Polish Financial Supervision Authority

Quarterly Report Q 3 / 2012
(quarter) / (year)

(pursuant to Art. 82 section 1 item 3 of the Regulation of the Minister of Finance of 19th February 2009 – Journal of Laws Dz. U. No. 33, item 259)
for issuers of securities conducting production, construction, commercial or service activity

for the 3rd quarter of the accounting year 2012, covering the period from 2012/01/01 until 2012/09/30
including a condensed financial statement made in accordance with IFRS

Currency: PLN

Date of issue: 11th November 2012

ZAKŁADY AUTOMATYKI POLNA SA (full issuer's name)	
POLNA (abbreviated issuer's name)	**Electrical engineering (ele)** (sector by Warsaw's Stock Exchange's classification)
37-700 (postal code)	**Przemyśl** (town)
Obozowa (street)	**23** (number)
166786601 (telephone)	**166783710** (fax)
secretariat@polna.com.pl (e-mail)	**www.polna.com.pl** (website)
795-020-07-05 (NIP: Tax Identification Number)	**650009986** (REGON: National Business Registry Number)

SELECTED FINANCIAL DATA	In PLN thousand		In EUR thousand	
	3 quarter(s) cumulatively / 2012, period from 2012/01/01 until 2012/09/30	3 quarter(s) cumulatively / 2011, period from 2011/01/01 until 2011/09/30	3 quarter(s) cumulatively / 2012, period from 2012/01/01 until 2012/09/30	3 quarter(s) cumulatively / 2011, period from 2011/01/01 until 2011/09/30
I. Net income from products, goods and materials sales	26 080	22 726	6 217	5 623
II. Profit (loss) from operating activity	2 661	1 027	634	254
III. Gross profit (loss)	2 721	1 558	649	386
IV. Net profit (loss)	2 306	1 228	550	304
V. Net cash flow from operating activity	3 849	2 607	918	645
VI. Net cash flow from investment activity	-277	24	-66	6
VII. Net cash flow from financial activity	-9 893	-430	-2 358	-106
VIII. Total net cash flow	-6 321	2 201	-1 507	545
IX. Total assets	37 734	43 950	9 173	9 951
X. Long-term liabilities	3 717	3 674	904	832
XI. Short-term liabilities	4 670	3 425	1 135	776
XII. Equity capital	29 347	36 851	7 134	8 343
XIII. Share capital	8 029	9 823	1 952	2 224
XIV. Average weighted number of ordinary shares (in pieces)	2 357 577	2 585 026	2 357 577	2 585 026
XV. Profit (loss) per ordinary share (in PLN/EUR)	0,98	0,48	0,23	0,12
XVI. Diluted profit (loss) per ordinary share (in PLN/EUR)	0,98	0,48	0,23	0,12
XVII. Number of ordinary shares (in pieces)	2 112 896	2 585 026	2 112 896	2 585 026
XVII. Book value per share (in PLN/EUR)	13,89	14,26	3,38	3,23
XVIII. Diluted book value per share (in PLN/EUR)	13,89	14,26	3,38	3,23
XIX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Selected financial data from the financial standing report (items from IX to XIII and items from XVII to XIX) as of 30/09/2012 and for the comparative period, as of 31/12/2011.

Selected financial data from the balance sheet (report on the financial standing) are presented as of the end of the current quarter and as of the end of the previous financial year, which should be properly described.

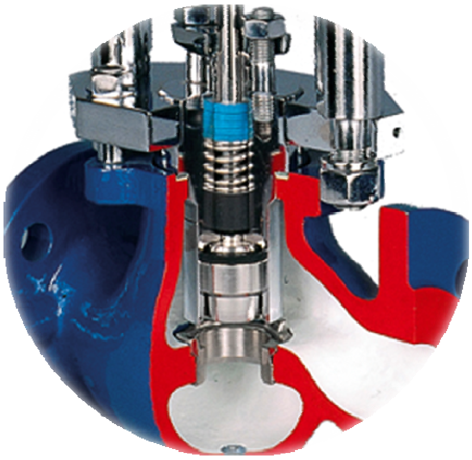
The report should be submitted to the Polish Financial Supervision Authority and the company managing the controlled market; it should also be made public by means of an information agency, in compliance with binding regulations.

CONTENTS OF THE REPORT

File	Description
Sprawozdanie_finansowe_za_III_Kw_2012.pdf	Financial statement for the 3rd quarter of the year 2012

SIGNATURES OF INDIVIDUALS REPRESENTING THE COMPANY

Date	Full name	Title/Function	Signature
2012/11/14	Andrzej Piszcz	President of the Management Board	
2012/11/14	Piotr Woś	Member of the Management Board	
2012/11/14	Bożena Polak	Chief Accountant – Proxy	



"POLNA" Spółka Akcyjna

Condensed separate statement for the periods of the 3rd quarter finished on 30th September 2012 and 30th September 2011 prepared in accordance with the International Financial Reporting Standards

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SELECTED FINANCIAL DATA

Detailed list	In PLN thousand			in EUR thousand		
	3 quarters of 2012 for the period from 01/01/2012 to 30/09/2012	Position as of 31/12/2011	3 quarters of 2011 for the period from 01/01/2011 to 30/09/2011	3 quarters of 2012 for the period from 01/01/2012 to 30/09/2012	Position as of 31/12/2011	3 quarters of 2011 for the period from 01/01/2011 to 30/09/2011
Net income from products, goods and materials sales	26,080	-	22,726	6,217	-	5,623
Profit (loss) from operating activity	2,661	-	1,027	634	-	254
Gross profit (loss)	2,721	-	1,558	649	-	386
Net profit (loss)	2,306	-	1,228	550	-	304
Net cash flow from operating activity	3,849	-	2,607	918	-	645
Net cash flow from investment activity	-277	-	24	-66	-	6
Net cash flow from financial activity	-9,893	-	-430	-2,358	-	-106
Total net cash flow	-6,321	-	2,201	-1,507	-	545
Total assets	37,734	43,950	49,348	9,173	9,951	11,187
Liabilities and provisions for liabilities	8,387	7,099	7,795	2,039	1,608	1,767
Long-term liabilities	3,717	3,674	3,649	904	832	827
Short-term liabilities	4,670	3,425	4,146	1,135	776	940
Equity	29,347	36,851	41,553	7,134	8,343	9,420
Share capital	8,029	9,823	9,823	1,952	2,224	2,227
Weighted average number of ordinary shares (in pieces)	2,357,577	2,585,026	2,585,026	2,357,577	2,585,026	2,585,026
Profit (loss) per ordinary share (in PLN/EUR)	0.98	-	0.48	0.23	-	0.12
Number of ordinary shares (in pieces)	2,112,896	2,585,026	2,585,026	2,112,896	2,585,026	2,585,026
Book value per share (in PLN/EUR)	13.89	14.26	16.07	3.38	3.23	3.64

The basic items of the condensed financial statement were converted with the EUR exchange rate from the NBP Table of average rates.
For conversion of selected financial data concerning the total income statement and cash flow statement, the arithmetic mean was used of the average EUR rates from NBP tables as of the last day of each month in the period from January to September, which amounted to 4.1948 for 2012 and 4.0413 for 2011. So as to convert selected data concerning the financial standing statement, the EUR rate from Table No. 189/A/NBP/2012 as of 28/09/2012 (i.e. 4.1138), Table No. 190/A/NBP/2011 as of 30/09/2011 (i.e. 4.4112) and Table No. 252/A/NBP/2011, as of 30/12/2011 (i.e. 4.4168) were assumed.

