses	-	-	-	-	-
Net result in the 1st Quarter 2011	-	-	- 1 032	-	- 1 032
As of 31 March 2011	**27 750**	**33 839**	**- 1 032**	**1 100**	**61 657**

For the period from 1 January 2010 to 31 December 2010 - converted

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2010	**27 750**	**31 537**	**-**	**1 955**	**61 242**
Adjustment for errors	-	-	-	- 831	- 831
As of 1 January 2010 – after adjustments	**27 750**	**31 537**	**-**	**1 124**	**60 411**
Profit distribution/covering losses	-	2 198	-	- 2 198	-
Other changes in capital	-	104	-	-	104
Net result in 2010	-	-	2 175	-	2 175
As of 31 December 2010	**27 750**	**33 839**	**2 175**	**- 1 075**	**62 689**

7. Additional Explanatory Notes

Explanatory Notes to the Statement of Comprehensive Income

Note No. 1
Revenue on sale of products, services, goods and materials - according to operating segments

For administrative purposes the Group is divided into business units according to the products and services on offer.

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011
Sale of products	26 505	29 170
Sale of services, including:	120	197
- rental services	84	7
- distribution services	-	-
- transport services	-	112
- storage, filling, closing	34	74
- other services	2	4
Sale of materials	515	94
Sale of goods	5 820	21 524
Total	**32 960**	**50 985**

Note No. 2
Operating Segments
Makarony Polskie Group distinguishes operating segments shown in the following chart:

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011
Pasta	26 812	26 675
Ready-made meals, meat preserves	2 973	5 928
Jams	812	625
Pickled vegetables and other vegetable preserves	895	-
Syrups	864	-
Raw materials	279	17 474
Other	325	283
Total	**32 960**	**50 985**

Basic information on operating segments:

1st Quarter 2012	Pasta	Ready-made meals	Pickled and other preserved vegetables	Jams	Syrups	Raw materials	Other	Segments altogether
				Revenue				
Sales to external customers	26 812	2 973	895	812	864	279	325	32 960
Sale between segments	-	-	-	-	-	-	-	-
The Group's total revenues	**26 812**	**2 973**	**895**	**812**	**864**	**279**	**325**	**32 960**
				Costs				
Costs by segments	**21 558**	**2 753**	**761**	**753**	**746**	**272**	**243**	**27 086**
Profit and loss by segments (gross result on sales)	**5 254**	**220**	**134**	**59**	**118**	**7**	**82**	**5 874**

1st Quarter 2011	Pasta	Ready-made meals	Pickled and other preserved vegetables	Jams	Syrups	Raw materials	Other	Segments altogether
				Revenue				
Sales to external customers	26 675	5 928	-	625	-	17 474	282	50 985
Sale between segments	-	-	-	-	-	-	-	-
The Group's total revenues	**26 675**	**5 928**	**-**	**625**	**-**	**17 474**	**282**	**50 985**
				Costs				
Costs by segments	**23 986**	**7 509**	**-**	**599**	**-**	**8 720**	**247**	**41 061**
Profit and loss by segments (gross result on sales)	**2 688**	**-1 581**	**-**	**26**	**-**	**8 754**	**35**	**9 924**

Two segments: "pickled and other preserved vegetables" and "syrups" were defined resulting from the acquisition of assets under the purchase contract for fixed assets used for manufacturing products under Tenczynek brand - transaction of 25 February 2011.

To enable both monitoring of results achieved by specific segments and allocation of resources, the decision making persons monitor assets in specific segments.

The decision making persons are not informed about liabilities of specific segments.

The Group has applied IFRS 8 "Operating Segments". In accordance with the requirements set forth by IFRS 8, identification of segments should be based on internal reports related to these elements, which are regularly verified by persons responsible for assigning resources to a given segment and for assessing its financial results. The Companies of the Group operate mainly within the territory of Poland, whose regions should be recognized as a unified area due to the proximity of their locations, similar economic conditions and general risk.

Note No. 3

Revenue on sale of products, services, goods and materials - geographical structure

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011
Domestic	27 722	45 463
Export, including:	5 238	5 522
- EU countries	4 965	4 361
-other countries	273	1 161
Total	**32 960**	**50 985**

The key recipients of Makarony Polskie Group products:

- ✓ Jeronimo Martins Dystrybucja S.A.
- ✓ Kaufland Group
- ✓ Lidl Group
- ✓ Tradis Sp. z o.o.
- ✓ Eurocash Group
- ✓ Auchan Polska Sp. z o.o.
- ✓ Netto Sp. z o.o.

The largest volumes of the Group's export sales are delivered to Kaufland in the Czech Republic and Slovakia (in the 1st Quarter 2012 the sales amounted to 2 738 thousand PLN) as well as Lidl in the Chech Republic, Bulgaria and Slovakia (the total value of trade in the 1st Quarter 2012 was 375 thousand PLN).

Note No. 4
Other income

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011 converted
State subsidies	150	180
Gain on sales of property, plant and equipment	80	6
Reversal of impairment losses due to depreciation of receivables	3	1
Reversal of impairment losses due to depreciation of inventories	22	56
Reversal of impairment losses due to depreciation of tangible fixed assets	30	30
Releasing other reserves	143	37
Compensations and complaints	-	11
Sale of waste materials	-	3
Setting off revenues on the contract with AMA	-	944
Other	5	10
Total	**433**	**1 278**

Income and profits not attributed directly to the operating activities of the Group are classified as other income. This category includes subsidies received, proceeds from sales of property, plant and equipment, received compensation related to reimbursement of court fees, reimbursement of overpaid tax liabilities, excluding corporate income tax, and received indemnities for the loss of the companies' assets covered by insurance.

Other income also includes the reversal of revaluation write-off for the value of receivables and inventories as well as impairment loss of fixed assets, and revenues connected with settlement of the contract with AMA (1st Quarter 2011).

Note No. 5
Other costs

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011 converted
Write-offs to receivables	-	12
Donations	1	35
Penalties and fines	12	51
Incurred damages	2	-
Court and bailiff's charges	1	-
Recharged expenditure	1	1
Removing damaged and expired inventories	53	48
Estimated loss on sale of products under the contracts with AMA	-	4 372
Other	2	2
Total	**72**	**4 521**

The category of other costs includes costs and losses which are not directly related to the operating activities of the Group. The category includes losses on sales of property, plant and equipment, granted donations - financial and otherwise, to other entities, such as public benefit organizations, as well as the consequences resulting from guarantees and warranties extended to other entities.

Other costs also include revaluation write-offs for assets, non-culpable surpluses and deficiencies in working capital and estimated losses on sale of products under the contracts with AMA (1st Quarter 2011).

