



SOFTBANK SPÓŁKA AKCYJNA

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE SOFTBANK GROUP**

FOR THE THIRD QUARTER OF 2005

**PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

All figures in PLN '000

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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These financial statements comprise 67 pages numbered from 1 to 67.

These condensed consolidated financial statements were approved by the Executive Board of Softbank SA on November 3rd 2005.

For and on behalf of the Executive Board:

Krzysztof Korba
President of the Executive Board

All figures in PLN '000

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE SOFTBANK GROUP
FOR THE THIRD QUARTER OF 2005**

FINANCIAL HIGHLIGHTS

	PLN '000		EUR '000	
	Nine months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Nine months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)
I. Sales revenue	278,715	258,875	68,678	56,017
II. Operating profit	42,141	12,667	10,384	2,741
III. Pre-tax profit/loss	35,880	2,746	8,841	594
IV. Profit/loss for reporting period, including	33,184	1,948	8,177	422
- profit attributable to the shareholders of the Parent Undertaking	32,624	3,607	8,039	780
V. Net cash provided by operating activities	(11,113)	(37,444)	(2,738)	(8,102)
VI. Net cash provided by/(used in) investing activities	13,042	(90,767)	3,214	(19,641)
VII. Net cash provided by financing activities	(14,723)	82,093	(3,628)	17,764
VIII. Balance of cash and cash equivalents at end of period	34,550	5,997	8,821	1,368
IX. Earnings (loss) per ordinary share (PLN / EUR) attributable to the shareholders of Softbank SA	1.54	0.17	0.38	0.04
X. Diluted earnings (loss) per ordinary share (PLN / EUR) attributable to the shareholders of Softbank SA	1.30	0.17	0.32	0.04

The financial highlights disclosed in these financial statements were translated into the euro in the following way:

- items of the consolidated profit and loss account and consolidated cash-flow statement were translated at the arithmetic mean of mid exchange rates published by the National Bank of Poland and in effect on the last day of each month in a given quarter. The average rates were as follows:
 - for the period from January 1st to September 30th 2005: EUR 1 = PLN 4.0583
 - for the period from January 1st to September 30th 2004: EUR 1 = PLN 4.6214
- The Group's cash and cash equivalents as at the end of this reporting period and the corresponding period of the previous year were translated at the mid exchange rates published by the National Bank of Poland on September 30th 2005 and September 30th 2004. The rates were as follows:
 - exchange rate effective on September 30th 2005 EUR 1 = PLN 3.9166
 - exchange rate effective on September 30th 2004 EUR1 = PLN 4.3832

All figures in PLN '000

GENERAL INFORMATION

SOFTBANK SA, registered office at ul. 17 Stycznia 72a, Warsaw, Poland, is the Parent Undertaking (the "Parent Undertaking", the "Company") of the Softbank Group (the "Softbank Group" the "Group").

The Company was established on January 18th 1989 as a limited liability company, and under Notarial Deed of August 31st 1993 was transformed into, and since then has been operating as, a joint-stock company with registered office at ul. 17 Stycznia 72a, Warsaw, Poland. The Company is entered in the Register of Entrepreneurs of the National Court Register under entry No. KRS 33391. Earlier, the Company had been entered into the Commercial Register maintained by the District Court of the Capital City of Warsaw, Commercial Court, XVI Commercial and Registration Division, under entry No. RHB 17220.

Since 1998, the Parent Undertaking's shares have been listed on the main market of the Warsaw Stock Exchange.

Prokom Software SA is the Parent Undertaking of the Softbank Group.

Softbank SA's business includes software and hardware consultancy and supply as well as production of software.

According to the Polish Classification of Business Activities, the Parent Undertaking's core business is "software consultancy and supply" (PKD-7220Z). This category includes analysing, developing and programming ready-to-use IT systems. According to the classification adopted by the Warsaw Stock Exchange (the "WSE"), the Parent Undertaking's business is classified as "information technology". Other undertakings of the Group conduct similar activities, with the exception of AWiM Mediabank SA, whose business includes: radio activities, public relations, promotional and publishing services. Publishing is currently being discontinued.

In addition to comprehensive IT services, the Group also sells goods, mainly computer hardware. These activities are to a large extent connected with the provision of software services.

These condensed consolidated financial statements include a description of the Softbank Group's core business by segments.

In 2005, the Group has for the first time applied the International Financial Reporting Standards (IFRS, IAS) in preparing these condensed consolidated financial statements for the current and comparable periods. Note 17 includes the description of basic differences between the data disclosed in previous years in accordance with the Polish Accountancy Act of September 29th 1994 (consolidated text, Dz.U. of 2002, No. 76, item 694, as amended) (the "Act"), and the data disclosed in accordance with International Financial Reporting Standards adopted as of January 1st 2005.

Legal Basis for and Principles Governing the Preparation of Consolidated Financial Statements

The condensed consolidated financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments and financial assets available for sale valued at their fair value.

The currency of the condensed consolidated financial statements is złoty (PLN), and all the figures are stated in thousands of złoty (PLN '000), unless stated otherwise.

These condensed consolidated financial statements were prepared on the going-concern basis. During the financial period there were no circumstances which would indicate that there is a threat to the Company and its subordinated undertakings, with the exception of Sawan Grupa Softbank SA, continuing as going concerns in the foreseeable future.

On July 1st 2005 Sawan Grupa Softbank SA and Softbank SA entered into an agreement on the sale of business, whereby Softbank SA acquired a set of tangible and intangible assets comprising the entire business of Sawan Grupa Softbank SA, as defined in Par. 55.1 of the Polish Civil Code, excluding the name Sawan Grupa Softbank SA. The selling price of the business amounted to PLN 11,800 thousand and was determined on the basis of a valuation prepared by an independent expert. As a result of the transaction, Sawan Grupa Softbank SA discontinued its operations. The resources acquired by

All figures in PLN '000

Softbank SA will continue to operate within that Company. As at the date of approval of these financial statements, no circumstances which would have a material impact on the Group's financial statements and which would contradict the assumption stated above have been reported.

Compliance Statement

Starting from January 1st 2005, under the Act, the Group is obliged to prepare consolidated financial statements in accordance with the International Accounting Standards, the International Financial Reporting Standards and the related interpretations published in the form of the European Commission regulations. Currently, given the ongoing implementation process of the IFRS standards by the EU, as well as the Group's operations, there is no difference between the IFRS applied by the Group and the IFRS adopted by the European Union.

The condensed consolidated financial statements for the nine months ended September 30th 2005 were prepared in accordance with the assumptions of the IAS 34 – "Interim Financial Reporting".

The Group adopted the IFRS as in force as at June 30th 2005 and expects that they will remain in the same shape as at December 31st 2005.

Some of the Group's undertakings maintain their accounting books in accordance with the accounting policies specified in the Polish Accountancy Act (the "Act") of September 29th 1994 and the provisions issued thereunder ("Polish Accounting Standards"). The condensed consolidated financial statements include adjustments not disclosed in the accounting books of the Group's undertakings, which were introduced to adjust the financial statements of these undertakings to the IFRS.

The accounting policy applied in preparing these condensed consolidated financial statements is presented in the semi-annual full consolidated financial statements for the six months of 2005 published on September 19th 2005. These condensed consolidated financial statements should be read together with the semi-annual full consolidated financial statements of the Softbank Group.

Composition of the Executive Board and Supervisory Board

As at September 30th 2005, the Company's Executive Board was composed of the following persons:

First name and surname	Title
Krzysztof Korba	President of the Executive Board
Robert Smułkowski	Member of the Executive Board
Piotr Jeleński	Member of the Executive Board
Przemysław Borzestowski	Member of the Executive Board
Przemysław Sęczkowski	Member of the Executive Board.

As at September 30th 2005, the Company's Supervisory Board was composed of the following persons:

First name and surname	Title
Ryszard Krauze	Chairman of the Supervisory Board
Piotr Mondalski	Member of the Supervisory Board
Stanisław Janiszewski	Member of the Supervisory Board
Maria Zagrajek	Member of the Supervisory Board
Marek Jakubik	Member of the Supervisory Board.

Major Shareholders and Significant Changes in the Ownership of Significant Blocks of Shares

The table below sets forth the shareholders who directly or through their subsidiary undertakings hold 5% or more of total vote at the General Shareholders Meeting of Softbank SA.

Major shareholders in Softbank SA according to the data available as at November 3rd 2005

All figures in PLN '000

Shareholder	Number of shares and votes at GM	% share in share capital and total vote at GM
Prokom Software SA	8,309,791	33.008%
Nihonswi AG	1,974,821	7.844%
Zbigniew Opach	1,880,432	7.470%

Currently, the share capital of Softbank SA amounts to PLN 25,174,713 and is divided into 25,174,713 ordinary shares with a par value of PLN 1 per share.

On September 20th and 21st 2005, 2,811,791 new issue Series T, U1 and U2 shares of Softbank SA, representing 11.169% of the share capital and conferring the right to 5.736% of votes at the General Shareholders Meeting of Softbank SA, were registered in Prokom Software SA's account. Following the transaction, Prokom Software SA holds 8,309,791 shares of Softbank SA. Thus, Prokom Software SA's interest in the share capital and the votes at the General Shareholders Meeting of Softbank SA has increased from 25% to 33.008%.

All figures in PLN '000

Changes in the numbers of Softbank SA shares and stock options held by the Company's managing and supervisory staff

Supervisory Board	as at Aug 8 2005	Number of shares as at Nov 3 2005
Ryszard Krauze	0	0
Stanisław Janiszewski	1,600	1,600
Piotr Mondalski	2,500	2,500
Maria Zagrajek	not a member of the Supervisory Board	0
Marek Jakubik	not a member of the Supervisory Board	0

Executive Board	as at Aug 8 2005	Number of shares as at Nov 3 2005
Krzysztof Korba	0	0
Piotr Jeleński	0	0
Robert Smułkowski	1,500	1,500
Przemysław Borzestowski	0	0
Przemysław Sęczkowski	0	0

ISSUE OF SHARES

On May 17th 2005, the General Shareholders Meeting of Softbank SA. adopted a resolution on an increase in the Company's share capital by way of an issue of new shares. Softbank SA issued 1,459,646 Series U1 shares, 1,367,854 Series U2 shares, and 1,369,701 Series T shares. The total number of shares issued by the Company was 4,224,201. Following the registration of the share capital increase by the Registry Court, the share capital of the Company comprises 25,174,713 shares with a par value of PLN 1 per share.

Series U1 shares were acquired in exchange for non-cash contributions representing 100% of shares in Koma SA. The issue price of Series U1 shares was PLN 27.8. The majority of these shares were acquired by Prokom Software SA, which held a 75% equity interest in Koma SA. The value of the Softbank SA shares delivered in exchange for Koma SA shares equalled PLN 40,578 thousand. Currently work is underway to prepare a merger of Koma SA and Softbank Serwis Sp. z o.o. On October 20th 2005, an agreement for the sale of 100% of Koma SA shares to Softbank Serwis Sp. z o.o. was signed. The two companies have a common business profile, namely computer hardware maintenance. By combining the strengths of the two enterprises, the Group aims to achieve synergies resulting in cost savings, improved operating efficiency and creation of a Regional Service Centre.