I. SEPARATE FINANCIAL STATEMENT

Financial standing statement

		Position as of 30/09/2012 end of quarter 2012	Position as of 30/06/2012 end of quarter 2012	Position as of 31/12/2011 end of previous year 2011	Position as of 30/09/2011 end of quarter 2011
	Assets				
I.	**Fixed assets**	**25,292**	**25,284**	**26,364**	**26,637**
	Tangible fixed assets	24,396	24,394	25,560	25,894
	Other intangible assets	123	146	68	60
	Deferred income tax assets	773	744	736	683
II.	**Current assets**	**12,442**	**20,387**	**17,586**	**22,455**
	Supplies	5,442	5,497	4,890	4,637
	Trade receivables and other receivables, including:	6,138	6,293	5,733	5,809
	- receivables due for deliveries and services	5,985	6,093	5,559	5,519
	- other receivables	153	200	174	290
	Receivables due to income tax	-	28	121	-
	Financial assets	133	89	16	27
	Cash and cash equivalents	394	7,881	6,754	11,684
	Prepayments and accruals	335	599	72	298
III.	**Fixed assets earmarked for disposal**	**-**	**-**	**-**	**256**
	Total assets	**37,734**	**45,671**	**43,950**	**49,348**
	Equity and liabilities				
I.	**Equity**	**29,347**	**37,978**	**36,851**	**41,553**
	Initial capital	8,029	8,029	9,823	9,823
	Own shares	-9,810	-150	-5,179	-93
	Other capitals	28,822	28,821	30,595	30,595
	Net profit (loss)	2,306	1,278	1,612	1,228
II.	**Long-term liabilities**	**3,717**	**3,626**	**3,674**	**3,649**
	Deferred income tax reserves	2,656	2,692	2,856	2,936
	Long-term reserves for liabilities	947	934	818	713
	Leasing liabilities	114	-	-	-
III.	**Short-term liabilities**	**4,670**	**4,067**	**3,425**	**4,146**
	Liabilities due for supplies and services and other liabilities, including:	3,555	3,156	2,670	3,375
	- liabilities due for supplies and services	2,098	1,494	1,561	2,006
	- other liabilities	1,457	1,662	1,109	1,369
	Current tax liabilities	90	-	-	136
	Leasing liabilities	42	-	-	-
	Short-term reserves	863	911	755	604
	Prepayments and accruals	120	-	-	31
	TOTAL LIABILITIES	**37,734**	**45,671**	**43,950**	**49,348**

Book value	29,347	37,978	36,851	41,553
Number of shares	2,112,896	2,112,896	2,585,026	2,585,026
Book value per ordinary share (in PLN)	**13.89**	**17.97**	**14.26**	**16.07**

Diluted book value per ordinary share equals the book value per ordinary share.

Statement of changes in equity

Equity items	Initial capital	Own shares	Revaluation capital	Other capitals	Retained profits	Total
Balance as of 01/07/2012	**8,029**	**-150**	**-**	**28,822**	**1,278**	**37,979**
Adjusted balance	8,029	-150	-	28,822	1,278	37,979
Net profit for the period	-	-	-	-	1,028	1,028
Total profit and loss recognized within the period	-	-	-	-	1,028	1,028
Purchase of own shares	-	-9,660	-	-	-	-9,660
Balance as of 30/09/2012	**8,029**	**-9,810**	**-**	**28,822**	**2,306**	**29,347**

Equity items	Initial capital	Own shares	Revaluation capital	Other capitals	Retained profits	Total
Balance as of 01/01/2012	**9,823**	**-5,179**	**-**	**30,595**	**1,612**	**36,851**
Adjusted balance	9,823	-5,179	-	30,595	1,612	36,851
Net profit for the period	-	-	-	-	2,306	2,306
Total profit and loss recognized within the period	-	-	-	-	2,306	2,306
Purchase of own shares	-	-9,810	-	-	-	-9,810
Redemption of own shares	-1,794	5,179	-	-3,385	-	-
Decreasing the reserve capital unused for the buy-back of own shares	-	-	-	-2,820	-	-2,820
Increasing supplementary capital from the reserve capital unused for the buy-back of own shares	-	-	-	2,820	-	2,820
Distribution of profit for the year 2011	-	-	-	1,612	-1,612	-
Balance as of 30/09/2012	**8,029**	**-9,810**	**-**	**28,822**	**2,306**	**29,347**

Equity items	Initial capital	Own shares	Revaluation capital	Other capitals	Retained profits	Total
Balance as of 01/01/2011	**9,823**	**-**	**-**	**29,844**	**752**	**40,419**
Adjusted balance	9,823	-	-	29,844	752	40,419
Net profit for the period	-	-	-	-	1,612	1,612
Total profit and loss recognized within the period	-	-	-	-	1,612	1,612
Purchase of own shares	-	-5,179	-	-	-	-5,179
Reserve capital used for buy-back of the Company's own shares	-	-	-	-5,179	-	-5,179
Increasing supplementary capital used for the buy-back of own shares	-	-	-	5,179	-	5,179
Distribution of profit for the year 2010	-	-	-	752	-752	-
Balance as of 31/12/2011	**9,823**	**-5,179**	**-**	**30,595**	**1,612**	**36,851**

Equity items	Initial capital	Own shares	Revaluation capital	Other capitals	Retained profits	Total
Balance as of 01/01/2011	**9,823**	**-**	**-**	**29,844**	**752**	**40,419**
Adjusted balance	9,823	-	-	29,844	752	40,419
Net profit for the period	-	-	-	-	1,228	1,228
Total profit and loss recognized within the period	-	-	-	-	1,228	1,228
Purchase of own shares	-	-93			-	-93
Distribution of profit for the year 2010	-	-	-	752	-752	-
Balance as of 30/09/2011	**9,823**	**-93**	**-**	**30,595**	**1,228**	**41,553**

Total income statement

	Profit and loss account	3rd quarter 2012 for the period from 01/07/2012 to 30/09/2012	3 quarters 2012 for the period from 01/01/2012 to 30/09/2012	3rd quarter 2011 for the period from 01/07/2011 to 30/09/2011	3 quarters 2011 for the period from 01/01/2011 to 30/09/2011
A.	**Net income from products, goods and materials sales, including:**	**9,106**	**26,080**	**8,916**	**22,726**
I.	Sales of products	9,054	25,870	8,803	22,529
II.	Sales of goods and materials	52	210	113	197
B	**Cost of products, goods and materials sold, including:**	**5,719**	**17,374**	**5,755**	**16,083**
I.	Production cost of products sold	5,671	17,201	5,682	15,944
II.	Value of goods and materials sold	48	173	73	139
C.	**Gross profit (loss) from sales**	**3,387**	**8,706**	**3,161**	**6,643**
I.	Other income	136	697	146	330
II.	Costs of sales	88	239	83	214
III.	General management expenses	2,034	5,947	1,862	5,364
IV.	Other expenses	168	556	171	368
D.	**Operating activity profit (loss)**	**1,233**	**2,661**	**1,191**	**1,027**
I.	Financial income	308	635	413	636
II.	Financial expenses	273	575	66	105
E.	**Gross profit (loss)**	**1,268**	**2,721**	**1,538**	**1,558**
F.	**Income tax**	**240**	**415**	**325**	**330**
I.	a) current tax	305	652	324	370
II.	b) deferred tax	-65	-237	1	-40
G.	**Net profit (loss)**	**1,028**	**2,306**	**1,213**	**1,228**

	Total income statement	3rd quarter 2012 for the period from 01/07/2012 to 30/09/2012	3 quarters 2012 for the period from 01/01/2012 to 30/09/2012	3rd quarter 2011 for the period from 01/07/2011 to 30/09/2011	3 quarters 2011 for the period from 01/01/2011 to 30/09/2011
I.	**Net profit (loss)**	**1,028**	**2,306**	**1,213**	**1,228**
II.	**Other elements of total income**				
1.	Results of measurement and transfer of salable financial assets	-	-	-	-
III.	**General total income**	**1,028**	**2,306**	**1,213**	**1,228**

Net (annualized) profit (loss)	2,690	1,008
Weighted average number of ordinary shares	2,414,750	2,585,026
Net profit (loss) per ordinary share (in PLN)	**1.11**	**0.39**

Diluted net profit per ordinary share equals the net profit per ordinary share.