Note No. 6
Financial income

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011
Interest income, including:	168	13
- interest on loans	2	1
- interest on receivables	166	12
Gains on FX differences	142	2
Other	68	-
Total	**378**	**15**

Financial income includes dividend proceeds, received and recorded interest on delayed payment of receivables, interest on deposit activities and on investing in diverse financial instruments. This item also includes gains on FX differences.

Note No. 7
Financial costs

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011
Interest costs, including costs of:	632	389
-bank loans	513	327
-factoring and leasing costs	119	62
Other financial costs, including:	75	537
-losses on negative FX differences	1	5
-guarantee	39	97
-interest on liabilities	-	-
- statutory interest	-	1
-discount costs	-	1
-bank and factoring fees and commissions	35	11
-lost bid bond		400
- other financial costs		22
Total	**707**	**926**

Financial costs include costs of using external sources of financing, interest paid on financial lease agreements to which the Group is a party, and other financial costs. This item also includes losses on FX differences. The Group did not capitalize interest on investment loans for fixed assets.

Note No. 8
Data on the financial results and shares which were used for the calculation of the basic and diluted profit per 1 share

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011 converted
Net profit/loss per 1 share	0,01	- 0,11
Book value per 1 share in PLN	6,43	6,42

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011 converted
Net profit/loss on continuing operation attributed to shareholders of the Parent Company	82	- 1 032
Net profit/loss on discontinued operation attributed to shareholders of the Parent Company	-	-
Net profit/loss attributed to shareholders of the Parent Company	82	- 1 032
Net profit/loss attributed to ordinary shareholders, applied for calculation of diluted profit/loss per 1 share	N/A	N/A

	For period from 01.01 to 31.03.2012	For period from 01.01 to 31.03.2011 converted
Weighted average number of issued ordinary shares applied for calculation of basic profit/loss per 1 share	9 250 071	9 250 071
Dilution impact	N/A	N/A
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per 1 share	N/A	N/A

Net profit per 1 share is calculated by dividing net profit for the period attributed to ordinary shareholders of the Parent Company by weighted average number of issued ordinary shares in the period.

Diluted profit per 1 share is calculated by dividing net profit for the period attributed to ordinary shareholders of the Parent Company (after deducting interest on redeemable privileged shares convertible into ordinary shares) by the weighted average number of ordinary shares in the period (adjusted by the impact of the diluting options and diluting redeemable privileged shares convertible into ordinary shares). In the 1st Quarter of 2012 as well as 2011 and 2010 there were no factors diluting the share capital in the Parent Company.

Book value per 1 share is quotient of the equity by the number of shares as of the given balance sheet moment.

Note No. 9
Share capital

As of 31 March 2012

	Type of shares	Privilege type	Number of shares	Nominal value of 1 share in PLN	Value of the series (issue) at nominal value in thousand PLN	Method of payment for the capital	Registration date	Entitlement to dividend (from)
A series	bearer	ordinary shares	3 013 250	3	9 040	Cash contributions	05.07.2004	01.01.2004
B series	bearer	ordinary shares	1 169 750	3	3 509	In-kind contributions	29.10.2004	01.01.2004
C series	bearer	ordinary shares	3 000 000	3	9 000	Cash contributions	18.04.2007.	01.01.2007
D series	bearer	ordinary shares	1 735 821	3	5 207	Cash contributions	22.06.2007	01.01.2007
E series	bearer	ordinary shares	331 250	3	994	Cash contributions	11.02.2008	01.01.2008
Total			**9 250 071**		**27 750**			

Note No. 10
Information on changes in estimated values regarding the consolidated financial statement

✓ Changes in provisions – 1st Quarter 2012

	As of beginning of the period	Established	Applied and released	As of the end of the period
For retirement pensions and similar benefits:	**433**	**-**	**-**	**433**
a) long term	290	-	-	290
b) short term	143	-	-	143
Other provisions, including:	**446**	**421**	**364**	**503**
b) other	446	421	364	503
Total	**879**	**421**	**364**	**936**

✓ Assets and reserves on deferred tax - 1st Quarter 2012

	As of beginning of the period	Established	Applied and released	As of the end of the period
Assets due to deferred income tax	1 172	173	244	1 101
Deferred income tax provision	1 816	174	36	1 954

✓ Revaluation write-offs on assets - 1st Quarter 2012

	As of beginning of the period	Established	Applied and released	As of the end of the period
Revaluation write-offs on receivables	1 117	-	72	1 045
Revaluation write-offs on inventory	245	-	22	223
Revaluation write-offs on tangible fixed assets	2 417	-	30	2 387

8. Information on Makarony Polskie Group

a) Contacts significantly impacting the Group's operation

✓ Contract with Jeronimo Martins Dystrybucja Polska S.A.

Under the contract signed between Makarony Polskie S.A. and Jeronimo Martins Dystrybucja the Company sells Dobrusia, Pastani, Szlachecki and Vitalia pastas to Biedronka retail chain. The value of revenues under this contract in the 1st Quarter 2012 amounted to 8 934 thousand PLN accounting for over 27% of the consolidated sales revenues in this period.

✓ Contracts with Kaufland Group

Towards the end of 2011 the Company stipulated new terms and conditions of cooperation (binding for the minimum of 12 months) with the Kaufland chain (Kaufland Polskie Markety Sp. z o.o.. k., Kaufland Česká Republika, and Kaufland Slovenská Republika) with regard to the supply of pastas under NOE brand owned by Kaufland chain, as well as brand products for Kaufland Polska. The previously binding list of products was expanded to include additional items. Under all valid contracts, Makarony Polskie Group supplies Kaufland chain with pasta under Sorenti and Abak trademarks, and under Kaufland Co. own trademark, as well as ready-made dishes under Stoczek and Kaufland chain trademarks as well as regional Tenczynek brand products.

The total value of the trade under all contracts in force between Makarony Polskie Group and entities affiliated with Kaufland Group in the 1st Quarter 2012 amounted to 4 544 thousand PLN, which accounted for nearly 14% of sales revenues generated by the Group.

✓ Contracts with Eurocash Group and Tradis Sp. z o.o.

Due to the fact that the process of taking over Tradis Company by Eurocash Group was completed at the end of 2011, trade with these entities gained significance in the overall structure of sales executed by Makarony Polskie Group. The total value of sales revenues obtained under transactions with Tradis Sp. z o.o. and Eurocash Group during the 1st Quarter 2012 amounted to 2 917 thousand PLN, which accounts for nearly 9% of sales revenues achieved in this period by Makarony Polskie Group.

b) Information on issuing, redemption and discharge of debt and equity securities

In the 1st Quarter of 2012 the companies of Makarony Polskie Group did not issue, redeem or discharge debt and equity securities.

c) Information on intended issuance of shares

During the 1st Quarter of 2012 and in the period before the date of publishing this Statement the Company did not issue shares.