Series U2 shares were acquired in exchange for non-cash contributions representing 100% of shares in Incenti SA. The issue price of Series U2 shares amounted to PLN 27.8. All the shares were acquired by Prokom Software SA, which held a 100% equity interest in Incenti SA. The value of Softbank SA shares delivered in exchange for Incenti SA shares equalled PLN 38,026. On October 6th 2005, Softbank obtained approval from the Polish Anti-Trust and Consumer Protection Authority to assume control over Incenti SA. On October 12th 2005, Softbank SA received from Prokom Software SA global certificates of 5,000,000 shares in Incenti SA.

The subscription for Series T shares was held from June 24th 2005 to July 7th 2005. Investors placed 659 subscription orders for 3,625,238 shares. Owing to considerable oversubscription, it was necessary to reduce the orders by 92.3%. Softbank SA offered only 1,396,701 Series T shares. Their issue price was PLN 24.0. Proceeds from the issue totalled PLN 33,520, and they were applied towards the purchase of shares in Gladstone Consulting Limited of Cyprus. On October 5th 2005, Dadlaw Trustee Ltd. of Nicosia, Cyprus and Softbank SA signed an agreement for the sale of equity

All figures in PLN '000

interests in Gladstone Consulting Ltd. Under the agreement, Softbank SA agreed to acquire 510 shares representing 51% of Gladstone's share capital and total vote at its General Shareholders Meeting for USD 8,300 thousand. Softbank SA holds a call option and the seller holds a put option with respect to the remaining 490 shares in Gladstone, representing 49% of Gladstone's share capital and votes at its General Shareholders Meeting.

PERFORMANCE OF THE SOFTBANK GROUP

The Softbank Group's sales revenue in Q3 2005 stood at PLN 102,003 thousand, up by 8.1% on the corresponding period of the previous year. The rise follows chiefly from Softbank SA's higher sales to the banking sector.

Sales revenue by sector	Nine months	Three months	Nine months	Three months
	ended Sep 30 2005	ended Sep 30 2005	ended Sep 30 2004	ended Sep 30 2004
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Banking and finance	210,467	70,408	135,695	39,402
Public sector institutions	39,829	20,531	105,455	49,433
Other sectors	28,419	11,064	17,725	5,515
Total:	278,715	102,003	258,875	94,350

Sales revenue by sector (%)	Nine months	Three months	Nine months	Three months
	ended Sep 30 2005	ended Sep 30 2005	ended Sep 30 2004	ended Sep 30 2004
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	%	%	%	%
Banking and finance	75.5 %	69.0 %	52.4 %	41.8 %
Public sector institutions	14.3 %	20.1 %	40.7 %	52.4 %
Other sectors	10.2 %	10.9 %	6.9 %	5.8 %
Total:	100.0%	100.0%	100.0%	100.0%

The Softbank Group's sales revenue in Q3 2005 was mainly generated in the banking sector, which accounted for 69.0% of the total sales. The Q3 revenue from this sector amounted to PLN 70,408 thousand (up by 78.7% compared with the analogous period of the previous year). Increased sales to this sector result partly from the performance of the contract for development of the Integrated IT System (ZSI) for PKO BP SA. The Company concluded an agreement on the system implementation in August 2003. The revenue realised on the implementation in Q3 2004 was PLN 4,626 thousand, while in Q3 2005 it amounted to PLN 14,223 thousand. Softbank SA also performed a substantial part of the contract for extension of the hardware platform supporting the ZORBA-3000 System at PKO BP SA. The contract, whose value amounts to PLN 37.7m, was executed in August 2005. In addition, Softbank SA continued the implementation and modification work on other systems implemented at PKO BP, such as CEZAR, or KONTAKT (previously Netbank).

In the public administration sector, the Softbank Group generated sales revenue of PLN 20,531 thousand in Q3 2005 (down by 58.5% year on year). The low sales figure compared with the previous year are attributable to the high base, that is exceptionally high sales to the sector in the previous year. In Q3 2004 Softbank SA performed a contract for Polska Wytwórnia Papierów Wartościowych (Polish Securities Printing House) related to the implementation of the Central System for Personalisation of Vehicle Registration Cards, worth PLN 27.7m, and a contract with the Social Security Authority (ZUS) for delivery of infrastructure, worth PLN 19.7m.

All figures in PLN '000

The Q3 2005 sales revenue from the public administration sector was generated mainly on the implementation of an IT system of the Central Register of Vehicles and Drivers (CEPiK).

In addition, in Q3 2005 the Softbank Group continued performance of smaller contracts concluded with customers from the public sector, including the Social Security Authority (ZUS), Agency for Restructuring and Modernisation of Agriculture and the Supreme Chamber of Control.

Consolidated financial results of the Softbank Group	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005 (unaudited)	Sep 30 2005 (unaudited)	Sep 30 2004 (unaudited)	Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Sales revenue	278,715	102,003	258,875	94,350
Gross profit on sales	72,392	36,211	69,944	26,438
Operating profit	42,141	19,854	12,667	11,661
Net profit (loss) attributable to the shareholders of Softbank SA	32,624	13,553	3,607	3,267

Key profitability ratios of the Softbank Group [%]	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005 (unaudited)	Sep 30 2005 (unaudited)	Sep 30 2004 (unaudited)	Sep 30 2004 (unaudited)
	%	%	%	%
Gross sales margin	26.0 %	35.5 %	27.0 %	28.0 %
Operating margin	15.1 %	19.5 %	4.9 %	12.4 %
Net margin	11.7 %	13.3 %	1.4 %	3.5 %

In Q3 2005, the Softbank Group's gross profit on sales rose by 37.0% year on year, which was attributable to an increase in gross margin from 28.0% to 35.5%. The Softbank Group generated higher margins on sales of products and services (up by 9 pp) and goods for resale and materials (up by 8 pp). High gross profitability and an insignificant (ca. 5.0%) rise in selling costs and general and administrative expenses contributed to a 95.5% growth of the profit on sales to PLN 21,588 thousand. The Q3 2005 operating profit amounted to PLN 19,854 thousand, i.e. it went up by 70.3% compared with Q3 2004.

Pre-tax profit earned by the Softbank Group was PLN 4,535 thousand lower than operating profit, due to negative balance on financial activities. Despite hedging against currency risk through entering into forward contracts, each change of the IT contract execution schedules (e.g. schedules for CEPiK or ZSI projects) adversely affect efficiency of the hedges. Furthermore, the weakening of the euro and the dollar as well as the reduction of interest rates in Q3 2005 had a slight adverse effect on the Softbank Group's results.

In Q3 2005, the Softbank Group's net profit (attributable to the shareholders of Softbank SA) amounted to PLN 13,553 thousand, and was nearly four times higher than in the corresponding period of 2004. This impressive result followed from high profitability of sales and pre-tax profit.

All figures in PLN '000

Key factors with a bearing on the Group's performance in Q3 2005

Key factors with a bearing on the profit/(loss) on core business:

- **Increase/(decrease) in profitability of the executed long-term IT contracts increased the profit/(loss) on core business by PLN 6,257 thousand;**

Key factors with a bearing on the profit/(loss) on other operating activities:

- **Decrease/(increase) in valuation allowances for receivables of PLN (1,676) thousand decreased the operating profit/(loss);**
- **Decrease/(increase) in valuation allowances for goods in warehouses of PLN (166) thousand decreased the operating profit/(loss).**

Key factors with a bearing on the profit/ (loss) on financing activities:

- **Proceeds from the performance of forward contracts for the purchase/sale of the euro and U.S. dollars, totalling PLN 6,501 thousand, increased the profit/ (loss) on financing activities;**
- **Gains on the change in the fair value of the executed forward contracts for the purchase/sale of the euro and U.S. dollars, totalling PLN 9,965 thousand, increased the profit/ (loss) on financing activities;**
- **Losses on the change in the fair value of embedded derivatives of PLN (19,788) thousand decreased the profit/ (loss) on financing activities;**
- **Excess of foreign exchange losses over foreign exchange gains of PLN (2,753) thousand decreased the profit/ (loss) on financing activities;**

Key factors with a bearing on the net profit:

- **Decrease in deferred tax assets reduced net profit by PLN (1,186) thousand.**

All figures in PLN '000

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT OF THE SOFTBANK GROUP

	Note	Nine months ended Sep 30 2005 (unaudited) PLN '000	Three months ended Sep 30 2005 (unaudited) PLN '000	Nine months ended Sep 30 2004 (unaudited) PLN '000	Three months ended Sep 30 2004 (unaudited) PLN '000
	Supplementary Information				
Operating activities					
Sales revenue		278,715	102,003	258,875	94,350
Revenue on sales of products and services	1	118,215	41,653	115,743	41,258
Revenue on sales of goods for resale and materials	1	160,500	60,350	143,132	53,092
Cost of sales		(206,323)	(65,792)	(188,931)	(67,912)
Cost of products and services sold (-)	2	(72,069)	(20,188)	(70,681)	(23,652)
Cost of goods for resale and materials sold (-)	2	(134,254)	(45,604)	(118,250)	(44,260)
Gross profit (loss) on sales		72,392	36,211	69,944	26,438
Selling costs (-)	2	(9,730)	(3,422)	(9,533)	(3,051)
General and administrative expenses (-)	2	(30,677)	(11,201)	(41,553)	(12,345)
Net profit (loss) on sales		31,985	21,588	18,858	11,042
Other operating income	3	13,202	326	5,490	3,059
Other operating expenses (-)	3	(3,046)	(2,060)	(11,681)	(2,440)
Operating profit (loss)		42,141	19,854	12,667	11,661
Other activities					
Financial income	4	45,078	19,380	12,044	3,686
Financial expenses (-)	4	(51,339)	(23,915)	(21,965)	(13,489)
Pre-tax profit/(loss)		35,880	15,319	2,746	1,858
Corporate income tax (current and deferred)		2,547	1,587	624	205
Net profit/(loss) before extraordinary items		33,333	13,732	2,122	1,653
Discontinued operations					
Loss on discontinued operations for financial year	5	(149)	(34)	(174)	(63)
Net profit/(loss) for reporting period		33,184	13,698	1,948	1,590
Attributable to:		33,184	13,698	1,948	1,590
Shareholders of the Parent Undertaking		32,624	13,553	3,607	3,267
Minority interests		560	145	(1,659)	(1,677)
Consolidated earnings per share attributable to the shareholders of Softbank SA (in PLN)					
Basic earnings per share, based on consolidated net profit/(loss) on continued operations for the reporting period, attributable to shareholders of Softbank SA (in PLN)		1.54	0.64	0.17	0.16
Diluted earnings per share, based on consolidated net profit/(loss) on continued operations for the reporting period, attributable to shareholders of Softbank SA (in PLN)		1.30	0.54	0.17	0.16