Cash flow statement

	Detailed list	3rd quarter 2012 for the period from 01/07/2012 to 30/09/2012	3 quarters 2012 for the period from 01/01/2012 to 30/09/2012	3rd quarter 2011 for the period from 01/07/2011 to 30/09/2011	3 quarters 2011 for the period from 01/01/2011 to 30/09/2011
A.	**A. Operating activity cash flow**				
I.	**Profit (loss) before tax**	**1,268**	**2,721**	**1,538**	**1,558**
II.	**Total adjustments**	**654**	**1,647**	**577**	**1,528**
	Amortization of intangible assets	24	59	7	22
	Revaluation write-offs for tangible fixed assets depreciation	67	-110	78	58
	Tangible fixed assets amortization	586	1,742	580	1,753
	Profit (loss) due to change	3	152	26	33
	Profits (losses) from change in fair value of financial assets	-44	-116	13	18
	Profit (loss) due to exchange rate differences	-	39	-4	-38
	Interest expenses	28	57	-	6
	Interest received	-10	-176	-123	-324
III.	**Cash from operating activity before changes in the working capital**	**1,922**	**4,368**	**2,115**	**3,086**
	Change in supplies position	54	-553	-122	-652
	Change in receivables position	69	-405	-1,299	-340
	Change in short-term liabilities position (except credits and loans)	290	786	219	903
	Change in prepayments and accruals position (except deferred tax asset)	385	-142	235	-219
	Change in reserves position (except deferred tax reserve)	-36	236	-63	37
IV.	**Cash generated in operating activity**	**2,684**	**4,290**	**1,085**	**2,815**
	Income tax paid	-187	-441	-208	-208
V.	**Net cash flow from operating activity**	**2,497**	**3,849**	**877**	**2,607**
B	**Cash flow from investment activity**				
	Expenditure for acquisition of intangible assets	-	-77	-	-67
	Expenditure for acquisition of tangible fixed assets	-265	-371	-131	-305

	Detailed list	3rd quarter 2012 for the period from 01/07/2012 to 30/09/2012	3 quarters 2012 for the period from 01/01/2012 to 30/09/2012	3rd quarter 2011 for the period from 01/07/2011 to 30/09/2011	3 quarters 2011 for the period from 01/01/2011 to 30/09/2011
	Inflow from sales of fixed tangible assets	-	96	34	72
	Interest received	9	175	123	324
	Other investment expenses	-14	-100	-	-
	Net cash used in investment activity	**-270**	**-277**	**26**	**24**
C.	**Cash flow from financial activity**				
	Purchase of own shares	-9,660	-9,810	-93	-93
	Repayment of interest on loans and credits	-28	-42	-	-
	Repayment of financial leasing liabilities	-26	-26	-	-327
	Interest paid	-	-	-	-3
	Commission on credits	-	-15	-	-3
	Other expenses	-	-	-4	-4
	Net cash from financial activity	**-9,714**	**-9,893**	**-97**	**-430**
D.	**Total net cash flow (A.+B.+C.)**	**-7,487**	**-6,321**	**806**	**2,201**
E.	**Balance sheet change in cash position, including:**	-7,487	-6,360	810	2,239
	- change in cash position due to exchange rate differences	-	-39	4	38
F.	**Opening balance of cash**	**7,881**	**6,754**	**10,874**	**9,445**
G.	**Closing balance of cash (E+F)**	**394**	**394**	**11,684**	**11,684**

II. SUPPLEMENTARY INFORMATION TO THE CONDENSED QUARTERLY FINANCIAL STATEMENT

1. General information

Zakłady Automatyki „POLNA" Spółka Akcyjna, having its registered seat in Przemyśl, at ul. Obozowa 23, is a public limited company incorporated in accordance with Polish law. "POLNA" S.A. was entered into the companies register of the District Court in Rzeszów, XII Economic Division of the National Court Register (KRS) under KRS number 0000090173. "POLNA" S.A. was established for an unlimited period of time. It operates pursuant to Polish law and conducts its activity within the territory of Poland.

The Company's object of activity is:

- 24.5 Metal founding;
- 28.12.Z Production of hydraulic and pneumatic drive equipment;
- 28.13.Z Production of other pumps and compressors;
- 28.14.Z Production of other cocks and valves;
- 38.21.Z Processing and utilization of waste other than dangerous;
- 38.32.Z Recycling of raw materials from sorted materials;
- 46.69.Z Wholesale trade of other machines and equipment;
- 46.90.Z Non-specialized wholesale trade;
- 46.77.Z Wholesale trade of waste and scrap.

The Company has been recognized as belonging to the electrical engineering sector.

2. The basis for making the report and the statement period

The condensed quarterly financial statement of "POLNA" S.A. was prepared in compliance with the International Financial Reporting Standards (IFRS), in particular with IAS 34 "Interim Financial Reporting".

The information included in the report for the 3rd quarter of the year 2012 was prepared in accordance with the Regulation of the Minister of Finance of February 19th 2009 on current and periodical information made public by issuers of securities and on the conditions under which such information may be recognized as being equivalent to information required by the legal regulations of a state which is not a EU member state (Journal Of Laws Dz. U. No. 33, item 259).

The presented financial statement was prepared in accordance with the historical cost principle (adjusted by revaluation write-offs related to impairment) with the exception of some fixed assets and financial instruments. The most important accounting principles applied by the Entity are presented below in item 3.

The condensed separate financial statement covers the period from 1st January 2012 to 30th September 2012 and the respective period from 1st January 2011 to 30th September 2011.
When presenting the financial data for the 3rd quarter 2011, comparability to the 3rd quarter of the current financial year was used.
The condensed separate financial statement was made with the assumption that economic activity would be continued in the foreseeable future. On the day of making the statement, no circumstances indicating any danger to continuing the activity are known.
The reporting currency of this financial statement is Polish zloty (PLN), and all the amounts are expressed in PLN thousand (unless otherwise stated).
The Management Board approved this financial statement for publication on 14/11/2012.

3. Accounting principles adopted for making the financial statement.

Tangible fixed assets (IAS 16) are shown at their acquisition price, production cost or reappraised value reduced by amortization and possible impairment charges. The acquisition price of fixed assets comprises the purchase price and all costs directly related to the purchase and adaptation of the asset for use.
As of the moment of transition to IAS, perpetual usufruct of land, as well as buildings and structures, were measured at their fair value determined by an expert as the realizable value.

Amortization is calculated for all fixed assets, excluding land and fixed assets under construction, by estimated period of economic utility of those assets, using the straight-line method and the following annual amortization rates:

- Buildings and structures 2.32 – 13.64%,
- Machines and technical equipment 3.61 – 33.33%,
- Means of transport 9.16 – 16.44%,
- Other fixed assets 12.37 – 20.00%.

Amortization rates reflect the period of economic utility of a fixed asset. They are verified by technical services at least once a year. When determining the utility period of an asset, the following are taken into consideration: expected usage of the asset, expected physical wear and tear depending on operating factors such as the number of shifts during which the asset is going to be used, renovation and conservation plan, preservation and conservation of the asset during stoppage, as well as technological and market loss of usefulness resulting from production changes or improvements or changes in demand for a given product for which the asset is used.
Amortization of fixed assets of the initial value exceeding PLN 3.500 is calculated beginning from the month of putting the asset into service. Items with service life longer than one year and unitary value between PLN 1,000 and PLN 3,500 are entered into a fixed assets register and amortized on a one-off basis in the month of putting the asset into service. Items with service life longer than one year and unit value not exceeding PLN 1,000 are written off to material consumption costs in the full initial value on the date of putting them into service.
If there is evidence indicating the possibility of permanent diminution in value of a fixed asset, the Company makes write-offs revaluing the asset to the level of its net selling price. Revaluation write-offs made on account of diminution are recognized in the profit and loss account.
Fixed assets under construction are measured at the purchase price or production cost of the asset, increased by the costs directly related to their acquisition and production and possibly reduced by impairment charges.