In order to simplify the procedure and reduce the temporal requirements related to issuing shares in subsequent periods the Management Board of Makarony Polskie S.A. has submitted a proposal to the Annual General Meeting to make a resolution concerning relevant changes in the Company's Articles of Association (details in Current Report No. 14/2012, dated 25 April 2012).

In accordance with the draft of the Resolution, the Management Board of Makarony Polskie S.A. shall be entitled to increase the Company's share capital by the total amount which will not exceed 9 300 thousand PLN, in course of one or several subsequent issues of shares, in the period by 15 April 2015. Within the authorized capital limit the Management Board of the Company will be able to adjust the date and the amount of issued shares to the current market situation and the Company's needs; shares may only be released for cash contributions. The Supervisory Board of the Company shall be entitled to specify the issue price for shares issued within the authorized capital limit. The Management Board shall not be entitled to release privileged shares or award shareholders with personal rights within the authorized capital limit.

The General Meeting of Makarony Polskie Company, whose agenda includes passing decision concerning this matter, will be held on 21 May 2012.

d) Dividends paid and approved to be paid

On 28 March 2012 the Annual General Meeting of Shareholders of Stoczek Sp. z o.o. passed a Resolution on the distribution of the Company's profit for the fiscal year of 2011. A part of the net profit amounting to 3 700 thousand PLN was designated to be paid as dividend for the only shareholder - Makarony Polskie S.A.

The dividend shall be paid in four tranches:

1. The 1st tranche amounting to 1 001 thousand PLN was paid on 29 March 2012,
2. The 2nd tranche amounting to 1 001 thousand PLN was paid on 26 April 2012,
3. The 3rd tranche amounting to 1 001 thousand PLN will be paid on 30 May 2012,
4. The 4th tranche amounting to 697 thousand PLN will be paid on 1 June 2012.

For the purposes of consolidation the above amount is excluded from the financial income of the Group.

e) Significant achievements and failures during the period from 1 Jan. 2012 to the publication date of this Statement with a list of the major events related to them

Detailed information on the factors impacting the obtained quarterly results and the perspectives for the following months have been described in the **"Analysis of the Consolidated Financial Statement"**

f) Significant litigations held in courts, relevant arbitration authorities, or public administration bodies

In the reporting period presented herein no litigations were held in courts, or by relevant arbitration authorities, or public administration bodies related to the liabilities and receivables of Makarony Polskie S.A. and the subsidiary company whose overall value would be at least 10% of Makarony Polskie S.A. proprietary capital.

g) Settlements among the affiliates

During the period from 1 January 2012 to 31 March 2012 Makarony Polskie and the subsidiary company Stoczek Sp. z o.o. did not conclude one-time transactions which would exceed 10% of the overall value of sales executed by the Group or the Parent Company.

During the period covered by this report there were no significant transactions between the affiliated companies, except for the payment of the dividend for 2011. The other transactions between the affiliated entities were related to typical settlement of trading accounts. Makarony Polskie S.A. provided distribution and marketing services to Stoczek Sp. z o.o., in accordance with the strategy of reducing structural costs by centralizing certain functions of the Group. The total value of the transactions did not exceed 10% of the overall value of sales executed by each company.

All contracts concluded between the Companies of the Group contain terms and conditions which do not differ from those generally accepted in the market.

Settlements between affiliates were excluded from consolidation.

On 2 November 2010 Makarony Polskie Company granted a loan to Polish Chamber of Pasta Industry for financing the current implementation of the project "Add energy to yourself and others" which is an educational campaign from the "Grain and Cereal Products Promotion Fund". Its purposes include: education for Polish people on the nutritional value of pasta, and promoting healthy diet.

The interest rate was determined in accordance with the conditions in the market.

Due to personal affiliation of Makarony Polskie S.A. (the President of the Company's Management Board is also the Chairman of the Board in the Polish Chamber of Pasta Industry), the granted loan is treated as a transaction with an affiliated entity. As of 31 March 2012 and 31 March 2011 the loan amounted to 162 thousand PLN.

h) Information on sureties for credit and loan and guarantees extended by Makarony Polskie S.A

Makarony Polskie S.A granted securities to the subsidiary company Stoczek Sp. z o.o. and their situation as of 31 March 2012 is presented below:

Foreign liabilities	Creditor's name	Amount of the security	Date of security	Validity period	Situation of the secured liability on the day of 31.03.2012
Surety for the credit in current account amounting to 2.0 million PLN	HSCB Bank Polska S.A.	3 000 thousand PLN	29.10.2009	28.02.2014	2 901 thousand PLN
Surety for the non-revolving credit amounting to 4.0 million PLN	HSBC Bank Polska S.A.	6 000 thousand PLN	29.10.2009	11.03.2016	1 453 thousand PLN
Surety for the multi-purpose line of credit amounting to 2.0 million PLN	BNP Paribas Bank Polska S.A.	2 000 thousand PLN	29.12.2009	27.01.2020	1 894 thousand PLN
Surety on the working-capital loan amounting to 1.2 million PLN	Bank BGŻ S.A.	1 200 thousand PLN	10.11.2010	30.09.2012	1 167 thousand PLN

Surety for the revolving credit amounting to 2.0 million PLN	Bank BGŻ S.A.	3 000 thousand PLN	27.10.2011	indefinite	2 000 thousand PLN
Surety for the investment credit amounting to 2.5 million PLN	Bank BGŻ S.A.	3 750 thousand PLN	27.10.2011	indefinite	2 500 thousand PLN

i) The opinion of the Management Board on the possibility of achieving the projected results published earlier

The Management Board of Makarony Polskie S.A. did not publish projected financial results for Makarony Polskie Capital Group for 2012.

j) Factors significantly impacting financial results in the 2nd Quarter 2012 and the following periods

As a result of restructuring operations, from the beginning of 2011 an improvement in profitability can be seen in each business segment of the Group. The main assumptions of the restructuring programme, to be completed in the 3rd Quarter 2012, include:

- ✓ stabilization of gross sales margin, ongoing monitoring of product prices (increase in the prices of products aimed at compensating the growing prices of raw materials) and increasing prices of products on offer in the case of radical growth in the costs of raw materials;
- ✓ obtaining price guarantees for raw materials in long-term contracts;
- ✓ reduction of operational costs by concentrating pasta production – closing the production plant in Płock in the 3rd Quarter 2012;
- ✓ simplification of the Group's organization – merger of Makarony Polskie S.A. and Stoczek Sp. z o.o.,
- ✓ improvement in the management of working capital,
- ✓ decreasing the level of interest bearing liabilities.