All figures in PLN '000

CONDENSED CONSOLIDATED BALANCE SHEET OF THE SOFTBANK GROUP

	Note	Sep 30 2005 (unaudited)	Dec 31 2004 (unaudited)
	Supplementary Information	PLN '000	PLN '000
ASSETS			
Non-current assets		266,602	240,631
Property, plant and equipment		29,003	29,196
Investment property		0	1,666
Intangible assets		5,416	5,989
Consolidation goodwill		24,049	25,077
Non-current financial assets available for sale	Ⓒ	78,045	65,945
Non-current financial assets held to maturity	Ⓒ	659	0
Non-current financial assets valued at fair value in the profit or loss account	Ⓒ	37,327	29,291
Non-current receivables		64,363	54,840
Non-current deferred tax assets		16,357	20,226
Non-current prepayments and accrued income		11,383	8,401
Current assets		256,161	289,748
Inventory		24,029	19,636
Prepayments and accrued income		11,900	10,641
Trade receivables		74,807	120,005
Receivables from the state budget		779	402
Receivables under corporate income tax		611	20
Other receivables		70,062	42,259
Financial assets held to maturity	Ⓒ	7,226	15,072
Financial assets valued at fair value through profit or loss	Ⓒ	32,197	34,369
Cash and short-term deposits		34,550	47,344
Non-current assets classified as held for sale	Ⓔ	1,675	19
TOTAL ASSETS		524,438	530,398

All figures in PLN '000

**CONDENSED CONSOLIDATED BALANCE SHEET OF THE SOFTBANK GROUP
(continued)**

	Note	Sep 30 2005 (unaudited)	Dec 31 2004 (unaudited)
	Supplementary Information	PLN '000	PLN '000
EQUITY AND LIABILITIES			
Equity (attributable to the shareholders of the Parent Undertaking)		250,671	137,242
Share capital		25,175	20,951
Share premium		250,018	145,088
Called up share capital not paid		(38,026)	0
Unrealised net profit		16,504	6,827
Other capital		801	801
Retained earnings/ (deficit)		(36,425)	(36,870)
Profit/loss for reporting period attributable to the shareholders of Softbank SA		32 624	445
Minority interests		2,576	3,497
Total equity		253,247	140,739
Non-current liabilities			
Non-current provisions		170	355
Non-current financial liabilities	g	85,937	76,397
Non-current deferred income		14,438	9,919
Other non-current liabilities		4,843	0
Current liabilities		165,657	302,920
Interest-bearing bank loans, borrowings and debt securities	g	37,246	84,075
Trade payables		50,634	124,854
Liabilities towards the state budget		3,361	10,707
Financial liabilities	g	15,145	14,378
Other liabilities		35,093	42,528
Provisions		855	8,022
Accrued expenses		10,779	8,632
Deferred income		12,544	9,724
Liabilities directly related to assets classified as held for sale	h	146	68
TOTAL LIABILITIES		271,191	389,659
TOTAL EQUITY AND LIABILITIES		524,438	530,398

All figures in PLN '000

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY OF THE SOFTBANK GROUPFor nine months ended September 30th 2005 (unaudited)
and nine months ended September 30th 2004 (unaudited)

	Share capital	Share premium	Called up share capital not paid	Unrealised net profit on financial assets available for sale	Other capital	Retained earnings/(deficit)	Total	Minority interests	Total equity
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
As at Jan 1 2004	20,951	145,088	0	0	801	(36,870)	129,970	5,989	135,959
Net gain on financial assets available for sale				9,801			9,801	0	9,801
Profit/(loss) for the period Jan 1–Sep 30 2004						3,607	3,607	(1,659)	1,948
Changes in Group structure							0	(618)	(618)
As at Sep 30 2004	20,951	145,088	0	9,801	801	(33,263)	143,378	3,712	147,090
As at Jan 1 2005	20,951	145,088	0	6,827	801	(36,425)	137,242	3,497	140,739
Net gain on financial assets available for sale				9,677			9,677	0	9,677
Profit/(loss) for the period Jan 1–Sep 30 2005						32,624	32,624	560	33,184
Changes in the Group structure							0	(1,481)	(1,481)
Issue of share capital	4,224	104,930	(38,026)				71,128		71,128
As at Sep 30 2005	25,175	250,018	(38,026)	16,504	801	(3,801)	250,671	2,576	253,247

All figures in PLN '000

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT OF THE SOFTBANK GROUP

	Nine months ended Sep 30 2005 (unaudited) PLN '000	Nine months ended Sep 30 2004 (unaudited) PLN '000
Cash flows from operating activities		
Pre-tax profit/(loss)	35,731	2,572
Adjustments:	(40,513)	(37,979)
Depreciation and amortisation	6,587	8,557
Change in inventory	(4,393)	(19,780)
Change in receivables	24,440	(15,815)
Change in liabilities	(83,528)	(13,612)
Change in accruals and deferrals	5,235	(6,625)
Change in provisions	(7,352)	2,067
Interest income and expense	2,385	350
Foreign exchange gains (losses)	5,126	13,578
Profit (loss) on investment activities	9,392	1,813
Other	1,595	(8,512)
Net cash provided by operating activities	(4,782)	(35,407)
Interest paid	(4,909)	(1,378)
Income tax paid	(1,422)	(659)
Net cash provided by/ (used in) operating activities	(11,113)	(37,444)
Cash flows from investing activities		
Disposal of property, plant and equipment	256	304
Repayment of financial assets held to maturity	5,968	6,002
Acquisition of property, plant and equipment	(3,088)	(4,943)
Acquisition of intangible assets	(1,546)	(1,767)
Acquisition of financial assets available for sale	0	(56,870)
Acquisition of financial assets held to maturity	(253)	(32,064)
Acquisition of financial assets held for trading	(15,300)	0
Acquisition of other financial assets	(3,000)	0
Acquisition of subsidiary and associated undertakings	(1,281)	(1,306)
Cash of undertakings contributed as contribution in kind	13,521	0
Interest received	1,282	56
Dividends received	657	0
Other	476	(179)
Cash provided by forward transactions	15,350	0
Net cash provided by/(used in) investing activities	13,042	(90,767)
Cash flows from financing activities		
Proceeds from issue of shares	30,581	0
Repayment of financed lease liabilities	(49)	(188)
Incurred loans and borrowings	3,654	56,810
Repayment of loans and borrowings	(22,963)	(5,845)
Repayment of liabilities under issue of debt securities	(25,946)	0
Issue of debt securities	0	31,296
Other	0	20
Net cash provided by/(used in) financing activities	(14,723)	82,093
Net decrease in cash and cash equivalents	(12,794)	(46,118)
Cash and cash equivalents as at January 1st	47,344	52,115
Cash and cash equivalents as at September 30th	34,550	5,997

All figures in PLN '000

INFORMATION ON BUSINESS SEGMENTS OF THE SOFTBANK GROUP

For current period – nine months of 2005 and as at September 30th 2005	Continued operations			Discontinued operations	Total operations
	Implementation Projects	Media	Total	Publishing	
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Revenues					
for period January 1st to September 30th 2005					
External sales	289,988	3,915	293,903	347	294,250
Intersegment sales	(15,179)	(9)	(15,188)	0	(15,188)
Total segment's revenue	274,809	3,906	278,715	347	279,062
Result					
Segment's result	34,276	(1,823)	32,453	(149)	32,304
Non-allocated costs	(468)	0	(468)	0	(468)
Profit on continued operations before tax and financial expenses	43,936	(1,795)	42,141	(149)	41,992
Net financial expenses	(6,233)	(28)	(6,261)	0	(6,261)
Profit before tax and minority interests	37,703	(1,823)	35,880	(149)	35,731
Income tax (tax expense)	2,547	0	2,547	0	2,547
Net profit/(loss) for financial year	35,156	(1,823)	33,333	(149)	33,184
as at September 30th 2005					
Assets and equity and liabilities					
Segment's assets	522,674	1,746	524,420	18	524,438
Segment's equity and liabilities	523,056	1,236	524,292	146	524,438
Other information on the segment					
for period January 1st to September 30th 2005					
Capital expenditure	(4,544)	(90)	(4,634)	0	(4,634)
Depreciation	(6,369)	(218)	(6,587)	0	(6,587)

All figures in PLN '000

**INFORMATION ON BUSINESS SEGMENTS OF THE SOFTBANK GROUP
(continued)**

For previous period – nine months of 2004 and as at December 31st 2004	Continued operations			Discontinued operations	Total operations
	Implementation Projects	Media	Total	Publishing	
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Revenues					
For period January 1st to September 30th 2004					
External sales	277,412	2,233	279,645	606	280,251
Intersegment sales	(20,750)	(20)	(20,770)	0	(20,770)
Total segment's revenue	256,662	2,213	258,875	606	259,481
Result					
Segment's result	22,518	(3,348)	19,170	(174)	18,996
Non-allocated costs	(312)	0	(312)	0	(312)
Profit on continued operations before tax and financial expenses and income	16,047	(3,380)	12,667	(174)	12,493
Net financial expenses and income	(9,865)	(56)	(9,921)	0	(9,921)
Profit before tax and minority interests	6,182	(3,436)	2,746	(174)	2,572
Income tax (tax expense)	624	0	624	0	624
Net loss for financial year as at December 31st 2004	5,558	(3,436)	2,122	(174)	1,948
Assets and equity and liabilities					
Segment's assets	528,761	1,618	530,379	19	530,398
Segment's equity and liabilities	530,875	(545)	530,330	68	530,398
Other information on the segment for the period January 1st to September 30th 2004					
Capital expenditure	(6,686)	(24)	(6,710)	0	(6,710)
Depreciation and valuation allowance for non-current assets	(6,686)	(24)	(6,710)	0	(6,710)

In the current reporting period and in the corresponding period of the previous year, the Softbank Group generated 99% of its sales revenue on the Polish market, with exports accounting for only a marginal part of the Group's turnover. Therefore, there is no need to present the division of the Group's activities by geographical regions.

An industry segment is a separate area of business within which the Company distributes its products and provides its services, or groups of related products or services, and which is characterised by different degree of risk and different rates of return on capital expenditure than those inherent for other industry segments. The products and services are classified as related products and services based on their type.

The Group's activities by industry segment are as follows:

IT consulting services and provision of software and hardware:

- software provided under own and other companies' licences,
- implementation of own products and third-party software,
- maintenance of own and third-party software and hardware,
- hardware.

Advisory, publishing and media services:

- graphic design, printing, etc.
- management of a radio station.

The Softbank Group classifies its activities into specific industry sectors based on their type.