Intangible assets (IAS 38) purchased from other business entities are subject to activation at their acquisition price. Intangible assets are amortized with the straight-line method according to principles and rates taking into consideration their economical utility period, from the month following the acceptance of the intangible assets into service. Amortization of intangible assets may not be done for a period shorter than 2 years in the case of computer software licences and copyrights and shorter than 5 years in the case of other titles.

Costs of research (MSR 38) are charged to costs in the profit and loss account on the day they are incurred. **Expenditure for development works** incurred within the framework of a given project is activated if it can be assumed that the amounts will be regained in the future. That expenditure is amortized within the period of three years. Expenditure for development works is verified regarding potential impairment if the occurring events indicate that their carrying value may not be possible to regain.

Long-term and short-term investments – initially, financial assets or liabilities are measured at their fair value. In the case of instruments not qualified as measured in fair value by the financial result, the fair value is increased by costs of transactions which may be directly related to purchase or issuance of a financial asset or liability. Following the initial recognition, the Company measures financial assets in their fair value, with exceptions of: loans and receivables, instruments retained until their maturity dates and investments in capital instruments without quoted market prices from the active market and whose fair value cannot be reliably measured, as well as derivatives related to them, which have to be cleared by means of supplying capital instruments without quoted market prices. As for loans and receivables and instruments retained until their maturity dates, they are measured at amortized cost, applying the effective interest rate. A financial asset without a determined maturity date is valued in the cost amount.

Materials and goods supplies (IAS 2) are measured at their acquisition price understood as purchase price of the supplies elements due to the seller, without deductible VAT, increased by import tax, excess duty and customs duty and reduced by rebates and discounts.
Costs related to purchase of materials and goods, including costs of transport, handling charges and costs of sorting are summed up in the "Purchase costs" account. Those costs are cleared proportionally to the value of the supplies and materials consumption.
To establish the outgoings of materials and goods supplies, the Company applies the FIFO method.
As of the balance sheet day, the Company makes analyses of accumulation of supplies according to their age and makes write-offs revaluing the net worth of material supplies in accordance with the following formula: supplies over 2 years old – writing off 100% of their value, supplies over 1 year old – writing off 50% of their value, supplies over 6 months old – writing off 10% of their value. Write-offs revaluing the supplies are included in the profit and loss account.
Supplies of production in progress (IAS 2) are measured at their production costs, while **supplies of final products (IAS 2)** are measured at production costs not higher than their net selling prices. Production costs include direct materials and labour costs, as well as proper mark-up of production costs established with the assumption of using the productive power to the usual extent. General and administrative costs, sales and distribution costs, other operating costs and unjustifiable indirect production costs (in particular, costs of unused production capacity and production losses) are not included in production costs.
On the balance sheet day, the Company makes an analysis of accumulated supplies, considering their age, and makes write-offs revaluating the net value of supplies of production in progress and final products, applying the same principles of establishing write-offs as in the case of materials.
The write-offs revaluing the worth of supplies are included in the profit and loss account.

Receivables due for deliveries and services (IAS 39) are measured at the amount of the due payment (in accordance with the amounts initially invoiced), pursuant to the principles of conservative valuation.
As of the balance sheet day, the Company determines revaluing write-offs for overdue receivables, taking into consideration the delay in payment:
over 3 months but up to 6 months, in the amount of 10% of their value,
over 6 months but up to 12 months, in the amount of 50% of their value,
over 12 months, in the amount of 100% of their value.
Receivables difficult to collect, including receivables adjudged by a court claim, receivables from clients subject to composition or bankruptcy proceedings and interest on late deliveries are written off in 100% of their value. Write-offs revaluing receivables difficult to collect and interest are included in the profit and loss account.
Receivables expressed in foreign currencies (IAS 21) are recognized at the average exchange rate established for the given currency by the NBP for the day preceding the day of arising of the receivables, unless another exchange rate was established in the customs declaration or other document binding the entity. As of the payment day, the receivables are included at the buying rate of the bank in which the transaction is conducted. As of the balance sheet day, the liabilities are converted
in compliance with the average rate established for the given currency by the NBP for that day. Exchange rate differences are recognized in the profit and loss account.
Cash (IAS 7) is measured at its nominal value. As for the cash accumulated on bank accounts, their nominal value also covers the interest calculated by the banks, constituting financial income. The Company calculates interest on open time deposits, presented in short term liabilities.

Operations expressed in foreign currencies are included in account books as of the day of their performance at the buying rate for selling the currency or at the selling rate for buying the currency established by the bank in which the operation is performed, whichever is applicable. Time deposits are valued at the initial rate of the currency inflow to the bank. Cash accumulated on a bank account is measured as of the balance sheet day at the average exchange rate of a given currency established by the NBP for that day. Positive and negative exchange differences are charged to income or financial costs, whichever is the case.

Fixed assets allocated for sale (IFRS 5) are recognized in the financial statement in an amount lower than their carrying value or fair value reduced by costs of sale. Assets may only be included in this group if the company is actively looking for a buyer and there is a high probability that the assets will be disposed of within one year from the date of their inclusion in the group.

Liabilities due for supplies and services are shown in the payable amount (IAS 39). The due amount is increased by interest for the delay in payment in the case of receiving an interest note from the creditor.

Liabilities expressed in a foreign currency are recognized in the account books as of the day of arising, at the average exchange rate established for the given currency by the NBP for the day preceding the day of issuing the purchase invoice, unless another exchange rate was established in the customs declaration or other document binding the entity. As of the payment day, the liabilities are recognized at the selling rate established by the bank in which the transaction is conducted. As of the balance sheet day, the liabilities are converted in compliance with the average rate established for the given currency by the NBP for that day. Positive and negative exchange differences arising are charged to income or financial costs, whichever is the case.

Financial liabilities (IAS 39) are entered into the books at the date of conducting or clearing the transaction at the acquisition price. As of the balance sheet day, the financial liabilities (credits or contracted loans) are measured at an adjusted acquisition price, i.e. the price they were contracted at, reduced by repayments of the core capital and properly adjusted by an accumulated amount of the discounted difference between the initial value and the value as of the maturity date, calculated with the use of effective interest rate. The differences arising due to revaluation of financial liabilities with the use of the adjusted acquisition price are charged to income or financial costs, whichever is applicable. Collateral financial liabilities (currency options) are measured at the fair market value on the basis of appraisal made by the bank.

Financial leasing liabilities (IAS 17) as of the day of concluding the agreement are shown at the net value of the object of leasing and reduced by the capital part of the leasing charge, calculated with the use of internal rate of return. The fixed asset in question is classified as the Company's own property and is subject to amortization within the predicted utility period.

Prepayments and accruals of costs refer to costs incurred in the future periods, including subscriptions, insurances, the social fund, real property tax and perpetual usufruct of land. Those costs are included in the month of issuing the invoice and then charged into costs in the utility period, until the date of transferring them fully to the financial result. Prepayments and accruals lasting longer than one year are treated as fixed assets, and others, as current assets. In the case of impairment, they are charged to other costs on a one-off basis.

The Company makes **provisions (IAS 19, IAS 37)** for the risks known to it, losses that may occur and effects of other events. They are measured at least as frequently as on every balance sheet day at a reasonable, estimated value. Financial effects of the provisions are classified as other operational costs or financial costs, as applicable, depending on the circumstances the future liabilities are related to.
The Company includes provisions for liabilities in conformity to IAS 19 "Employee benefits", with respect to retirement gratuities, employees' leaves, seniority awards and death benefits on the basis of actuarial reports.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company establishes provisions for warranty repairs, bonuses and termination pays for the Management Board members, costs of balance sheet audits and other costs (product fee, environmental fee etc.).