Risk factors related to the implementation of the restructuring programme:

- ✓ competition in terms of prices and products in the food market in which the companies of the Group operate;
- ✓ further increase in the prices of basic raw materials;
- ✓ risk of losing trading contracts if it is necessary to continue raising prices for the products;
- ✓ extended period for achieving full capacity in the plant in Rzeszów after relocating the production lines from Płock.

k) Material events after the reporting period

- ✓ On 20 April 2012 a decision was taken with regard to merging Makarony Polskie Joint Stock Company with Stoczek Limited Liability Company. The merger plan was executed in writing and signed the Management Boards of both companies on 20 April 2012. The merger shall be executed by assigning all the assets of Stoczek Spółka z o.o. to Makarony Polskie Spółka Akcyjna.

The Annual General Meeting of Makarony Polskie S.A. on 21 May 2012 shall pass a Resolution concerning this matter, and following the decision relevant documents will be filed in the Registry Court in Rzeszów.

- ✓ On 8 May 2012 the procedure of opening the offers submitted for the procurement procedure announced by the Agricultural Market Agency (AMA) entitled: "Supply of surplus food products for the European Union's poorest people" was held in the headquarters of AMA. According to information acquired by the Company, Makarony Polskie S.A. submitted the most advantageous offer for the delivery of food products to storage facilities held by charitable organizations, amounting to 16.7 million PLN. At present the Company is waiting for the procurement procedure to be formally completed, and for official confirmation of the results of the procedure by the Agricultural Market Agency. The relevant contract shall be executed between Makarony Polskie S.A. and the Agricultural Market Agency within 30 days from the day of concluding the procurement procedure.

l) Off-balance sheet entries

Off-balance sheet items	31 March 2012	31 December 2011
1. Contingent assets	**19 522**	**58 604**
- received guarantees and warranties	19 517	58 599
- collaterals on property	-	-
- promissory notes	5	5
2. Contingent liabilities	**171 483**	**196 245**
- extended guarantees and warranties	18 950	42 603
- collaterals on property	96 435	76 295
- notes payable	56 098	77 347
Total off-balance sheet items	**- 151 961**	**- 137 641**

The value of received guarantees, securities, bills of exchange liabilities, mortgages and other off-balance sheet liabilities in the chart above have been presented in maximum values **without consolidation exclusions between the subsidiary companies.**

9. Analysis of the consolidated financial statement

✓ Statement of comprehensive income

Makarony Polskie Group	For the period from 01.01 to 31.03.2012	For the period from 01.01 to 31.03.2011 converted	% change
Revenue from sales of products, services, goods and materials	32 960	50 985	- 35.4%
Revenue from sales of products, services, goods and materials (excluding sales of barley)	32 960	33 510	- 1.6%
Costs of products, services, goods and materials which were sold	27 086	41 061	- 34.0%
Gross profit on sales	5 874	9 924	- 40.8%
Costs of sales	4 363	4 489	- 2.8%
General administrative costs	1 252	1 363	- 8.1%
Profit on sales	259	4 072	- 93.6%
Depreciation	1 404	1 556	- 9.8%
EBIT	620	829	- 25.2%
EBITDA	2 024	2 385	- 15.1%
Gross profit	291	-83	450.6%
Nett profit	82	- 1 032	107.9%
Return on EBIT	**1.9%**	**1.6%**	**0.3%**
Return on EBITDA	**6.1%**	**4.7%**	**1.5%**
Gross return on sales	**17.8%**	**19.5%**	**- 1.6%**
Nett return on sales	**0.2%**	**-2.0%**	**2.3%**

✓ Statement of Financial Standing

		31 March 2012	31 December 2011	% change
A.	**NON -CURRENT ASSETS**	**93 568**	**95 359**	**- 1.9%**
1.	Property, plant & equipment	77 183	78 275	- 1.4%
2.	Investment properties	318	318	0.0%
3.	Other intangible assets	9 592	9 492	1.1%
4.	Goodwill	5 946	5 946	0.0%
5.	Long-term financial assets	76	76	0.0%
6.	Deferred tax assets	381	1 172	- 67.5%
7.	Other long-term assets	72	80	- 10.0%
B.	**CURRENT ASSETS**	**47 480**	**46 798**	**1.5%**
1.	Inventories	15 842	13 937	13.7%
2.	Short-term receivables	29 237	29 457	- 0.7%
3.	Corporate income tax receivables	1 810	1 810	0.0%
4.	Loans granted	162	160	1.3%
5.	Cash and cash equivalents	117	979	- 88.0%
6.	Other short-term assets	312	455	- 31.4%
	TOTAL ASSETS	**141 048**	**142 157**	**- 0.8%**

		31 March 2012	31 December 2011	% change
A.	**EQUITY**	**59 489**	**59 407**	**0.1%**
1.	Share capital	27 750	27 750	0.0%
2.	Other capital	36 194	34 119	6.1%
3.	Retained profit/loss (profit/loss from previous periods)	- 4 537	885	- 612.7%
4.	Net profit	82	-3 347	102.4%
I.	**NON-CURRENT LIABILITIES**	**21 708**	**31 127**	**- 30.3%**
1.	Deferred tax provision	1 234	1 816	- 3 2.0%
2.	Long-term bank loans and borrowings	9 909	18 378	- 46.1%
3.	Provision for pension and similar (long-term) benefits	290	290	0.0%
4.	Deferred income – long-term	9 571	9 612	- 0.4%
5.	Non-current liabilities from finance lease agreements	704	1 031	- 31.7%
II.	**CURRENT LIABILITIES**	**59 851**	**51 623**	**15.9%**
1.	Short-term bank loans and borrowings	20 938	12 827	63.2%
2.	Current financial liabilities from finance lease agreements	7 460	5 376	38.8%
3.	Other current liabilities	30 207	32 265	- 6.4%
4.	Liabilities due to corporate income tax	-	-	-
5.	Short-term prepayments and accruals	600	709	- 15.4%
6.	Provision for pension and similar (short-term) benefits	143	143	0.0%
7.	Other short-term provisions	503	303	66.0%
B.	**TOTAL LIABILITIES**	**81 559**	**82 750**	**- 1.4%**
	TOTAL EQUITY AND LIABILITIES	**141 048**	**142 157**	**- 0.8%**

Commentary for the financial results

In the 1st Quarter 2012 Makarony Polskie Group generated sales revenues amounting to 32 960 thousand PLN in comparison to the similar period of 2011 when the revenues totalled at 33 510 thousand PLN (excluding income generated by sales of barley).

At the end of the 1st Quarter 2012 the Group recorded net profit of 82 thousand PLN, in comparison to the loss at the end of the same period of the previous year amounting to - 1 032 thousand PLN.

In the 1st Quarter 2012 Makarony Polskie Group recorded a decrease in sales in comparison with the similar period of 2011, which resulted from the fact that in the 1st Quarter 2011 there were one-time transactions of significant value.

Most importantly the level of sales in the 1st Quarter 2011 was affected by the sales transaction for barley (under the contract with the Agricultural Market Agency) which generated revenues for the Group amounting to 17.5 million PLN.