All figures in PLN '000

Notes to the Condensed Consolidated Financial Statements of the Softbank Group

1. Sales Revenue

Revenue on sales of products and services	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Software and own licences	57,593	22,162	40,420	11,744
Maintenance	42,288	15,982	55,512	24,483
Consultancy	9,587	3,319	3,872	1,216
Other services	8,747	190	15,939	3,815
Total	118,215	41,653	115,743	41,258

Revenue on sales of goods for resale and materials	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Hardware	46,583	36,508	81,730	31,438
Software and licences	66,529	6,514	39,771	14,015
Maintenance	34,463	14,055	17,097	4,732
Consultancy	5,988	3,018	2,413	2,263
Other services	6,937	255	2,121	644
Total	160,500	60,350	143,132	53,092

The sales of own software and licences had the largest share in the Group's revenue on sales of products and services in Q3 2005 (53.2%). The higher sales of software and own licences (88.7% year on year) result from the implementation of an IT system at the Central Register of Vehicles and Drivers (CEPiK) and the Integrated IT System at PKO BP SA.

The largest items in the Group's revenue on sales of goods for resale and materials in Q3 2005 were sales of hardware (60.5%). This is attributable to the execution of a contract with PKO BP SA for extension of the hardware platform supporting the ZORBA-3000 System. The contract, whose value amounts to PLN 37.7m, was executed in August 2005.

All figures in PLN '000

2. Operating Expenses

	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Cost of goods for resale and materials sold (-)	(134,254)	(45,604)	(118,250)	(44,260)
Raw materials and energy used (-)	(7,126)	(2,332)	(7,595)	(3,849)
Contracted services (-)	(23,318)	(9,459)	(26,444)	(10,154)
Salaries and wages (-)	(62,763)	(21,644)	(63,118)	(17,983)
Employee benefits (-)	(9,717)	(2,560)	(9,453)	(2,383)
Depreciation and amortisation (-)	(6,587)	(2,239)	(8,557)	(2,732)
Taxes and charges (-)	(834)	(358)	(760)	(265)
Business trips (-)	(1,635)	(472)	(1,969)	(586)
Other (-)	792	5,187	(2,711)	(774)
Total	(245,442)	(79,481)	(238,857)	(82,986)
Change in inventories, work in progress and prepayments and accrued income	1,300	946	1,626	322
Cost of products for own needs (-)	(12)	(12)	(466)	0
Selling costs (-)	(9,730)	(3,422)	(9,533)	(3,051)
General and administrative expenses (-)	(30,677)	(11,201)	(41,553)	(12,345)
Cost of products sold (-)	(72,069)	(20,188)	(70,681)	(23,652)
Total	(111,188)	(33,877)	(120,607)	(38,726)

On the basis of current estimates, the Softbank Group recognised significant changes in the profitability of performed long-term IT contracts in Q3 2005. Therefore, it created and reversed a provision for additional cost of performance of the contracts, which decreased the cost of products sold by PLN 6,257 thousand.

3. Other Operating Income and Expenses

Other operating income	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Gain on sales of property, plant and equipment	201	59	328	136
Reversal of valuation allowances for inventories	56	16	38	38
Reversal of valuation allowances for trade receivables	372	29	1,120	1,036
Provisions for liabilities	500	91	3,099	1,736
Compensation received	93	41	102	0
Other	644	85	773	106
Reinvoicing	42	5	30	7
Refund of overpaid withholding tax	11,294	0	0	0
Total other operating income	13,202	326	5,490	3,059

All figures in PLN '000

Other operating expenses	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Loss on sales of property, plant and equipment (-)	(25)	(14)	(9)	0
Donations to unrelated undertakings (-)	(56)	(16)	(108)	(6)
Valuation allowances for inventories and prepayments	(451)	(182)	(698)	(698)
Valuation allowances for receivables (-)	(1,913)	(1,705)	(1,185)	(400)
Provisions for tax arrears (-)	0	0	(584)	0
Valuation allowances for intangible assets (-)	0	0	(2,729)	(503)
Other provisions, including:	(127)	(53)	(5,462)	(584)
Provisions for liabilities (-)	(127)	(53)	(735)	(584)
Restructuring provision (-)	0	0	(4,727)	0
Other operating expenses (-)	(474)	(90)	(893)	(249)
Reinvoicing (-)	0	0	(13)	0
Total other operating expenses	(3,046)	(2,060)	(11,681)	(2,440)

In Q3 2005, the Group increased the balance of valuation allowances for receivables by PLN 1,676 thousand, and this amount reduced other operating profit/(loss). The allowances were established as settlement of the receivables became uncertain.

Based on tax analyses, in Q2 2005 Softbank SA disclosed under other operating income the due tax refund of PLN 8,105 thousand in connection with withholding tax payable on income of legal persons with registered offices or management outside Poland for 1998–2002 and interest on the tax arrears. The tax was refunded in full in Q3 2005.

4. Financial Income and Expenses

Financial income	Nine months ended Sep 30 2005 (unaudited)	Three months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Three months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Interest income on loans advanced, debt securities and bank deposits	1,380	674	4,313	215
Other interest income	7,702	2,239	21	14
Foreign exchange gains	616	0	345	312
Dividend received from unrelated undertakings	811	0	0	0
Gains on sale of equity investments in related undertakings	399	0	635	0
Gains on changes in the value of equity investments	46	0	9	0
Other financial income	600	0	803	491
Total financial income (at historical value)	11,554	2,913	6,126	1,032
Gains on change in fair value of embedded currency derivatives	8,209	1	4,744	1,480
Gains on exercise of currency derivatives	15,350	6,501	1,174	1,174
Gains on change in fair value of currency derivatives	9,965	9,965	0	0
Total financial income	45,078	19,380	12,044	3,686

All figures in PLN '000

Financial expenses	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005 (unaudited)	Sep 30 2005 (unaudited)	Sep 30 2004 (unaudited)	Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Interest expense on bank loans and current account loans (-)	(1,850)	(272)	(925)	(247)
Other interest expenses (-)	(1,127)	(537)	(128)	(11)
Interest on short-term commercial paper (-)	(2,099)	(557)	(580)	(580)
Bank fees and commissions (-)	(29)	(7)	(8)	0
Foreign exchange losses (-)	(5,806)	(2,753)	(458)	(236)
Losses on sale of equity investments in related undertakings	0	0	(32)	0
Losses on decrease in value of equity investment	(144)	0	(2,820)	0
Cost of financed lease and lease agreements with purchase option (-)	(7)	0	(13)	(13)
Valuation allowance for SoftTechnologies Sp. z o.o.	(300)	0	0	0
Other financial expenses (-)	(228)	0	(666)	(646)
Total financial expenses (at historical cost)	(11,590)	(4,126)	(5,630)	(1,733)
Losses on changes in fair value of embedded currency derivatives (-)	(20,357)	(19,789)	(16,335)	(11,756)
Losses on changes in fair value of currency derivatives (-)	(19,392)	0	0	0
Total financial expenses	(51,339)	(23,915)	(21,965)	(13,489)

As in the analogous period in 2004, in Q3 2005 the Group held a number of concluded forward contracts for the purchase or sale of the euro and the U.S. dollar. As at September 30th 2005, fair value of these (current and non-current) financial assets was PLN 53,657 thousand, while as at December 31st 2004 it was PLN 63,085 thousand. In Q3 2005 the valuation of the forward contracts increased the Group's financial income by PLN 9,965 thousand; as at September 30th 2004, the Group held no open forward contracts.

As at September 30th 2005 and in the analogous period in 2004, the Group held a number of embedded derivatives under concluded trade agreements denominated in the euro and the U.S. dollar. As at September 30th 2005, the value of (current and non-current) liabilities thereunder amounted to PLN 101,082 thousand, while as at the December 31st 2004 – to PLN 90,333 thousand. In Q3 2005 the valuation of embedded derivatives increased the financial expenses by PLN 19,789 thousand, while the financial income grew by PLN 1 thousand. In Q3 2004 the valuation of financial derivatives denominated in foreign currencies increased the financial expenses by PLN 16,335 thousand, while the financial income grew by PLN 1,480 thousand.

In Q3 2005 the embedded currency derivatives reduced the Group's net result by PLN 19,788 thousand, while in Q3 2004 – by PLN 10,276 thousand.

5. Discontinued Operations

Consolidated profit and loss account	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005 (unaudited)	Sep 30 2005 (unaudited)	Sep 30 2004 (unaudited)	Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Income	347	36	606	12
Expenses	(496)	(70)	(780)	(75)
Gross loss	(149)	(34)	(174)	(63)

All figures in PLN '000

Pre-tax loss on discontinued operations	(149)	(34)	(174)	(63)
Net loss attributable to discontinued operations	(149)	(34)	(174)	(63)

Consolidated balance sheet

	Sep 30 2005 (unaudited)	Dec 31 2004 (unaudited)
	PLN '000	PLN '000
Property, plant and equipment	0	4
Trade receivables	18	15
Assets classified as held for sale (discontinued operations)	18	19
Trade payables	55	17
Other liabilities	91	51
Liabilities directly related to assets classified as held for sale (discontinued operations)	146	68
Net liabilities attributable to discontinued operations	128	49

Consolidated cash-flow statement

	Nine months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)
	PLN '000	PLN '000
Net cash flows from operating activities	(149)	(174)
Net cash provided by/(used in) operating activities	(149)	(174)

In 2004, the management of the Group decided to discontinue publishing activities conducted by Mediabank SA, by executing relevant agreement on the sale of titles and other rights related to the publishing of magazines.

However, the Group did not receive any payment for the assets and consequently the transaction was cancelled. Currently, the management of the Softbank Group are actively searching for a buyer for these assets.

Non-current assets classified as held for sale

	Sep 30 2005 (unaudited)	Dec 31 2004 (unaudited)
	PLN '000	PLN '000
Investment property	1,657	0
Total	1,657	0

As at June 30th 2005, the Group's management decided to dispose of investment in the perpetual usufruct right to land, thus performing the agreement on the purchase of shares in Sawan Grupa Softbank SA which provided for two settlement options: payment of PLN 1,700 thousand or transfer of the above perpetual usufruct right to land.

As at June 30th 2005, the net balance-sheet value of the investment was reclassified from non-current assets to current assets as non-current assets held for sale.

All figures in PLN '000

6. Financial Instruments**a. Non-Current Financial Assets Available for Sale**

	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
In unrelated undertakings		
Shares in Asseco Poland SA	78,045	65,945

In 2004, the Group's Parent Undertaking acquired 605 thousand shares in Asseco Poland SA (formerly Comp Rzeszów SA), conferring the right to 17.54% of votes at the General Shareholders Meeting and to the same percentage of the share capital. This share does not give the Parent Undertaking the status of a major investor in Comp Rzeszów SA, therefore this company is not considered a related undertaking.

The shares of Asseco Poland SA are listed on the Warsaw Stock Exchange and are valued at fair value. The difference between their acquisition cost and present value is disclosed directly under equity. In 2004, the acquisition cost of the abovementioned assets was PLN 57,518 thousand, and their fair value as at September 30th 2005 amounted to PLN 78,045 thousand, and as at December 31st 2004 – to PLN 65,945 thousand.