Equity capitals are included in accounting books divided by kinds and in accordance with the principles resulting from legal regulations and provisions of the Company's Charter. Equity capitals include:
initial (share) capital shown in the nominal value of registered shares, conforming to the Company's Charter and the entry in the National Court Register,
own shares decrease the value of equity In the case of purchase of own shares, the amount of payment with direct costs of transactions is shown as a change in equity.
- revaluation capital concerning changes in the fair market value of assets,
- other capitals, such as:
  - supplementary capital created in compliance with the Code of Commercial Companies Article 396: from profit, in accordance with the Charter and from valuation of shares for the employees,
  - reserve capital allocated for buy-out of the Company's own shares

retained profits, including previous years profit that has not been distributed or loss that has not been covered,
net profit / loss – the financial result of the current year.

In the case of changes of accounting principles which significantly affect previous years' results, providing that the effects of those changes can be credibly established, the difference arising out of the transformation of statements for the previous years shall be charged to "retained profits".
If in a given accounting year, or before the approval of the financial statement for that year, a fundamental error is found having occurred in the previous years, as a result of which the statements for that year or the previous years cannot be regarded as reliable and clearly presenting the financial and property standing of the Company, the amounts of corrections of the errors shall be charged to equity capital as the item "retained profits".

Income (IAS 18) is recognized in such a value as the Company is likely to obtain economic profits related to a given transaction and providing that the amount of the income may be reasonably measured.
Income from sales of products and goods is included if relevant risk and benefits resulting from the property right to the products and goods have been transferred to the buyer.
Income from sales of services is included after the service is performed.
Income due for lease of premises is recognized in monthly instalments as of the last day of each month.
Interest revenues are included successively as accrued.

Costs are included in accordance with the principle of proportionality to profits. Costs are registered with respect to their kinds in section 4 and moved to the where they arise in section 5 on a running basis. At the end of an accounting period, costs from section 4 are carried to the "Current year's financial result" account.

Fair value of shares sold to the employees as part of staff motivation programmes at the nominal price is included in remuneration costs of a given period. Those liabilities are charged to the other capitals (IFRS 2) at the one-off basis.

Segments of activity (IFRS 8) – the division into segments results from the management and internal reporting structure. The Company has adopted a reporting system based on industry segments and geographical segments.

In the industry segment, it conducts the activity in the following assortment groups: industrial automatics, heat engineering, central lubrication, hydraulic control systems, casts, laboratory equipment, other products (services) and goods and materials.

In the geographical segment, the division into domestic and export sales was adopted. Within the framework of export sales, sales to EU countries and sales to countries outside the EU were singled out.
The Company presents the income received and expenses generated by individual segments. The industry and geographical segments mentioned above are presented on the level of net profit from sales. The results of activity in individual segments are systematically reviewed by the main body responsible for operational decision-making within the Company.
The Company in not able to separate the carrying value of assets and liabilities of particular segments, hence it does not ascribe it to particular segments.

Income tax (IAS 12)
Income tax constitutes an encumbrance of gross financial result and covers current tax and deferred tax.
Current tax is the amount determined on the basis of tax regulations, which is calculated from taxable income for a given period.
Current tax is recognized as a liability in the amount in which it has not been paid. If the amount paid so far due to current income tax exceeds the amount to be paid, the difference is included as receivable.
Deferred tax is calculated with the use of the balance sheet method. Deferred tax reflects the net tax effect of temporary differences between the carrying value of an asset or liability and its tax value. Assets and provisions due to deferred income tax are calculated with the use of the binding tax rates predicted for the following years, in which the temporary differences are expected to be realized at the tax rates announced or established for the balance sheet day.
Deferred income tax assets concerning tax on negative temporary differences, as well as unused tax losses, are only accepted if sufficient tax base from which those differences may be deducted is likely to appear in the future.
Deferred income tax reserves are made regardless of the time when they are to be realized.
Deferred income tax assets and provisions are not discounted and they are classified in the Balance sheet as fixed assets or long-term liabilities, whichever is the case.

Total income statement
Total income statement covers the financial result of the period included in the profit and loss account and profits and losses not charged to the financial result of the period directly but shown in the equity capital.

Profit and loss account is made in a spreadsheet version and a comparative version. The financial result is established with the application of major accounting principles: the memorial, proportionality of profits and costs, caution, continuity and relevance.

Net profit per share, diluted profit per share
Net profit per share for each period is calculated by dividing the net profit for a given period by the weighted average number of shares in the given reporting period.
Diluted net profit per share means a necessity to adjust the net profit and the average weighted number of shares by effects of all diluting potential ordinary shares, whereas potential ordinary shares should be treated as diluting if their conversion to ordinary shares would reduce the net profit for a single ordinary share provided that the effect would continue.
Due to the fact that no potential ordinary shares occur, **the diluted profit per share equals net profit per share.**

Statement of changes in equity
Cash flow statement is prepared with the indirect method.

New standards, interpretations and changes to standards already published
The accounting principles applied when making this interim financial statement comply with those applied when making the annual financial statement of the Company for the year finished on 31st December 2011,

with the exception of application of the following new or amended standards and interpretations applicable for annual periods beginning on 1st January 2012 or later:

- Amendments to IFRS 7 "Financial Instruments: Enhancing disclosures about transfers of financial assets" – applicable for annual periods beginning on 1st July 2011 or later – approved by the EU on 22nd November 2011.

Adopting the above-mentioned standards and interpretations did not cause any significant changes in the accounting policy or in presentation of financial statements.

Standards and interpretations already published but not yet approved by the EU

The following standards and interpretations have been issued by the International Accounting Standards Board or the IFRS Committee but have not yet come into force:

- phase 1 of standard IFRS 9 "Financial Instruments: Classification and Measurement" – applicable for annual periods beginning on 1st January 2015 or later, In the following phases, the International Accounting Standards Board is going to deal with hedge accounting and impairment. Application of the first phase of IFRS 9 will affect classification and valuation of financial assets of the Company. The Company will evaluate that influence in relation to the other phases when they are issued, so as to present a consistent image.
- IFRS 10 "Consolidated financial statement" – applicable for annual periods beginning on 1st January 2013 or later,
- IFRS 11 "Joint Arrangements" – applicable for annual periods beginning on 1st January 2013 or later,
- IAS 12 "Disclosure of Interests in Other Entities" – applicable for annual periods beginning on 1st January 2013 or later,
- IFRS 13 "Fair Value Measurement" – applicable for annual periods beginning on 1st January 2013 or later,
- amended IAS 27 "Separate Financial Statements". The new standard was published in May 2011 and mostly results from transfer of certain provisions of the former IAS 27 to new IFRS 10 and IFRS 11. The standard shall become applicable for annual periods beginning on 1st January 2013,
- Amended IAS 28 "Investments in Associates and Joint Ventures". The new standard was published in May 2011 as a result of issuance of standard IFRS 11. The standard shall become applicable for annual periods beginning on 1st January 2013,
- Amendments to IAS 12 – "Income Tax: Recovery of Underlying Assets" – applicable for annual periods beginning on 1st January 2012 or later,
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Fixed Transition Dates Exemption" – applicable for annual periods beginning on 1st July 2011 or later
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" – applicable for annual periods beginning on 1st January 2013 or later,
- Amendments to IAS 32 "Financial Instruments: Presentation: Compensating financial assets and liabilities – applicable for annual periods beginning on 1st January 2014 or later,
- Amendments to IFRS 7 "Financial Instruments: Disclosures: Compensating financial assets and liabilities – applicable for annual periods beginning on 1st January 2014 or later,
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards: Government Loans" – applicable for annual periods beginning on 1st January 2013 or later,
- changes to different standards resulting from annual review of the International Financial Reporting Standards (2009-2011) – applicable for annual periods beginning on 1st January 2013 or later.