Additionally, the level of sales in the 1st Quarter 2012 was lower due to the fact that the procurement procedure held by AMA, and related to the delivery of food products for EU's poorest people was postponed. In the 1st Quarter 2011, as a result of executing these contracts, Makarony Polskie Group recorded revenues amounting to 3.3 million PLN, which were taken into account in the results for the 1st Quarter of 2011. Excluding the aforementioned extraordinary transactions (sales of barley and goods under

the delivery contracts with AMA), the sales of the Group's products in the 1st Quarter 2012 increased by 9% in comparison with the similar period of the previous year.

In accordance with adopted assumptions in 2012 Makarony Polskie Group's focus is on improving its profitability. In accordance with these assumptions from 2012 the Group has resigned from contracts which do not ensure the expected level of profitability, and some contracts have been delayed – due to long-lasting negotiations.

In the coming months the Group expects the level of its sales will increase in connection with the new trade contracts (including the contract with the Agricultural Market Agency – information included in Current Report No. 17/2012 dated 8 May 2012).

The effects of endeavours aimed at improving the Group's profitability, which can already be observed, include the increase in the retail prices of products – the average increase per 1 kilogram of a product in the 1st Quarter 2012 amounted to 22% in comparison with the similar period of 2011. As a result Makarony Polskie Group regained its profitability level in the 1st Quarter 2012.

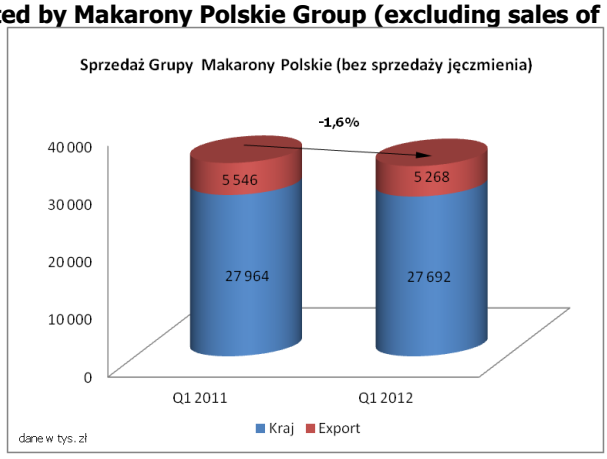
Sales Analysis

a) Sales revenues by distribution channels

During the 1st Quarter 2012 Makarony Polskie Group generated sales revenues for goods and products amounting to nearly 33 million PLN. In comparison with the similar period of the previous year the Group recorded a small decrease (of 1.62%) in sales revenues for goods and products excluding revenues due to sale of barley in the 1st Quarter 2011 (in the latter period income excluding sales revenues for barley amounted to 33.5 million PLN).

The following analysis does not take into account income generated by the sale of barley, as this type of transactions does not result from the basic business of the Group.

Sales effected by Makarony Polskie Group (excluding sales of barley)



data in thousand PLN; domestic/ export

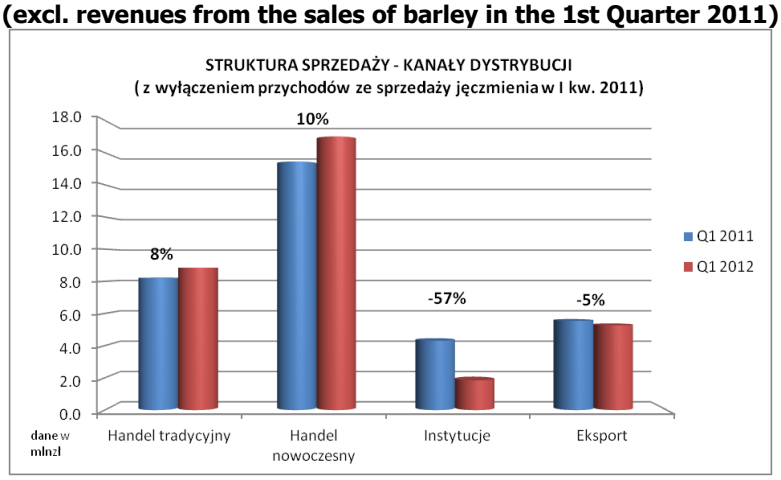
The sales executed by Makarony Polskie Group within the domestic market, which is the main area of the Group's operation, accounted for 84% of its overall trade and decreased by 1% in comparison to the values achieved in the 1st Quarter 2011.

The value of the Group's export sales in the 1st Quarter 2012 totalled at 5.3 million PLN and was 5% lower than in the similar period of 2011.

Domestic Market

The value of domestic sales in the 1st Quarter of 2012 was 27.7 million PLN with a decrease of 1% as compared with the 1st Quarter of 2011

SALES STRUCTURE – BY DISTRIBUTION CHANNELS
(excl. revenues from the sales of barley in the 1st Quarter 2011)



Traditional retailing / Modern trade / Institutions / Export

Traditional Retailing

The Group's sales in traditional retailing systems in the 1st Quarter 2012 amounted to 8.8 million PLN. In comparison with the similar period of the previous year there was an 8% increase in sales revenues. The Group systematically increases the sales of brand products in this distribution channel, in the segments of pasta, ready-made meals, as well as fruit and vegetable preserves.

Modern trade

In the 1st Quarter 2012 the value of sales through modern trade amounted to 17 million PLN and was 10% higher than in the similar period of 2011 (the sales revenues increased by 1.6 million PLN). There was an increase in sales of both Private Label products (approx. 5%) and brand products (approx. 22%). This dynamic growth of brand product sales is a consequence of consistently expanded assortment of goods on offer at outlets of modern retail channel.

Institutional sales

Under contracts with institutions in 2012 the Group is mainly conducting sales of pasta, jam and food preserves under brands of other manufacturers. The lower level of sales in the 1st Quarter 2012 in this

distribution channel results from the fact that the procurement procedure held by Agricultural Market Agency, and related to the delivery of food products for EU's poorest people was postponed. In the similar period of the previous year, as a result of executing these contracts, Makarony Polskie Group recorded revenues amounting to 3.3 million PLN, which were taken into account in the results for the 1st Quarter of 2011.