The classification of this investment follows from the plan to increase the equity interest in the company, which would enable Softbank SA to become the company's major investor. As part of this plan, on September 10th 2005, Softbank SA and Adam Góral (President of the Executive Board of Asseco Poland SA) concluded an agreement for purchase of shares and pre-emptive rights to shares in Asseco Poland SA. As a result of the transaction, Softbank SA now holds 843,841 shares in Asseco Poland SA, which represent 21.92% of the company's share capital and the same proportion of the total vote at the General Shareholders Meeting; thereby, Softbank SA became a major shareholder in Asseco Poland SA.

b. Non-Current Financial Assets Held to Maturity

	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
In unrelated undertakings		
Bonds	659	0

c. Current Financial Assets Held to Maturity

	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
In unrelated undertakings		
Bonds	7,226	15,072

Short- and long-term corporate bonds and state treasury bonds of high liquidity were an alternative for keeping free cash in bank deposits. As at September 30th 2005, all the bonds served as security for

All figures in PLN '000

guarantees (performance bonds and tender guarantee deposits) issued by the bank maintaining the Parent Undertaking's account. As at December 31st 2004, the bonds served as security for bank guarantees of up to PLN 8,500 thousand.

The bonds are carried at amortised cost.

d. Current and Non-Current Financial Assets Carried at Fair Value

	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
Non-current	37,327	29,291
Forward contracts for purchase of EUR and USD	37,327	29,291
Current	32,197	34,369
Forward contracts for purchase of EUR and USD	16,330	33,794
Shares in open-end investment fund TFI Warta	15,437	0
Shares in Invar Biuro&Systems SA	430	575
Total	69,524	63,660

As at September 30th 2005, the Group's Parent Undertaking concluded several forward transactions for the purchase and sale of foreign currencies – the euro and U.S. dollars. These instruments are carried at their fair value as at each balance-sheet date. As at September 30th 2005, the above assets were valued at PLN 53,657 thousand, which increased the income/expenses by PLN 9,965 thousand in Q3 2005. As at December 31st 2004, the forward transactions were valued at PLN 63,085 thousand.

In Q3 2005, the Group acquired participation units in TFI Warta, an open-end investment fund; the units are listed on the Warsaw Stock Exchange. TFI Warta invests in securities issued or guaranteed by the State Treasury or the National Bank of Poland and securities admitted to trading on a regulated market on the territory of Poland or a foreign regulated market. Furthermore, the fund may invest in securities admitted to public trading, purchased on a primary market or acquired in initial public offerings, as well as in other securities and monetary claims with maturities not exceeding one year.

As at September 30th 2005, the fair value of the placements amounted to PLN 15,437 thousand.

e. Current and Non-Current Financial Liabilities

Non-current financial liabilities	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
Financial instruments embedded in trade contracts	85,937	76,212
Agreements on financed lease of property, plant and equipment	0	185
Total	85,937	76,397
Current financial liabilities	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
Financial instruments embedded in trade contracts	15,145	14,121

All figures in PLN '000

Agreements on financed lease of non-current assets	0	257
Total	15,145	14,378

As at September 30th 2005, the Group held a number of embedded currency derivatives. They were mainly derived from the denomination of payments under the concluded trade agreements in the euro or U.S. dollar. As at September 30th 2005, the liabilities stood at PLN 101,082 thousand, and increased the financial expenses by PLN 19,789 thousand in Q3 2005, with a simultaneous increase in the financial income by PLN 1 thousand. As at December 31st 2004, the liabilities under the embedded derivatives were PLN 90,333 thousand.

All figures in PLN '000

f. Short-Term Interest-Bearing Bank Loans and Securities in Issue							
Current account loans:	Undertaking	Maximum debt as at Sep 30 2005	Maximum debt as at Dec 31 2004	Effective interest rate %	Maturity date	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
Term loan facility	NORD LB	15,000	0	1M WIBOR + margin	May 31 2006	15,000	0
Current account loan	ING Bank Śląski SA	10,000	10,000	1M WIBOR + margin	not specified	0	0
Current account loan	PKO BP SA	5,000	5,000	1M WIBOR + margin	Jul 31 2006	0	0
Current account loan	BPH SA	50,000	10,000	1M WIBOR + margin	Jun 30 2006	3,652	0
Current account loan	NORD LB	20,000	0	1M WIBOR + margin	May 31 2006	0	0
Current account loan	Raiffeisen Bank Polska SA	10,000	10,000	1M WIBOR + margin	Oct 28 2005	944	0
Current account loan	BPH-PBK SA Kraków	2,000	2,000	1M WIBOR + margin	May 31 2005	0	1,805
Current account loan	Bank Millennium	2,100	2,100	1M WIBOR + margin	Sep 9 2005	0	0
Current account loan	Bank Millennium	800	800	1M WIBOR + margin	Jan 31 2006	0	0
TOTAL		114,900	39,900			19,596	1,805
Other loans:							
Investment loan	BRE BANK	900	900	1M WIBOR + margin	Dec 31 2005	75	300
Loan for the purchase of shares in COMP Rzeszów SA	BPH SA	0	50,000	1M WIBOR + margin	Jun 14 2005	0	36,870
TOTAL		900	50,900			75	37,170

As at September 30th 2005, the Group held credit facilities in current accounts, under which the available financing amounted to approx. PLN 114,900 thousand. As at the end of the reporting period, the Group had drawn PLN 19,596 thousand. As at the end of the previous year the financing available under credit facilities was PLN 39,900 thousand, and the liabilities thereunder stood at PLN 1,805 thousand.

All figures in PLN '000

e. Short-Term Interest-Bearing Bank Loans and Securities in Issue (continued)

Debt securities:	Par value as at Sep 30 2005	Par value as at Dec 31 2004	Effective interest rate %	Maturity date	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
Bonds	0	4,000	7.00 %	Jan 10 2005	0	3,992
Bonds	0	12,000	6.90 %	Jan 10 2005	0	11,977
Bonds	0	12,500	6.95 %	Feb 10 2005	0	12,400
Bonds	0	1,500	7.00 %	Mar 9 2005	0	1,480
Bonds	0	5,000	7.75 %	Apr 20 2005	0	4,883
Bonds	7,000	7,000	8.23 %	Sep 9 2005	0	6,613
Bonds	4,000	4,000	7.79 %	Dec 6 2005	3,942	3,722
Bonds	5,000	0	6.60 %	Mar 20 2006	4,846	0
Bonds	5,000	0	7.45 %	Feb 1 2006	4,873	0
Bonds	4,000	0	6.35 %	Mar 20 2006	3,881	0
TOTAL	25,000	46,000			17,542	45,067

As at September 30th 2005, the Softbank Group's total debt under contracted loans and debt securities in issue stood at PLN 37,213 thousand, which means a decrease compared with the level as at December 31st 2004 (PLN 84,042 thousand).

Both in the reporting period and in 2004, the margin realised by the Softbank Group's lenders ranged from 0.8% to 3%. [koniec JART1]

All figures in PLN '000

7. Transactions with Related Undertakings

Name	Softbank Group's sales to related undertakings for				Softbank Group's purchases from related undertakings for			
	nine months ended	three months ended	nine months ended	three months ended	nine months ended	three months ended	nine months ended	three months ended
	Sep 30 2005 PLN '000	Sep 30 2005 PLN '000	Sep 30 2004 PLN '000	Sep 30 2004 PLN '000	Sep 30 2005 PLN '000	Sep 30 2005 PLN '000	Sep 30 2004 PLN '000	Sep 30 2004 PLN '000
Transactions with associated undertakings								
NetPower SA	4	2	4	0	0	0	0	0
Transactions with Parent Undertaking								
Prokom Software SA	4,070	2,268	1,095	352	19,394	16,990	63,878	28,280
Transactions with subsidiary undertakings of Prokom Software SA								
ABG – Ster Projekt SA	0	0	0	0	312	312	0	0
Combidata Poland Sp. z o.o.	0	0	0	0	121	44	0	0
Incenti SA	0	0	10	3	0	0	0	0
Koma Nord Sp. z o.o.*	0	0	0	0	2	0	0	0
Koma SA*	0	0	20	18	74	0	0	0
MCCnet Sp. z o.o.*	0	0	0	0	1	0	0	0
Optix Polska Sp. z o.o.	0	0	0	0	0	0	608	608
Safe Computing Sp. z o.o.	0	0	0	0	0	0	220	0
Spin SA	114	9	0	0	6	6	0	0
Transactions with associated undertakings of Prokom Software SA								
Comp SA	0	0	0	0	3,465	2,536	0	0
Enigma Systemy Ochrony Informacji Sp. z o.o.	0	0	0	0	2	0	0	0
Postdata SA	1	0	0	0	0	0	0	0
Total transactions with related undertakings	4,189	2,279	1,129	373	23,377	19,888	64,706	28,888

All figures in PLN '000

7. Transactions with Related Undertakings (continued)

Name	Softbank Group's receivables as at		Softbank Group's liabilities as at	
	Sep 30 2005 PLN '000	Dec 31 2004 PLN '000	Sep 30 2005 PLN '000	Dec 31 2004 PLN '000
Transactions with associated undertakings				
NetPower SA	0	4	0	0
Transactions with Parent Undertaking				
Prokom Software SA	2,157	1,055	20,238	54,524
Transactions with subsidiary undertakings of Prokom Software SA				
Combidata Poland Sp. z o.o.	0	0	15	0
Koma SA*	0	0	0	1
Optix Polska Sp. z o.o.	0	0	10	10
Transactions with associated undertakings of Prokom Software SA				
Comp SA	0	0	13,164	12,273
Postdata SA	0	1	0	0
Total transactions with related undertakings	2,157	1,060	33,427	66,808

*On July 1st 2005, KOMA SA, Koma Nord Sp. z o.o. and MCCnet Sp. z o.o. became subsidiaries of Softbank SA and were merged into the Softbank Group.

The above transactions with related parties were executed at arm's length as part of the business activities of the Softbank Group's companies as defined in their respective articles of association.

All figures in PLN '000

7. Transactions with Related Undertakings (continued)

Subsidiary undertakings	Country of registration	% share in total vote at GM as at		% of share capital held as at	
		Sep 30 2005	Dec 31 2004	Sep 30 2005	Dec 31 2004
bezpieczeństwo.pl Sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
Bielpolsoft j.v.	Belarus	85.00%	85.00%	85.00%	85.00%
Koma SA	Poland	100.00%	0.00%	100.00%	0.00%
Koma Nord Sp. z o.o.	Poland	99.90%	0.00%	99.90%	0.00%
MCCnet Sp. z o.o.	Poland	100.00%	0.00%	100.00%	0.00%
AWiM Mediabank SA	Poland	100.00%	100.00%	100.00%	100.00%
Epsilio SA	Poland	0.00%	100.00%	0.00%	100.00%
ZUI Novum Sp. z o.o.	Poland	51.00%	51.00%	51.00%	51.00%
Sawan Grupa Softbank SA	Poland	100.00%	72.00%	100.00%	72.00%
Softbank Serwis Sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
Associated undertakings					
NetPower SA	Poland	49.00%	49.00%	49.00%	49.00%

In Q3 2005, the Group acquired 100% of shares in Koma SA, conferring the right to 100% of the total vote at the company's General Shareholders Meeting. Koma became a member of the Softbank Group upon the issue of Series U1 shares, which were acquired by Koma's existing shareholders in exchange for contributions in the form of the company shares. The Koma shareholders who acquired Series U1 shares are: Lech Cabaj, Roman Pudelko, Piotr Krzakała, Juliusz Bojanowski and Prokom Software SA (Parent Undertaking of Softbank SA). The terms and conditions of the issue of Series U1 shares were the same for all Koma SA shareholders.