The Company did not decide to apply earlier any other standard, interpretation or amendment which has been issued but not yet approved by the EU.

In accordance with the entity's estimations, the above-mentioned standards, interpretations and amendments to standards would not have significantly influenced the financial statement if the entity had applied them as of the balance sheet day.

Standards and interpretations already published and approved by the EU but not yet in force

As of the day of preparing this financial statement, the Company had not applied the following standards, amendments to standards and interpretations, which had been published and approved for application in the EU but had not been implemented yet:

- Amendments to IAS 1 "Presentation of Financial Statements : Presenting Comprehensive Income" – applicable for annual periods beginning on 1st July 2012 or later – approved by the EU on 5th June 2012,
- Amendments to IAS 19 "Employee Benefits": Modification of the method of clearance of defined benefits and termination benefits – applicable for annual periods beginning on 1st January 2013 or later – approved by the EU on 5th June 2012,

Important estimates and evaluations

Preparing a financial statement in accordance with IFRS requires making estimations, evaluations and assumptions which affect the adopted principles and the presented values of assets, liabilities, revenues and expenses. The estimates and assumptions related to them are based on historical experience and various other factors considered significant.
Actual results may differ from the assumed estimated values.
Estimations and assumptions underlying them are subject to ongoing verification. A change in estimated values is recognized in the period in which the verification occurred if it concerns that period only, or in the current period and in future periods if the change concerns both the current period and future periods.

Periods of economic utility of tangible fixed assets

Amortization rates are established on the basis of expected economic utility periods of tangible assets. The Company verifies the periods at the end of each annual reporting period.
At the end of 2011, utility periods of fixed assets were reviewed, which resulted in extending the utility periods of some fixed assets.

Deferred tax assets

The Company recognizes deferred tax assets on the basis of the assumption that in the future a tax profit will be obtained to enable using them. Deterioration of tax results in the future might make this assumption unjustifiable.

4. Short description of the Issuer's significant achievements or failures in the reporting period and a list of the major events related to them.

The 3rd quarter of 2012 was a good one, both from the point of view of realized income and of the obtained results. Net income exceeded the level of PLN 9 million (for the first time over the last 9 years, i.e. since the 3rd quarter of 2003). Good results from sales were obtained thanks to realizing high revenues and optimizing costs of operating activity.

Below, the results of particular quarters of 2012 are presented:

List of quarters of 2012	1st quarter 2012	2nd quarter 2012	3rd quarter 2012
Net income from products, goods and materials sales	8,187	8,787	9,105
Result from sales	133	1,121	1,266
Net result	100	1,178	1,028

In overall activity, the Company had a net profit of PLN 2,306 thousand in the 3 quarters of 2012. In the 3 quarters of 2011, the Company noted a net profit amounting to PLN 1,228 thousand.

In comparison to the end of 2011, cash position decreased by PLN 6,360 thousand, allocated by the Company for purchase of own shares.

5. Description of factors and events, particularly untypical ones, influencing the financial results obtained.

There were no such factor or events.

6. Explanations concerning seasonality or cyclicity of the issuer's activities in the presented period.

In the presented period, neither seasonality nor cyclicity of the issuer's activities occurred.

7. Information on write-offs revaluing supplies to the net value obtainable after the reversal of such write-offs.

Supply revaluation write-offs	Supply revaluation write-offs as of 01/01/2012	Reversals of supply revaluation write-offs recognized as decreases of those write-offs in the period	Supply revaluation write-offs recognized as costs in the period	Supply revaluation write-offs as of 30/09/2012
Materials	1,114	178	29	965
Intermediate products and production in progress	427	5	59	481
Finished products	102	23	15	94
Goods	1	-	-	1
Total supplies	**1,644**	**206**	**103**	**1,541**

8. Information on write-offs for depreciation of financial assets, tangible fixed assets and fixed assets, intangible assets or other assets, and on reversal of such write-offs.

Asset revaluation write-offs	Asset revaluation write-offs as of 01/01/2012	Reversals of asset revaluation write-offs recognized as decreases of those write-offs in the period	Revaluation write-offs of assets recognized as costs in the period	Asset revaluation write-offs as of 30/09/2012
Tangible fixed assets	3	-	67	70
Fixed assets earmarked for disposal	177	177	-	-
Other intangible assets	37	37	-	-
Receivables	542	159	96	479
Financial assets allocated for trade – shares	54	10	3	47

9. Information on creation, increasing, use and release of provisions.

Provisions	Value of provisions as of 01/01/2012	Creation and increase of provisions	Use of provisions	Release of provisions	Value of provisions as of 30/09/2012
Long-term provisions for retirement benefits and	818	141	-	12	947

other benefits					
Short-term provisions for retirement benefits and other benefits	396	155	136	-	415
Other provisions, including:	**359**	**262**	**127**	**46**	**448**
- provisions for the costs of balance sheet audit	20	25	34	-	11
- provisions for warranty repairs	180	-	-	37	143
- provisions for the Management Board bonus	93	186	93	-	186
- provisions for termination pay for the Management Board	60	48	-	-	108
- other provisions	6	3	-	9	-

10. Information on deferred income tax provisions and assets

Detailed list	Position as of 01/01/2012	Increase	Decrease	Position as of 30/09/2012
Deferred income tax assets	736	142	105	773
Deferred income tax reserves	2,856	19	219	2,656

11. Information on significant transactions of purchase and sales of fixed assets.

In the reporting period, the Company did not carry out any significant transactions of purchase or sales of fixed assets.

12. Information on significant liabilities due for purchase of tangible fixed assets.

The Company does not have any significant liabilities due to purchase of tangible fixed assets.

13. Information on significant settlements due to court cases.

No significant settlements occur due to court cases.

14. Corrections of past periods errors.

In the reporting period, there was no need to correct any errors of past periods.

15. Information on changes in the economic situation and conditions of conducting business activity, significantly influencing the fair market value of financial assets and financial liabilities of the entity, whether the assets and liabilities are recognized in the fair market value or corrected purchase price (amortized cost).

The changes in the economic situation and conditions of conducting business activity did not significantly influence the fair market value of assets and liabilities of the Company.

16. Information on failure to pay off a loan or a breach of significant provisions of a loan or credit agreement, regarding which no remedial actions had been taken until the end of the reporting period.

The Company does not have any liabilities due for loans and the provisions referring to credit agreements (credit in the current account) are observed.

17. Concluding by the issuer or their subsidiary one or more transactions with affiliated entities, if individually or jointly they are significant and were concluded on terms and conditions other than market conditions.

No such transactions occurred.

18. Information on change of methods of establishing the fair market value of financial instruments.

In the reporting period, no change of methods of establishing the fair market value of financial instruments occurred.

19. Information on change of classification of financial assets as a result of changing the purpose or use of those assets.

In the reporting period, no changes of classification of financial assets as a result of changing the purpose or use of those assets occurred.

20. Information on issuance, redemption and paying off of non-equity and capital securities.

In 2012, the Company did not issue or pay off any non-equity or capital securities.

Buy-back of own shares

The Management Board of "POLNA" S.A., implementing the provisions of Resolution No. 6 of the Extraordinary General Shareholders Meeting of 13th March 2012, on 19th March 2012 adopted a resolution on the Share Buy-back Programme. In the opinion of the Management Board of the Company, realization of the Share Buy-back Programme will contribute to increasing the market value of the Company; besides, it will allow for allocating assets accumulated on the Company's supplementary capital, not paid out as dividend from profit generated in the previous years, in a way beneficial for the shareholders. The shares were purchased in order for redemption.

On the basis of that resolution, in the period from 22nd March to 23rd April 2012, the Company bought 8,771 own shares of the nominal value PLN 33.3 thousand, constituting 0.41512% of the share capital (on 22nd May 2012, the court registered lowering of the share capital as a result of redemption of 472,130 pieces of the Company's own shares purchased in 2011 – Current Report no. 33/2012). The purchase price of those shares amounted to PLN 100.8 thousand.