Foreign Market

Makarony Polskie Group exports its products to over 20 countries, with the largest volumes sold to clients in Slovakia, Czech Republic, Bulgaria, Ukraine and the Baltic Countries. The value of the Group's export sales during the 1st Quarter 2012 amounted to 5.3 million PLN, and was 5% lower than during the 1st Quarter 2011 (5.5 million PLN). The slight decrease in the sales executed in this distribution channel results from the fact that the Group terminated the contracts which did not allow for obtaining adequate profitability levels, mainly in the segment of Private Label products.

b) Sales structure – by products

In the 1st Quarter 2012 Makarony Polskie Group executed sales within the following basic reporting segments and obtained the following sales revenues:

	1st Quarter 2012	1st Quarter 2011	% change
Pasta	26 812	26 675	1%
Ready-made meals, preserved food	2 973	5 928	- 50%
Jams	812	625	30%
Pickled vegetables and other vegetable preserves	895	-	-
Syrups	864	-	-
Raw materials	279	17 474	- 98%
Other	326	282	16%
total	**32 960**	**50 985**	**- 35%**
Total – excl. sale of raw materials	**32 681**	**33 510**	**- 2%**

Pasta products account for the largest part of the Group's sales revenues (81%). The quarterly volume of sales of pasta products amounted to 26.8 million PLN in the 1st Quarter 2012 and increased by 1% in comparison with the similar period of the previous year.

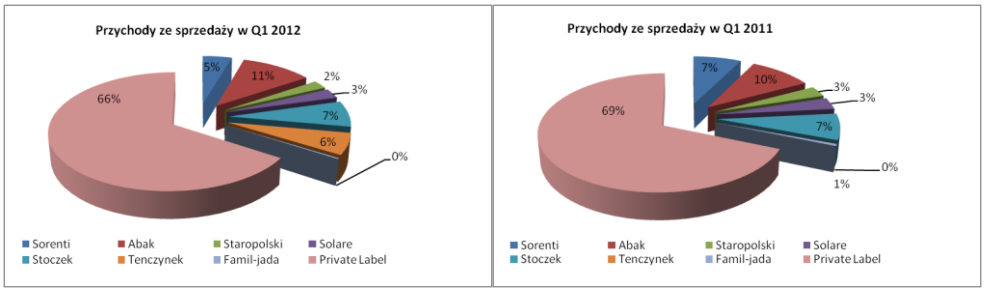
The largest increase was recorded in the segment of jams (by 30% in comparison with the 1st Quarter 2011) – the value of the sales in the 1st Quarter 2012 totalled at 0.8 million PLN, in comparison with 0.6 million PLN the similar period of the previous year.

In the 1st Quarter 2011 the Group did not execute sales of products in the groups of pickled vegetables and other vegetable preserves, as well as syrups. These products were introduced into the Group's

portfolio from the 2nd Quarter last year as a result of the acquisition of assets designed for manufacturing Tenczynek brand products.

The policy adopted by Makarony Polskie Group aims at balanced growth of sales of the Company's own brand products as well as goods manufactured in the segment of private label.

Sales Revenues in Q1 2012 **Sales Revenues in Q1 2011**



In the 1st Quarter 2012 sales of the brand products amounted to 11.2 million PLN in comparison with 10.5 million PLN in the similar period of last year, which accounted for 34% of the total sales. In comparison with the similar period of 2011 the Group recorded an approximately 7% increase in the sales of brand products.

Pasta Brands: Sorenti, Abak, Staropolski

Sales revenues for brand pastas in the 1st Quarter 2012 amounted to 6.8 million PLN, which was a decrease of 1.0 million PLN compared with the same period of the previous year, a fall in sales by 13%.
The decrease in the sales of Sorenti brand products reflects the market changes connected with a shift of interest towards more affordable products, the same trend is responsible for the increase in the sales of ABAK brand products (by 11% in comparison with the similar period of the previous year). The decrease in the sales of Staropolski and Solare brands is a result of the marketing strategy of the Group which involves reducing the number of brands and focusing on the two main brands: Abak i Sorenti.

Brands of ready-made meals and fruit and vegetable preserves: Stoczek oraz Tenczynek

Stoczek brand products include ready-made meals, meat pates and jams. In the 1st Quarter 2012 the value of sales of Stoczek brand products was at a comparable level to that achieved in the 1st Quarter of 2011 and totalled at 2.4 million PLN.
In the 2nd Quarter 2011 the Group expanded its portfolio to include Tenczynek brand products, such as pickled and other vegetable preserves (e.g. salads), jams and fruit syrups. The first items under this brand were introduced for sale in April 2011. In the 1st Quarter 2012 sales of Tenczynek brand products amounted to 2 million PLN, with a tendency to increase by more than ten per cent in comparison with the previous quarters.

Summing up the situation in the 1st Quarter 2012 it should be emphasized that the Group achieved a positive financial result, even though the assumptions for 2012 did not envisage this would happen earlier than in the 3rd Quarter 2012.

Additionally, the expected increase in revenues in the following periods resulting from the newly executed contracts, as well as the continued process of reducing costs should allow for further improvement of the Group's effectiveness.

The unstable market of raw materials, with the continued uncertainty and fluctuations, remains the most significant risk factor. Notably Makarony Polskie Group has been generating positive financial results in spite of the high prices of raw materials. On the other hand, there is significantly lower probability of their further increase since listings of futures contracts at MATIF indicate the price of wheat is decreasing which should result in lower prices of flour, the main raw material used by the Group.

Krzysztof Rubak	Paweł Nowakowski
Vice-President of the Management Board	President of the Management Board

Rzeszów, 15 May 2012

MAKARONY POLSKIE S.A.

ABRIDGED SEPARATE FINANCIAL STATEMENT FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

RZESZÓW, 15 MAY 2012

The Abridged Financial Statement of Makarony Polskie Company consists of:

1. General Information 1
2. Separate Selected Financial Data 5
3. Separate Statement of Comprehensive Income 5
4. Separate Statement of Financial Standing 6
5. Separate Statement of Cash Flows 7
6. Statement of Changes in Equity 8

Selected financial data in EUR are presented in accordance with § 91, clause 2 of the Ordinance of the Minister of Finance of 19 February 2009:

- ✓ items of the statement on the financial standing were converted according to average exchange rate published by NBP biding on the balance sheet date (31 March 2012: 1 EUR= 4.1616 PLN; 31 December 2011: 1 EUR = 4.4168 PLN.),
- ✓ items in the statements of comprehensive income and cash flows were converted according to the exchange rate being the arithmetic mean of average exchange rates set forth by NBP, and biding on the last day of each month of the 1st Quarter 2012: 1 EUR= 4,1750 PLN and 1st Quarter of 2011: 1 EUR= 3.9742 PLN.

This Separate Financial Statement was not subject to review by an entity authorized to audit financial statements and was approved by the Management Board for disclosure on 15 May 2012.

1. General Information

1.1 Basis for compiling the Separate Financial Statement

a) Declaration of compliance and the basis for compiling the Statement

The abridged separate financial statement of Makarony Polskie S.A. was compiled in accordance with the International Accounting Standards approved by the European Union (EU) and the related interpretations issued in the form of implementing regulations of the European Commission (further – IFRS) which are applicable for interim financial reporting as approved by the European Union (IAS 34 – Interim Financial Reporting), and had been published and were binding at the time of compiling this abridged consolidated financial statement. Semi-annual abridged financial statement does not include all information and data required for disclosure in annual financial statements and it should be read together with the annual financial statement of the Company for the year ending on 31 December 2011.