Softbank SA acquired the shares in Koma SA in exchange for 1,459,646 Series U1 shares. The issue price of the shares was PLN 27.80, therefore the price of 100% of shares in Koma was PLN 40,578 thousand.

The Koma Group also includes two IT companies: Koma Nord Sp. z o.o. and MCCnet Sp. z o.o. Koma Nord Sp. z o.o. focuses on offering advanced network technologies and therefore it serves as a Network Technologies Centre for all the branches of the Koma Group. MCCnet Sp. z o.o. offers mobile solutions which facilitate the management of dispersed maintenance, sales and transport teams.

In an independent valuation report prepared by the KPMG Corporate Finance Group of KPMG Sp. z o.o., Koma's value as at December 31st 2004 was estimated to range from PLN 52.8m to 64.3m. The valuation was made using the discounted cash flow method (DCF) and the comparable multiples method.

Following the transaction, in Q3 2005 the Group recognised goodwill of PLN 21,022 thousand (which arose in connection with the issue of Series U1 shares covered with non-cash contributions made by Prokom Software SA and other Koma shareholders – 1,459,646 shares with the issue price of PLN 27.80 per share) and which comprised the difference between the acquisition price of PLN 40,560 thousand, increased by the acquisition costs of PLN 254 thousand, and the fair value of the acquired net assets which amounted to PLN 19,792 thousand.

As at the acquisition date, the balance of cash of the Koma Group was PLN 13,521 thousand.

On July 1st 2005, Sawan Grupa Softbank SA and Softbank entered into an agreement on the sale of business, whereby Softbank acquired a set of tangible and intangible assets comprising the entire

All figures in PLN '000

business of Sawan Grupa Softbank SA, as defined in Par. 55.1 of the Polish Civil Code, excluding the name Sawan Grupa Softbank SA. The selling price amounted to PLN 11,800,000, and was determined on the basis of a valuation prepared by an independent expert. As a result of the transaction Sawan Grupa Softbank SA discontinued its operations. The resources acquired by Softbank SA will continue to operate within that Company.

In Q3 2005, Softbank SA started to implement the process of distribution of powers and responsibilities within the Softbank Group with a view to optimising production processes, minimising costs and streamlining the Group's structure.

One of the key elements of the process was the acquisition of Sawan Grupa Softbank SA's business by the Parent Undertaking.

Another important stage of the process initiated in Q3 2005 was the transfer of selected software contracts (along with the relevant resources) from Softbank Serwis Sp. z o.o. – responsible for their execution to date – to Softbank SA. The Group's plans assume that Softbank Serwis Sp. z o.o., along with a new Group company, Koma SA (acquired through the issue of Series U1 shares covered with non-cash contributions by Prokom Software SA and other Koma SA shareholders), are to specialise in a broad range of technical maintenance services. The two companies are planned to merge ultimately.

Financial Results of the Softbank Group Companies in Q3 2005

The consolidated financial results of the Softbank Group in Q3 2005 comprise the results of Softbank SA and the consolidated companies. Below are presented the financial highlights of the companies consolidated in the Q3 2005 financial statements and a description of the key factors with a bearing on their financial results.

All figures in PLN '000

7. Transactions with Related Undertakings (continued)**Key financial data of undertakings included in the Q3 2005 consolidated financial statements***

Name % of share capital/total vote	Core business	Sales revenue			
		PLN '000			
		Nine months ended Sep 30 2005	Three months ended Sep 30 2005	Nine months ended Sep 30 2004	Three months ended Sep 30 2004
Softbank SA Parent Undertaking www.softbank.pl	Provision of comprehensive IT solutions primarily to the financial and public administration sectors	219,566	75,883	199,581	76,981
bezpieczenstwo.pl Sp. z o.o. 100/100	Building and implementation of IT systems supporting and coordinating the activities of rescue services	0	0	292	0
Epsilio SA** 0/0	Creation and implementation of IT solutions in the banking sector, including cooperative banking	2,563	n.a.	20,993	5,978
Koma SA*** 100/100 www.koma.com.pl	Comprehensive provision of IT infrastructure, business management and HR management systems, provision of software and maintenance services	8,351	8,351	n.a.	n.a.
Koma Nord Sp. z o.o.*** 99.9/99.9 www.komanord.com.pl	Provision of hardware, local and distributed network systems, as well as software supporting business management	6,797	6,797	n.a.	n.a.
AWiM Mediabank SA 100/100 www.mediabank.pl	Publishing and marketing, operation of a radio station (Radio PiN 102 FM)	3,915	1,295	2,267	654
NetPower SA 49/49	Provision of corporate IT applications and solutions	0	0	0	0
ZUI Novum Sp. z o.o. 51/51 www.novum.pl	Creation of banking applications and provision of comprehensive IT systems for cooperative banks	9,512	3,564	9,265	2,706
Sawan Grupa Softbank SA 100/100 www.sawan.com.pl	Provision of IT solutions for management (i.e. data warehouses, reporting systems, CRM systems)	6,072	0	8,714	3,318
Softbank Serwis Sp. z o.o. 100/100 www.softbankserwis.pl	Maintenance of software and hardware supplied by the Group, services based on IT systems outsourcing	38,163	16,090	38,274	16,539

All figures in PLN '000

**) Before consolidation eliminations.*

****) In Q1 2005, Softbank SA sold a 100% equity interest in Epsilio SA to COMP Rzeszów SA. Epsilio SA's results are consolidated until February 28th 2005. Cumulative data on Epsilio SA for the three quarters of 2005 concerns the period January 1st – February 28th 2005.*

*****) In Q3 2005, Softbank acquired a 100% equity interest in Koma SA, and indirectly 99.9% of shares in Koma Nord Sp. z o.o., subsidiary undertaking of Koma SA. Koma SA's and Koma Nord's results have been consolidated since July 1st 2005. Cumulative data on these companies for the three quarters of 2005 concerns the period July 1st – September 30th 2005.*

The equity interests are presented as at September 30th 2005.

bezpieczeństwo.pl Sp. z o.o. and NetPower SA do not conduct operations. Following the sale of its business to Softbank SA, Sawan Grupa Softbank SA did not conduct operations in Q3 2005.

All figures in PLN '000

7. Transactions with Related Undertakings (continued)**Key financial data of undertakings included in the Q3 2005 consolidated financial statements***

Company	Core business	Net profit/(loss)			
		PLN '000			
% of share capital/total vote		Nine months ended Sep 30 2005	Three months ended Sep 30 2005	Nine months ended Sep 30 2004	Three months ended Sep 30 2004
Softbank SA Parent Undertaking www.softbank.pl	Provision of comprehensive IT solutions primarily to the financial and public administration sectors	46,384	22,199	1,727	1,659
bezpieczenstwo.pl Sp. z o.o. 100/100	Building and implementation of IT systems supporting and coordinating the activities of rescue services	(18)	(5)	2,329	(5)
Epsilio SA** 0/0	Creation and implementation of IT solutions in the banking sector, including cooperative banking	(236)	n.a.	4,115	1,450
Koma SA*** 100/100 www.koma.com.pl	Comprehensive provision of IT infrastructure, business management and HR management systems, provision of software and maintenance services	(506)	(506)	n.a.	n.a.
Koma Nord Sp. z o.o.*** 99.9/99.9 www.komanord.com.pl	Provision of hardware, local and distributed network systems, as well as software supporting business management	263	263	n.a.	n.a.
AWiM Mediabank SA 100/100 www.mediabank.pl	Publishing and marketing, operation of a radio station (Radio PiN 102 FM)	(2,016)	(829)	(3,417)	(832)
NetPower SA 49/49	Provision of corporate IT applications and solutions	(56)	(9)	(42)	89
ZUI Novum Sp. z o.o. 51/51 www.novum.pl	Creation of banking applications and provision of comprehensive IT systems for cooperative banks	809	299	551	153
Sawan Grupa Softbank SA 100/100 www.sawan.com.pl	Provision of IT solutions for management (i.e. data warehouses, reporting systems, CRM systems)	5,191	4,915	(2,113)	17
Softbank Serwis Sp. z o.o. 100/100 www.softbankserwis.pl	Maintenance of software and hardware supplied by the Group, services based on IT systems outsourcing	(4,949)	(2,075)	1,348	730

*) Before consolidation eliminations.

**) In Q1 2005, Softbank SA sold a 100% equity interest in Epsilio SA to COMP Rzeszów SA. Epsilio SA's results are consolidated until February 28th 2005. Cumulative data on Epsilio SA for the three quarters of 2005 concerns the period January 1st – February 28th 2005.

***) In Q3 2005, Softbank acquired a 100% equity interest in Koma SA, and indirectly 99.9% of shares in Koma Nord Sp. z o.o., subsidiary undertaking of Koma SA. Koma SA's and Koma Nord's results have been consolidated since July 1st

All figures in PLN '000

2005. Cumulative data on these companies for the three quarters of 2005 concerns the period July 1st – September 30th 2005.

The equity interests are presented as at September 30th 2005.

bezpieczeństwo.pl Sp. z o.o. and *NetPower SA* do not conduct operations. Following the sale of its business to Softbank SA, *Sawan Grupa Softbank SA* did not conduct operations in Q3 2005.

Softbank SA

Softbank SA generated the bulk of the Group's consolidated sales revenue (approx. 74% – before consolidation eliminations). In Q3 2005, Softbank SA posted revenue of PLN 75,883 thousand, representing a slight drop (1.4%) on Q3 2004. The small decline in sales revenue was directly linked to lower sales of goods for resale (which fell by more than PLN 10m compared to Q3 of the previous year) offset by a higher revenue on sale of products (which rose by more than PLN 9m compared to Q3 of the previous year).

Non-consolidated financial results of Softbank SA	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005 (unaudited)	Sep 30 2005 (unaudited)	Sep 30 2004 (unaudited)	Sep 30 2004 (unaudited)
	PLN '000	PLN '000	PLN '000	PLN '000
Sales revenue, including:	219,566	75,883	199,581	76,981
banking and finance	182,714	60,252	90,714	24,546
public administration	33,802	14,564	105,751	51,315
Gross profit on sales	66,680	34,784	48,839	19,955
Operating profit	55,697	26,915	13,937	13,826
Net profit	46,384	22,199	1,727	1,659

In Q3 2005, the Company's gross profit on sales saw a 74% rise year on year, primarily owing to a higher sales margin. In Q3 2005 the margin on sales of products stood at 79.5% (compared to 50% in Q3 2004), whereas the margin on sales of goods for resale was 25.1% (compared to 17.7% in Q3 2004). In the same period both selling costs and general and administrative expenses dropped by a negligible amount. Operating profit for the third quarter of 2005 amounted to PLN 26,915 thousand, representing a twofold increase on Q3 2004. The exceptionally robust operating profit was directly related to a good result on sales. The high profitability followed from the performance by the Company of high value added contracts, including primarily contracts for the provision of IT services and, to a lesser degree, supply of hardware. Contracts executed in the banking and public administration sectors concerned chiefly maintenance, implementation, consultancy and supply of software.