The Management Board of "POLNA" S.A., implementing the provisions of Resolution No. 24/2012 of the Extraordinary General Meeting of 21st May 2012, on 31st May 2012 announced a call for subscription for shares of the Company.

As a result of the transaction of purchase of the Company's own shares on the basis of a public call announced on 31st May 2012, on 9th July the Company purchased 688,484 pieces of own shares at the price of PLN 14 per share.

The participation of the purchased shares in the share capital is 32.58485%. The nominal value of the purchased shares is

PLN 2,616.2 thousand. Up to now, the cost of purchase of those shares amounted to PLN 9,709.6 thousand.

The shares were purchased in order for redemption.

In 2012, until the day of preparing this statement, the Company had bought in total 697,255 own shares with the nominal value of PLN 2,649.6 thousand, constituting 32.99997% of the share capital. Up to now, the cost of purchase of those shares amounted to PLN 9,810.4 thousand.

21. Information on paid-off (or declared) dividends, jointly and per share, divided into common stocks and preference stocks.

The Company did not pay off and did not declare the payment of any dividends.

22. Indication of events occurring after the day as of which the condensed quarterly report was made, not included in the report but likely to have a significant influence on the issuer's future financial results.

According to the Management Board's assessment, after the day for which the condensed quarterly report was made no events occurred which could have a significant influence on the issuer's future financial results.

23. Information concerning changes in contingent liabilities or contingent assets occurring since the end of the last accounting year.

There have been the following changes in contingent liabilities since the end of the last accounting year:

Position as of 31/12/2011	Increase	Decrease	Position as of 30/09/2012
1,652	6,432	393	7,691

The increase in contingent liabilities concerned collateral for credit liabilities (amounting to PLN 6,000 thousand), contracts (amounting to PLN 86 thousand) and liabilities due for entrusted materials (amounting to PLN 346 thousand), and the decrease concerned collateral for contracts (amounting to PLN 37 thousand) and liabilities due for entrusted material (amounting to PLN 356 thousand).

There have been no changes in contingent assets since the end of the last accounting year.

24. Other information which may significantly affect the evaluation of the property and financial standing and the financial result.

In the reporting periods, there were **changes in the share capital** related to redemption of own shares of the Company.
On 22nd May 2012, the District Court in Rzeszów, XII Economic Division of the National Court Register, made an entry of lowering the Company's share capital in the register of entrepreneurs of the National Court Register, in accordance with the resolutions adopted by the Extraordinary General Meeting of "POLNA" S.A. on 13th March 2012.
Lowering of the Company's share capital occurred as a result of redemption of 472,130 pieces of own shares of the Company of the nominal value PLN 3.80 each, with the reservation that each redeemed share reflects 1 vote, i.e. the total of 472,130 votes reflect all the redeemed shares. The shares were redeemed at the Shareholders' consent (voluntary redemption) by way of purchase of the shares by the Company on the basis of:
1. Resolution No. 14/2010 of the Annual General Shareholders Meeting of "POLNA" S.A. in Przemyśl of 28th June 2010
2. Resolution No. 26/2011 of the Annual General Shareholders Meeting of "POLNA" S.A. in Przemyśl of 20th June 2011
3. Resolution No. 4/2011 of the Extraordinary General Shareholders Meeting of "POLNA" S.A. in Przemyśl of 8th November 2011

As a result of the redemption of the Company's own shares, the Company's share capital was lowered by the amount equal to the total nominal value of the redeemed shares, i.e. by PLN 1,794,094.00 (in words: one million seven hundred and ninety-four thousand ninety-four zlotys) and currently amounts to PLN

8,029,004.80 and is divided into 2,112,896 ordinary bearer shares of the nominal value PLN 3.80 (three zlotys eighty groszy) each.

The total number of shares at the General Meeting of "POLNA" S.A. after the redemption of shares and registration of the change in the share capital amounts to 2,112,896 votes.

25. Segments of activity

The basic segments classification criterion is the industry division, i.e. division into assortment groups.

For the period 01/01/2012 – 30/09/2012

Detailed list	Products and half-finished products						Services	Goods and materials	Non-classified items	Total
	Industrial automatics	Heat engineering	Central lubrication	Hydraulic control	Laboratory equipment	Foundry				
Income										
Territory of Poland	9,496	1,862	1,161	580	623	2,079	459	194	-	16,454
Export, including:	8,534	496	3	81	18	444	34	16	-	9,626
to EU countries	7,093	496	3	-	18	442	34	-	-	8,086
to countries beyond EU	1,441	-	-	81	-	2	-	16	-	1,540
Total income	**18,030**	**2,358**	**1,164**	**661**	**641**	**2,523**	**493**	**210**	**-**	**26,080**
Expenses										
Territory of Poland	7,256	1,911	918	636	600	2,265	291	162	-	14,039
Export, including:	8,313	533	1	125	17	502	19	11	-	9,521
to EU countries	7,012	533	1	-	17	498	19	-	-	8,080
to countries beyond EU	1,301	-	-	125	-	4	-	11	-	1,441
Total expenses	**15,569**	**2,444**	**919**	**761**	**617**	**2,767**	**310**	**173**	**-**	**23,560**
Segment's result										
Territory of Poland	2,240	-49	243	-56	23	-186	168	32	-	2,415
Export, including:	221	-37	2	-44	1	-58	15	5	-	105
to EU countries	81	-37	2	-	1	-56	15	-	-	6
to countries beyond EU	140	-	-	-44	-	-2	-	5	-	99
Segment's result	**2,461**	**-86**	**245**	**-100**	**24**	**-244**	**183**	**37**	**-**	**2,520**
Other income	-	-	-	-	-	-	-	-	697	697
Other expenses	-	-	-	-	-	-	-	-	556	556
Operating activity profit (loss)	**2,461**	**-86**	**245**	**-100**	**24**	**-244**	**183**	**37**	**141**	**2,661**
Financial income	-	-	-	-	-	-	-	-	635	635
Financial expenses	-	-	-	-	-	-	-	-	575	575

Detailed list	Products and half-finished products: Industrial automatics	Heat engineering	Central lubrication	Hydraulic control	Laboratory equipment	Foundry	Services	Goods and materials	Non-classified items	Total
Profit before tax	**2,461**	**-86**	**245**	**-100**	**24**	**-244**	**183**	**37**	**201**	**2,721**
Income tax	-	-	-	-	-	-	-	-	415	415
Net profit	**2,461**	**-86**	**245**	**-100**	**24**	**-244**	**183**	**37**	**-214**	**2,306**
Assets, capitals and liabilities										
Assets	-	-	-	-	-	-	-	-	37,734	**37,734**
Capitals	-	-	-	-	-	-	-	-	29,347	**29,347**
Liabilities	-	-	-	-	-	-	-	-	8,387	**8,387**
Other information										
Investment expenditure for tangible fixed assets	-	-	-	-	-	-	-	-	753	**753**
Investment expenditure for intangible assets	-	-	-	-	-	-	-	-	77	**77**
Amortization of tangible fixed assets	-	-	-	-	-	-	-	-	1,742	**1,742**
Amortization of intangible assets	-	-	-	-	-	-	-	-	59	**59**
Write-offs revaluing non-financial assets	-	-	-	-	-	-	-	-	2,090	**2,090**