The principles of presentation with regard to this statement are also regulated by the provisions of the Regulation of the Minister of Finance of 19 February 2009 on the current and periodic information to be published by the issuers of securities (Journal of Laws 2009, No. 33, item. 259).

b) Basis for evaluation

This separate financial statement was compiled in accordance with a rule of historical cost accounting with the exception of fair value measurement in the case of selected assets, i.e. the assets acquired under the purchase transaction of Abak Sp. z o.o., purchase of components of Tenczynek assets, as well as land designated for investments.

c) The currency of the evaluation and presentation

The currency used by the Company for evaluation and in this Separate Financial Statement as well as the reporting currency for this Financial Statement is Polish zloty (PLN).
Unless indicated otherwise, the financial data are presented in thousand PLN.

d) Applied accounting principles and the basis for compiling the statement

The accounting principles applied in compiling the semi-annual abridged financial statement of Makarony Polskie S.A. are consistent with those used in course of preparing the annual financial statement of Makarony Polskie S.A. for the year ending on 31 December 2011 (published on 20 March 2012), and include the change resulting from inaccurate settlement of subsidy for fixed assets as described below in point (f).
The separate statement of financial standing (and the statement of changes in consolidated equity) in addition to the current data contains comparable data as of 31 December 2011. Due to the corrections related to the presentation of the settlement of the subsidy for fixed assets, the statement additionally includes converted data as of 31 March 2011 and 31 December 2010.

The data presented in the separate statement of comprehensive income and separate statement of cash flows include comparable financial data for the period from 1 January 2011 to 31 March 2011.

Time of operation of Makarony Polskie S.A. is unlimited. Fiscal year of the Company is the calendar year.

As of the date of the Financial Statement approval there were no indicators of any threat to continuing operations by the Company. No operations conducted by the Makarony Polskie S.A. were abandoned during the 1st Quarter of 2012.

e) Explanations related to the seasonal or periodic character of operations with reference to the semi-annual performance of the Group

There are no significant seasonal or periodic trends in the business of Makarony Polskie S.A.

f) Changes in the principles of compiling the financial statement

Makarony Polskie Company accounts for revenues resulting from the obtained subsidy designated for fixed assets by interim settlement of prepayments and accruals. During 2009-2010 revenues due to the obtained subsidy for the purchase of selected fixed assets were accounted for according to different rate than the depreciation rate of the same fixed assets, which resulted in discrepancy between the recognized costs and revenues. As a result of identifying this error the comparable data for the first Quarter of 2011 and 2010 were adjusted.

The tables below show the adjusted values in the separate statements of financial standing in comparable periods.

EQUITY AND LIABILITIES	31 March 2011 converted	31 March 2011 before adjustments
Retained profits/losses (profit/loss from previous years)	- 1 547	279
Net profit	- 650	- 401
Deferred income – long-term	10 133	7 063
Deferred income – short term	721	1 716

EQUITY AND LIABILITIES	31 December 2010 converted	31 December 2010 before adjustments
Retained profits/losses (profit/loss from previous years)	- 831	-
Net profit	- 716	279
Deferred income – long-term	10 373	7 551
Deferred income – short term	725	1 720

The aforementioned adjustment affected the Company's net profit in the 1st Quarter 2011 by - 249 thousand PLN.

g) Uncertainty of estimates

Below the basic assumptions are presented with regard to the future and key sources of uncertainty as of the end of the reporting period, which entail material risk of major adjustment of the values of the balance sheet assets and liabilities:

- ✓ depreciation rates,
- ✓ loss in the value of assets (including receivables),
- ✓ value of reserves,
- ✓ components of assets due to deferred income tax (the company recognizes components of assets due to deferred income tax on the assumption that taxable profit gained in the future will allow for applying it; deterioration in taxable results in the future could result in the fact

that this assumption would be unjustified). In accordance with the principle of conservative estimates the financial statement of Makarony Polskie S.A. did not include assets due to deferred tax resulting from the possibility to carry forward the tax loss for 2011 amounting to 1 610 thousand PLN,

- ✓ valuation of assets with undetermined term of use.
  As of the day of compiling this statement there is no evidence for offsetting the value of Abak and Tenczynek brands. Adequate tests, in accordance with applicable regulations, were conducted taking into account the situation as of 31 December 2011.

Assumptions regarding the future and the adopted estimates are consistent with the assumptions and estimates adopted by the Company for the financial statement for 2011.

2. Selected Financial Data - Makarony Polskie S.A.

	Selected financial data	31 March 2012	31 March 2011 converted	31 March 2012 (thousand EUR)	31 March 2011 (thousand EUR) converted
1	Net sales revenue on products, services, goods and materials	32 126	45 538	7 695	11 458
2	Profit (loss) from continuing operations	921	880	221	221
3	Gross profit (loss)	1 806	273	433	69
4	Net profit (loss) from continuing operation	1 620	- 650	388	- 163
5	Net cash flows from operating activities	- 661	7 448	- 158	1 874
6	Net cash flows from investing activities	823	- 5 101	197	- 1 284
7	Net cash flows from financing activities	- 682	- 2 278	- 163	- 573
8	Total net cash flows	- 521	69	- 125	17
9	Total assets ***	125 682	123 377	30 200	27 934
10	Liabilities and provisions for payables ***	70 792	70 107	17 011	15 873
11	Long-term liabilities ***	17 984	21 293	4 321	4 821
12	Short-term liabilities ***	52 808	48 814	12 689	11 052
13	Equity ***	54 890	53 270	13 190	12 061
14	Share capital ***	27 750	27 750	6 668	6 283
15	Number of shares (ea.)	9 250 071	9 250 071	9 250 071	9 250 071
16	Weighted average number of shares in a given fiscal year	9 250 071	9 250 071	9 250 071	9 250 071
17	Profit/loss per one ordinary share (in PLN/EUR) *	0.18	- 0.07	0.04	- 0.02
18	Book value per one share (in PLN/EUR) **	5.93	5.76	1.43	1.30

* 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 of a given balance sheet moment
*** Comparable data related to the statement of financial standing as of 31 December 2011

3. Statement of Comprehensive Income - Makarony Polskie S.A.

FOR THE PERIOD	01.01.2012-31.03.2012	01.01.2011-31.03.2011 converted
Net sales revenue	**32 126**	**45 538**
Net sales revenue on products and services	25 796	26 924
Net sales revenue on goods and materials	6 330	18 614
Prime costs	**26 288**	**34 974**
Cost of manufacturing sold products and services	20 968	24 402
Value of sold goods and materials	5 320	10 572
Gross sales profit (loss)	**5 838**	**10 564**
Costs of sale	4 038	4 286
Costs of general administration	1 066	1 117
Other income	234	194
Other costs	47	4 475
Profit (loss) on continuing operations	**921**	**880**
Financial income	1 378	13
Financial costs	493	620