Softbank Serwis Sp. z o.o.

In Q3 2005, Softbank Serwis Sp. z o.o. reported a sales revenue virtually at the same level as in Q3 of the previous year. The company engaged primarily in the provision of maintenance services, data communication, and data processing. As a subcontractor, Softbank Serwis Sp. z o.o. took part in the implementations of large contracts by Softbank SA.

Furthermore, Q3 2005 saw the launch of a restructuring process which included the transfer of software contracts to Software SA. In Q3 2005 the transfer of contracts and resources began in pursuance of the Softbank Group's strategy consisting in dividing and streamlining the Group companies' competences. Softbank Serwis Sp. z o.o. will focus its activities on the provision of maintenance services and data communication.

Koma SA

In Q3 2005 Koma SA of Katowice was incorporated into the Softbank Group. The business of Koma SA is the provision of maintenance services, comprehensive supplies of computer hardware, software and services related to the application of computer systems. Additionally, Koma SA offers a proprietary HR system which supports human resources management functions.

All figures in PLN '000

Sawan Grupa Softbank S.A.

On July 1st 2005 Sawan Grupa Softbank SA sold its business to Softbank SA and consequently transferred the entirety of its operating activities along with the contracts it had been executing. Having sold its business, the company discontinued operations and its activities were aimed solely at completing the restructuring process and performing the obligations imposed by law.

ZUI Novum Sp. z o.o.

In the reporting period, the revenue of ZUI Novum Sp. z o.o. (Novum) increased by 30% in relation to the comparable period of 2004. In Q3 2005 The company posted a nearly twofold increase in net profit compared to Q3 of the previous year, with net profitability exceeding 8%. In line with its competences, Novum develops and provides proprietary solutions to customers from the cooperative banking sector. Its offering is continually enriched with new modules featuring extended functionalities.

AWiM Mediabank SA

In the third quarter of 2005, the sales revenue of the company more than doubled relative to the results posted in Q3 2004. Mediabank SA concentrates its activities on the operation of the Warsaw-based radio station Radio PiN 102 FM. Although the Company continues to generate a loss, the loss it recorded for the three quarters of 2005 shrank by more than 40% relative to the three quarters of 2004. Its performance in the quarter under analysis stems from increasingly better Warsaw listenership ratios as well as the maintenance and development of PiN-specific programming content. Mediabank's market share in the 15+ audience was 2.16% in Q3 2005 compared to the 1.98% share reported in Q3 2004.

bezpieczeństwo.pl Sp. z o.o. and NetPower SA

The two companies do not conduct operations and incur only minimal costs necessitated by statutory requirements.

Off-Balance-Sheet Commitments and Liabilities Concerning Related Undertakings

As at September 30th 2005 Softbank SA issued the following sureties and guarantees to secure loans contracted by its related undertakings:

- Surety for AWiM Mediabank SA's liabilities under an agreement for an investment loan of PLN 1,200 thousand. The amount outstanding under the loan was PLN 75 thousand as at September 30th 2005.

As at December 31st 2004 the Company issued the following sureties and guarantees to secure loans contracted by its related undertakings:

- Surety for AWiM Mediabank SA's liabilities under an agreement for an investment loan of PLN 1,200 thousand. The amount outstanding under the loan was PLN 300 thousand as at December 31st 2004.
- Guarantee to secure repayment of a revolving working-capital loan of up to PLN 2,000 thousand, advanced by Bank BPH SA to Sawan Grupa Softbank SA. The amount outstanding under the loan was PLN 1,805 thousand as at December 31st 2004;
- Guarantee to secure repayment of a current-account loan of up to PLN 300,000 advanced by Bank BPH SA to Sawan Grupa Softbank SA. There was no amount outstanding under the loan as at December 31st 2004.

Other sureties issued by Softbank SA as at September 30th 2005:

All figures in PLN '000

- Surety for Softbank Serwis Sp. z o.o.'s liabilities under the agreement of February 26th 2004, concerning the construction of a structural network, concluded between Softbank Serwis Sp. z o.o. and Tyco Sp. z o.o. The estimated value of the surety was PLN 7,050 thousand as at September 30th 2005.

Other sureties issued by Softbank SA as at December 31st 2004:

- Surety for Softbank Serwis Sp. z o.o.'s liabilities under the agreement of February 26th 2004, concerning the construction of a structural network, concluded between Softbank Serwis Sp. z o.o. and Tyco Sp. z o.o. The estimated value of the surety was PLN 7,342 thousand as at December 31st 2004.

All figures in PLN '000

8. Employment

Average Group workforce in the reporting period

	Nine months ended Sep 30 2005	Nine months ended Sep 30 2004
Executive Board of the Parent Undertaking	5	5
Executive Board of Group companies	13	18
Management staff	44	40
Production divisions	501	567
Maintenance divisions	166	117
Sales divisions	73	76
Administration divisions	151	165
Total	953	988

Softbank Group workforce as at

	Sep 30 2005	Dec 31 2004
Executive Board of the Parent Undertaking	5	5
Executive Board of Group companies	11	18
Management staff	33	39
Production divisions	458	557
Maintenance divisions	204	97
Sales divisions	78	82
Administration divisions	132	157
Total	921	955

Number of Employees in the Group's companies as at

	Sep 30 2005	Dec 31 2004
Softbank SA	548	379
bezpieczeństwo.pl Sp. z o.o.	0	0
Epsilio SA	0	202
Koma Nord Sp. z o.o.	9	0
Koma SA	116	0
AWiM Mediabank SA	22	26
NetPower SA	0	0
ZUI Novum Sp. z o.o.	36	35
Sawan Grupa Softbank SA	10	90
Softbank Serwis Sp. z o.o.	180	223
Total	921	955

As at September 30th 2005, the Softbank Group had 921 employees. The Group's workforce shrank by 34 from its size as at the end of 2004. The reduction of employment is directly attributable to the sale by Softbank SA of an equity interest in Epsilio SA, which employed 202 persons as at the end of 2004. As a result of taking over the control of Koma SA (together with its subsidiary undertakings) the headcount at the Group rose by 125 persons.

Save for the headcount at the Parent Undertaking, staff numbers fell in all of the Group companies. The restructuring processes carried out in 2004 at subsidiary undertakings is the main reason for the smaller workforce numbers. Meanwhile, Softbank SA's workforce grew by 169 new employees, and now counts 548 persons. The new personnel were employed primarily in connection with the performance of Bank PKO BP SA contracts and the CEPiK (Central Register of Vehicles and Drivers) contract. In addition, Softbank SA took over some of the employees of Softbank Serwis Sp. z o.o. and Sawan Grupa Softbank SA as part of the IT expertise bundling in several Group's companies.

All figures in PLN '000

9. Off-Balance Sheet Commitments and Liabilities towards Other Undertakings

In its commercial activities, the Group uses bank guarantees and letters of credit, as well as contract performance insurance as security in business transactions with various organisations, companies and administration entities. As at September 30th 2005, the contingent liabilities stood at PLN 14,408 thousand, while as at December 31st 2004 – at PLN 27,217 thousand.

As at September 30th 2005 and December 31st 2004, the Group was also party to a number of lease, tenancy or similar contracts, providing for the following future liabilities:

Liabilities Under Lease of Space	Sep 30 2005 (unaudited) PLN'000	Dec 31 2004 (unaudited) PLN'000
Up to 1 year	4,198	4,205
From 1 to 5 years	7,380	8,508
Over 5 years	2,116	2,466
Total	13,694	15,179

Liabilities Under Operating Lease of Property, Plant and Equipment	Sep 30 2005 (unaudited) PLN'000	Dec 31 2004 (unaudited) PLN'000
Up to 1 year	525	1,391
From 1 to 5 years	1,610	394
Over 5 years	0	0
Total	2,135	1,785

Information on Pending Proceedings Concerning Liabilities or Debts of Softbank SA or Its Subsidiary Undertakings

Within the period under discussion, no proceedings were instituted or pending before any court, arbitration authority, or public administration authority, concerning any liabilities or debts of Softbank SA or its subsidiary undertakings, whose aggregate value would equal or exceed 10% of the Company's equity.

All figures in PLN '000

10. Remuneration Paid or Due to the Members of the Executive Boards and Supervisory Boards of the Parent Undertaking and the Group's Related Undertakings

	Nine months ended Sep 30 2005 (unaudited) PLN'000	Nine months ended Sep 31 2004 (unaudited) PLN'000
Executive Board	6,210	6,892
Supervisory Board	167	111
Executive Board – subsidiary and associated undertakings	3,414	3,525
Supervisory Board – subsidiary and associated undertakings	111	177
Total	9,902	10,705

The remuneration paid to the members of Softbank SA's Supervisory Board who were also members of the Executive Board of Prokom Software SA amounted to PLN 85 thousand in the first three quarters of 2005, compared to PLN 11 thousand in the first three quarters of 2004.

11. Capital Expenditure

In Q3 2005, the Group incurred capital expenditure of PLN 5,915 thousand, including PLN 4,634 thousand spent on non-current non-financial assets. The capital expenditure planned until the end of 2005 amounts to approx. PLN 100.4m, including:

- non-cash contributions (Series U2 Shares issue) in the amount of PLN 38m, to be used to finance the acquisition of shares in Incenti SA
- proceeds from the Series T share issue and own funds, to be used to finance the following:
 - i. acquisition of shares in Gladstone – approx. PLN 28m,
 - ii. acquisition of shares in Comp Rzeszów SA – approx. PLN 29m,
 - iii. investments in property, plant and equipment – approx. PLN 5.4m.

The incurred capital expenditure in the first three quarters of 2004 amounted to PLN 8,016 thousand, including PLN 6,710 thousand spent on non-current non-financial assets.

12. Opinion on Feasibility of Meeting the 2005 Financial Forecasts Published by the Executive Board

The Executive Board of Softbank SA has published no financial forecasts for 2005.

13. Factors which in the Executive Board's Opinion May Affect the Group's Performance in the Next or Subsequent Quarters

In the opinion of the Executive Board of Softbank SA, thanks to the Group's current financial standing, its production potential, and market position there exist no threats to continued growth of the Group in 2005. However, there are numerous factors, both internal and external, which will directly or indirectly affect the Group's performance in the next quarters.

The external factors with a bearing on the future performance of the Softbank Group include: the development of the economic situation in Poland, increased demand for IT solutions from the banking and public administration sectors, competition from other IT sector players, and exchange rate movements (principally of the US dollar and euro).

The internal factors of significance for the future performance of the Softbank Group include: the progress of execution of the executed contracts, outcome of contract tenders and negotiations in the IT

All figures in PLN '000

sector, as well as restructuring processes at the Group companies, in particular the merger of Softbank Serwis Sp. z o.o. and Koma SA.