For the period 01/01/2011 – 30/09/2011

Detailed list	Products and half-finished products: Industrial automatics	Heat engineering	Central lubrication	Hydraulic control	Laboratory equipment	Foundry	Services	Goods and materials	Non-classified items	Total
Income										
Territory of Poland	8,838	1,672	1,384	389	699	1,682	426	197	-	15,287
Export, including:	6,228	168	5	80	9	919	30	-	-	7,439
to EU countries	5,160	151	5	-	9	919	30	-	-	6,274
to countries beyond EU	1,068	17	-	80	-	-	-	-	-	1,165
Total income	**15,066**	**1,840**	**1,389**	**469**	**708**	**2,601**	**456**	**197**	**-**	**22,726**
Expenses										
Territory of Poland	7,210	1,846	1,183	408	697	2,063	259	139	-	13,805
Export, including:	6,389	188	3	113	10	1,139	14	-	-	7,856
to EU countries	5,198	171	3	-	10	1,139	14	-	-	6,535
to countries beyond EU	1,191	17	-	113	-	-	-	-	-	1,321

Detailed list	Products and half-finished products						Services	Goods and materials	Non-classified items	Total
	Industrial automatics	Heat engineering	Central lubrication	Hydraulic control	Laboratory equipment	Foundry				
Total expenses	**13,599**	**2,034**	**1,186**	**521**	**707**	**3,202**	**273**	**139**	**-**	**21,661**
Segment's result										
Territory of Poland	1,628	-174	201	-19	2	-381	167	58	-	1,482
Export, including:	-161	-20	2	-33	-1	-220	16	-	-	-417
to EU countries	-38	-20	2	-	-1	-220	16	-	-	-261
to countries beyond EU	-123	-	-	-33	-	-	-	-	-	-156
Segment's result	**1,467**	**-194**	**203**	**-52**	**1**	**-601**	**183**	**58**	**-**	**1,065**
Other income	-	-	-	-	-	-	-	-	330	330
Other expenses	-	-	-	-	-	-	-	-	368	368
Operating activity profit (loss)	**1,467**	**-194**	**203**	**-52**	**1**	**-601**	**183**	**58**	**-38**	**1,027**
Financial income	-	-	-	-	-	-	-	-	636	636
Financial expenses	-	-	-	-	-	-	-	-	105	105
Profit before tax	**1,467**	**-194**	**203**	**-52**	**1**	**-601**	**183**	**58**	**493**	**1,558**
Income tax	-	-	-	-	-	-	-	-	330	330
Net profit	**1,467**	**-194**	**203**	**-52**	**1**	**-601**	**183**	**58**	**163**	**1,228**
Assets, capitals and liabilities										
Assets	-	-	-	-	-	-	-	-	49,348	**49,348**
Capitals	-	-	-	-	-	-	-	-	41,553	**41,553**
Liabilities	-	-	-	-	-	-	-	-	7,795	**7,795**
Other information										
Investment expenditure for tangible fixed assets	-	-	-	-	-	-	-	-	306	**306**
Investment expenditure for intangible assets	-	-	-	-	-	-	-	-	67	**67**
Amortization of tangible fixed assets	-	-	-	-	-	-	-	-	1,753	**1,753**
Amortization of intangible assets	-	-	-	-	-	-	-	-	22	**22**
Write-offs revaluing non-financial assets	-	-	-	-	-	-	-	-	2,403	**2,403**

Besides, for the needs of internal management, the financial reporting system makes it possible to identify financial results according to the territorial criterion.

Detailed list	01/01/2012 -30/09/2012	Structure	01/01/2011 -30/09/2011	Structure	Change (%) %
Total income from product sales, including:	**25,870**	**100.0%**	**22,529**	**100.0%**	**14.8%**
Territory of Poland	16,260	62.9%	15,090	67.0%	7.8%
Export, including:	9,610	37.1%	7,439	33.0%	29.2%
Intra-community delivery of goods within the EU	8,086	31.3%	6,274	27.8%	28.9%
Export beyond the European Union	1,524	5.9%	1,165	5.2%	30.8%
Net income from products, goods and materials sales, including:	**210**	**100.0%**	**197**	**100.0%**	**6.6%**
Territory of Poland	194	92.4%	197	100.0%	-1.5%
Export	16	7.6%	-	-	-

26. List of differences between the data presented in this financial statement and comparable financial data and the financial statements made and published previously.

There are no differences.

III. OTHER INFORMATION

1. Description of organisation of the issuer's group, with indication of units subject to consolidation.

The Company does not constitute a group; it is not a holding company for other entities and does not make a consolidated report.

2. Indication of the effects of changes in the economic unit's structure, including business combination, takeover or sale of units of the issuer's group, long-term investments, division, restructuring or abandonment of activities.

The Company did not make any changes in the structure; neither did any combination, takeover or sale of group's units occur. In the period discussed, no changes in long-term investments took place and the Company did not abandon any activity.

3. The Management Board's stance towards the possibility of fulfilment of the result forecasts for a given year issued previously, against the background of the results presented in the quarterly report in relation to the forecast results.

The Management Board did not issue any forecasts of "POLNA" S.A.'s results for the year 2012.

4. Indication of the shareholders holding directly or indirectly (through dependent entities) at least 5% of votes at a General Shareholders Meeting as of the day of issuing the report, along with indication of the number of shares held by those entities, their percentage share in the share capital, the resulting number of votes and their percentage share in the total number of votes at an GSM, as well as indication of changes in the ownership structure of the issuer's significant blocks of shares in the period from issuing the previous report:

According to the issuer's knowledge, the composition of shares ownership holding at least 5% of the total number of the votes at an GSM is the following:

Shareholder	Number of shares	Participation in the share capital (%)	Number of votes at GSM	Share in the total number of votes at GSM (%) (%)
Zbigniew Jakubas with subsidiaries	625,045	29.58238%	625,045	29.58238%
"POLNA" S.A. (own shares)	697,255	32.99997%	697,255	32.99997%

In the structure of significant blocks of shares there were changes in comparison with the structure made public on 31/08/2012 in the Semi-annual Report for the year 2012. Mr Zbigniew Jakubas with subsidiaries increased their share ownership (Current Report no. 45/2012 of 03/09/2012).

5. Specification of the ownership of the issuer's shares or right to the shares by the individuals managing and supervising the Issuer as of the day of issuing the quarterly report, as well as indication of changes in the ownership, within the period from issuing the previous periodical report, for each person individually.

According to the Issuer's knowledge, the individuals currently managing or supervising the Company do not hold any shares of the Company.

6. Indication of proceedings taking place before the court, a competent arbitration body or a public administration body, concerning obligations or liabilities of the Issuer or their subsidiary.

No proceedings concerning obligations or liabilities of the Company or its subsidiary of total value exceeding 10% of their equity capital are taking place before any court or public administration body.

7. Information on the issuer or their subsidiary guaranteeing a credit or loan or giving guarantee – jointly to one entity or a unit dependent on it, if the value of the warranties or guarantees is equivalent to at least 10% of the issuer's equity capital.

In the year 2012, the Company did not guarantee any credit or loan and did not give any guarantees.

8. Other information, important in the issuer's opinion for the evaluation of their personnel, property and financial condition, the financial result and changes in those data, and information important for evaluation of the issuer's capacity for performing the obligations.

In the reporting period no events occurred in the Company other than those mentioned in this report which would significantly affect the capacity of completing obligations or the evaluation of the personnel, property and financial standing and the financial result.
Financial resources of "POLNA" S.A. allow them for fulfilment of their contracted obligations. Liquidity of the company remains on the satisfactory level (at the end of the 3rd quarter of 2012, the current liquidity ratio, calculated as the relation between current assets and short-term liabilities, amounted to 3.3).

9. Indication of factors which in the issuer's opinion will influence the results achieved by the issuer in a period not shorter than the next quarter.

In the next quarter, both activities taken by the Company and macroeconomic factors are going to affect the results achieved by the Company:

- decrease of demand for the manufactured products and expected lowering of the level of income from sales (in comparison to the 1st and 2nd quarter of 2012),
- limited possibility of transferring the prices of materials and power to the final products, which may result in reduction of profitability of sales of products,
- fluctuations of currency exchange rates, which affect the level and profitability of export sales and the level of exchange rate differences,
- the result of clearance of concluded forward transactions and their measurement.