Gross profit (loss)	**1 806**	**273**
Income tax - current	-	782
Income tax - deferred	186	141
Net profit (loss) on continuing operations	**1 620**	**- 650**
Other total net profit/loss	**-**	**-**
Total net profit	**1 620**	**- 650**

4. Statement of Financial Standing - Makarony Polskie S.A.

ASSETS	31 March 2012	31 December 2011	31 March 2011 converted	31 December 2010 converted
NON-CURRENT ASSETS	**79 738**	**80 422**	**81 859**	**81 928**
Property, plant & equipment	53 682	54 423	55 722	55 806
Investment properties	318	318	318	318
Other intangible assets	5 012	4 947	4 964	4 958
Long-term financial assets	20 654	20 654	20 654	20 654
Other long-term assets	72	80	201	192
CURRENT ASSETS	**45 944**	**42 955**	**43 013**	**35 534**
Inventories	10 601	8 620	13 492	8 947
Short-term receivables	33 912	32 285	28 129	25 627
Corporate income tax receivables	906	906	320	196
Loans granted	162	160	162	101
Cash and cash equivalents	80	585	318	247
Other short-term assets	283	399	592	416
Assets held for sale	-	-	**3 985**	-
TOTAL ASSETS	**125 682**	**123 377**	**128 857**	**117 462**

EQUITY AND LIABILITIES	31 March 2012	31 December 2011	31 March 2011 converted	31 December 2010 converted
EQUITY	**54 890**	**53 270**	**59 322**	**59 972**
Share capital	27 750	27 750	27 750	27 750
Other capital	34 048	34 048	33 769	33 769
Retained profit/loss (profit/loss from previous periods)	- 8 528	- 1 826	- 1 547	- 831
Net profit	1 620	- 6 702	- 650	- 716
NON-CURRENT LIABILITIES	**17 984**	**21 293**	**22 747**	**23 020**
Deferred tax provision	1 234	1 048	1 032	891
Long-term bank loans and borrowings	6 451	9 626	10 265	10 242
Provision for pension and similar (long-term) benefits	235	235	207	207
Deferred income – long-term	9 571	9 613	10 133	10 373
Non-current liabilities from finance lease agreements	493	771	1 110	1 307
CURRENT LIABILITIES	**52 808**	**48 814**	**46 788**	**34 470**
Short-term bank loans and borrowings	12 817	9 606	6 343	8 122
Current financial liabilities	7 335	5 239	2 153	2 495
Other current liabilities	28 796	32 901	32 492	23 048
Deferred income – short term	3 300	709	721	725
Provision for pension and similar (short-term) benefits	97	97	56	56
Other short-term provisions	463	262	5 023	25

TOTAL LIABILITIES	**70 792**	**70 107**	**69 535**	**57 490**
TOTAL EQUITY AND LIABILITIES	**125 682**	**123 377**	**128 857**	**117 462**

5. Statement of Cash Flows - Makarony Polskie S.A.

FOR THE PERIOD	**01.01.2012-31.03.2012**	**01.01.2011-31.03.2011 converted**
Operating cash flows		
Profit / loss before tax	**1 806**	**273**
Adjustments by:	**- 2 468**	**7 175**
Amortization and depreciation	932	1 145
Foreign exchange gains/losses	- 16	- 2
Interest costs and income	253	279
Investment profits/losses	- 80	- 1
Income due to dividends	- 1 001	-
Movements in provisions	201	4 997
Movements in inventories	- 1 981	- 4 545
Movements in receivables	- 1 627	- 2 502
Movements in liabilities, prepayments and accruals	851	8 710
Paid/reimbursed corporate income tax	-	- 906
Other adjustments	-	-
Net operating cash flows	**- 661**	**7 448**
Investment cash flows		
Inflows on the sale of fixed assets and intangible assets	103	4
Interest income	-	9
Outflows on the acquisition of tangible fixed assets	- 281	-
Loans granted	-	- 60
Other income (dividend from Stoczek Company)	1 001	-
Net cash flows on investing activities	**823**	**- 5 101**
Cash flows on financing activities		
Cash inflows from loans and borrowings	888	240
Repayment of loans and borrowings	- 852	- 1 998
Repayment of finance lease liabilities	- 294	- 230
Interest paid	- 424	- 290
Other financial income	-	-
Net cash flows on financing activities	**- 682**	**- 2 278**
Increase/decrease in cash and cash equivalents	**- 521**	**69**
Cash, cash equivalents and loans in current account at the beginning of the period	**585**	**247**
Profit/loss on exchange rate differences related to the evaluation of cash, cash equivalents and loans in current account	**16**	**2**
Cash, cash equivalents and loans in current account at the end of the period	**80**	**318**

6. Statement of Changes in Equity - Makarony Polskie S. A.

For the period from 1 January 2012 to 31 March 2012

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2012	**27 750**	**34 048**	**-**	**- 8 528**	**53 270**
Profit distribution/covering losses	-	-	-	-	-
Result in the 1st Quarter 2012	-	-	1 620	-	1 620
As of 31 March 2012	**27 750**	**34 048**	**1 620**	**- 8 528**	**54 890**

For the period from 1 January 2011 to 31 December 2011

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2011	**27 750**	**33 769**	**-**	**- 1 547**	**59 972**
Profit distribution/covering losses	-	279	-	- 279	-
Result in 2011	-	-	- 6 702	-	- 6 702
As of 31 December 2011	**27 750**	**34 048**	**- 6 702**	**- 1 826**	**53 270**

For the period from 1 January 2011 to 31 March 2011 - converted

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2011	**27 750**	**33 769**	**-**	**1 547**	**59 972**
Profit distribution/covering losses	-	-	-	-	-
Net result in the 1st Quarter 2011	-	-	- 650	-	- 650
As of 31 March 2011	**27 750**	**33 769**	**- 650**	**1 547**	**59 322**

For the period from 1 January 2010 to 31 December 2010 - converted

	Share capital	Other capitals	Current year result	Profit/loss from previous years	Total
As of 1 January 2010	**27 750**	**31 537**	**-**	**2 232**	**61 519**
Adjustment for errors	-	-	-	- 831	- 831
As of 1 January 2010 – after adjustments	**27 750**	**31 537**	**-**	**1 401**	**60 688**
Profit distribution/covering losses	-	2 232	-	- 2 232	-
Result in 2010	-	-	- 716	-	- 716
As of 31 December 2010	**27 750**	**33 769**	**- 716**	**- 831**	**59 972**

Krzysztof Rubak
Vice-President of the Management Board

Paweł Nowakowski
President of the Management Board

Rzeszów, 15 May 2012