Currently, the value of the Softbank Group's order portfolio amounts to PLN 853m (excluding the revenue earned in 2005). Based on the estimates of the Executive Board, approximately PLN 73.2m of the orders will be executed within the period of 2005 assuming that the current schedules for settlement of long-term contracts are not changed.

14. Significant Events in the Reporting Period

Operating Activities

▪ On July 4th 2005, the Executive Board of Softbank SA convened the Extraordinary General Shareholders Meeting of Softbank SA for August 9th 2005.

On August 9th 2005, the Extraordinary General Shareholders Meeting of the Company adopted the following resolutions:

- on adoption of corporate governance principles contained in the document "Best Practices in Public Companies in 2005",
- on appointment of Marek Jakubik and Maria Zagrajek as members of the Supervisory Board of Softbank SA

(see: Current Report No. 26/2005 of July 4th 2005, No. 34/2005 of July 26th 2005, No. 35/2005 of August 10th 2005)

▪ Given the closing of subscription connected with the introduction of Series T, Series U1 and Series U2 Shares of Softbank SA to public trading and their allotment, on July 7th 2005 the Executive Board of Softbank SA released the following information:

Series T Shares

Type of securities: ordinary bearer shares

Series: T

Opening date of subscription period: June 24th 2005

Closing date of subscription period: July 7th 2005

Allotment date: July 7th 2005

Number of offered shares: 1,396,701

Discount rates in individual tranches: primary subscription period – 0%, additional subscription period – 92.3%

Number of subscribed shares: 3,625,238

Number of allotted shares: 1,396,701

	Purchase price	No. of persons who submitted orders	No. of persons who were allotted shares
Orders placed in primary subscription period in exercise of pre-emptive rights	PLN 24.00	619	619
Orders placed in additional subscription period	PLN 24.00	40	40

Underwriters: no underwriter participated in the subscription

Value of subscription (PLN'000): 33,520

Issue costs (PLN'000): 1,711

Cost type	Cost amount (PLN'000)
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All figures in PLN '000

Preparation and execution of the offering	1,259
Preparation of the Issue Prospectus, including costs of advisory services	427
Marketing	25
Underwriter's fee	not applicable

Average cost per share: PLN 1.22

Method of issue costs recognition in accounting books and of their disclosure in the Company's financial statements: [Issue costs will be accounted for pursuant to Art. 36.2b of the Polish Accountancy Act of September 29th 1994 (Dz. U. of 1994, No. 121, item 591, as amended), i.e. by charging the portion of the issue costs which corresponds to the share premium against the Company's reserve funds, and any remaining issue costs – against financial expenses.]

Series U1 Shares**Type of securities:** ordinary bearer shares**Series:** U1**Opening date of subscription period:** June 24th 2005**Closing date of subscription period:** July 7th 2005**Allotment date:** July 7th 2005**Number of offered shares:** 1,459,646**Reduction rate in individual tranches:** no reduction took place**Number of subscribed shares:** 1,459,646**Number of allotted shares:** 1,459,646**Acquisition price:** PLN 27.80, the shares were acquired for non-cash contributions**Number of persons who submitted orders:** 5**Number of persons who were allotted shares:** 5**Underwriters:** no underwriter participated in the subscription**Value of subscription (PLN'000):** 40,578**Issue costs (PLN'000):** 779

Cost type	Cost amount (PLN'000)
Preparation and execution of the offering	308
Preparation of the Issue Prospectus, including costs of advisory services	446
Marketing	26
Underwriter's fee	not applicable

Average cost per share: PLN 0.53

Method of issue costs recognition in accounting books and of their disclosure in the Company's financial statements: [Issue costs will be accounted for pursuant to Art. 36.2b of the Polish Accountancy Act of September 29th 1994 (Dz. U. of 1994, No. 121, item 591, as amended), i.e. by charging the portion of the issue costs which corresponds to the share premium against the Company's reserve funds, and any remaining issue costs – against financial expenses.]

Series U2 Shares**Type of securities:** ordinary bearer shares**Series:** U2**Opening date of subscription period:** June 24th 2005**Closing date of subscription period:** July 7th 2005**Allotment date:** July 7th 2005**Number of offered shares:** 1,367,854**Reduction rate in individual tranches:** no reduction took place**Number of subscribed shares:** 1.367.854

All figures in PLN '000

Number of allotted shares: 1,367,854

Acquisition price: PLN 27,80, the shares were acquired for non-cash contributions

Number of persons who submitted orders: 1

Number of persons who were allotted shares: 1

Underwriters: no underwriter participated in the subscription

Value of subscription (PLN'000): 38,026

Issue costs (PLN'000): 730

Cost type	Cost amount (PLN'000)
Preparation and execution of the offering	288
Preparation of the Issue Prospectus, including costs of advisory services	418
Marketing	24
Underwriter's fee	not applicable

Average cost per share: PLN 0.53

Method of issue costs recognition in accounting books and of their disclosure in the Company's financial statements: [Issue costs will be accounted for pursuant to Art. 36.2b of the Polish Accountancy Act of September 29th 1994 (Dz. U. of 1994, No. 121, item 591, as amended), i.e. by charging the portion of the issue costs which corresponds to the share premium against the Company's reserve funds, and any remaining issue costs – against financial expenses.]

(see: *Current Report No. 29/2005 of July 7th 2005*)

▪ On July 16th 2005, the Executive Board of Softbank SA reported that based on the decision of the Provincial Administrative Court of Warsaw of May 23rd 2005, received by the Company on July 6th 2005, and repealing decisions of the Tax Chamber Director of May 30th and May 31st 2005, on June 9th 2005, Softbank SA received an income tax refund for 2000 and 2001 in the amount of PLN 3,189 thousand, including the principal of PLN 2,246 thousand and the interest of PLN 943 thousand.

Currently, the Company is awaiting tax refund for 1999 in the amount of PLN 163 thousand along with accrued interest. Moreover, based on the abovementioned decision, on July 1st 2005, Softbank SA applied for acknowledgement of a tax overpayment and a refund in the amount of PLN 7,925 thousand. Softbank SA takes all steps necessary to receive tax refunds. Softbank SA is not entitled to statutory interest on the overpaid amount. The Company will publish a current report upon transfer of the tax amount to Softbank SA's bank account.

(see: *Current Report No. 33/2005 of July 16th 2005*)

▪ On August 10th 2005, the Executive Board of Softbank SA released a list of shareholders holding 5% or more of the total vote at the Extraordinary Shareholders Meeting of August 9th 2005.

SHAREHOLDER	NUMBER OF VOTES
Prokom Software SA	5,238,000
PZU Życie SA	800,000
OFE PZU Złota Jesień	1,000,000

(see: *Current Report No. 36/2005 of August 8th 2005*)

▪ The Executive Board of Softbank SA reported that on August 18th 2005 the Company's account was credited with PLN 7,925 thousand on account of withholding income tax overpayment for the years 1998–2001 returned by the Tax Office (the Company reported on the event in the Current

All figures in PLN '000

Report No. 33/2005 of July 16th 2005). The Company anticipates a further repayment of tax for 1999 in the amount of PLN 163 thousand plus accrued interest.

(see: Current Report No. 37/2005 of August 19th 2005)

▪ On August 30th 2005, the Executive Board of Softbank SA reported that on August 29th 2005 the Company and Bank PKO BP SA concluded an agreement valued at PLN 37.7m. The agreement provides for the expansion of equipment configuration for operating the ZORBA-3000 System, including delivery and implementation of system software, delivery and deployment of HP and IBM hardware (chiefly servers and arrays), as well as additional services related to the implementation. The supplies of hardware under the agreement will be made by the end of 2005, and the software is to be implemented by the end of the first half of 2006. The agreement also provides for hardware and software maintenance services for four years.

The agreement provides for contractual penalties of up to 20% of its net value. Bank PKO BP SA may seek compensation in excess of contractual penalties on general terms. Softbank SA's total liability under the agreement is limited to its value.

The Executive Board of Softbank SA also reports that during the last 12 months the Company concluded with Bank PKO BP SA agreements for the total amount of PLN 50.4m, which have not been reported in the Company's current reports as none of the agreements met the significance criterion. At present, the total value of the agreements is deemed significant as it exceeds 10% of the Company's shareholders' equity.

(see: Current Report No. 38/2005 of August 30th 2005)

▪ The Executive Board of Softbank SA reported that on September 7th 2005, the District Court for the Capital City of Warsaw, XX Commercial Division of the National Court Register, registered an increase of the Company's share capital, executed through the issue of: 1,396,701 Series T Shares, 1,459,646 Series U1 Shares, and 1,367,854 Series U2 Shares.

Following the registration, the Company's share capital amounts to PLN 25,174,713 and is divided into 25,174,713 shares with a par value of PLN 1 per share, conferring in aggregate the right to 25,174,713 votes at the General Shareholders Meeting of Softbank SA.

(see: Current Report No. 39/2005 of September 7th 2005)

▪ The Executive Board of Softbank SA reported that on September 7th 2005, the Company and Bank PKO BP SA concluded an agreement – valued at PLN 22.9m – for the supply and implementation of a support system for the Bank's central IT system and the provision of maintenance services relating to the application for three years.

The agreement provides for contractual penalties of up to PLN 13m. The Bank may seek compensation in excess of contractual penalties on general terms. The value of the agreements is deemed significant since it exceeds 10% of the Company's shareholders' equity.

(see: Current Report No. 40/2005 of September 7th 2005)

▪ The Executive Board of Softbank SA reported that on September 12th 2005, the Company applied to Giełda Papierów Wartościowych w Warszawie SA for introduction of 1,396,701 Series T ordinary bearer shares with a par value of PLN 1, arising from the conversion of the Rights to Shares, to trading on the main market. As a result, 22,347,213 ordinary bearer shares with a par value of PLN 1 per share will be registered under the main issue code PLSOFTB00016.

(see: Current Report No. 41/2005 of September 13th 2005)

▪ The Executive Board of Softbank SA reported that on September 19th 2005, following the application for registration of the shares submitted by the Company on September 12th 2005, the National Depository of Securities resolved:

All figures in PLN '000

1) to register at the National Depository of Securities as of September 21st 2005 1,396,701 Series T ordinary bearer shares with a par value of PLN 1 per share and assign the following code to them: PLSOFTB00016;

2) to register at the National Depository of Securities the following securities:

- 1,459,646 Series U1 ordinary bearer shares with a par value of PLN 1 per share and assign the following code to them: PLSOFTB00081.

- 1,367,854 Series U2 ordinary bearer shares with a par value of PLN 1 per share and assign the following code to them: PLSOFTB00099.

Upon the registration at the depository of Series T shares, the securities accounts for the rights to Series T shares (code PLSOFTB00073). Therefore, a total of 22,347,213 ordinary bearer shares in Softbank SA, with a par value of PLN 1 per share, will be registered under the main issue code PLSOFTB00016. .

The Executive Board of Softbank SA also reports that the Executive Board of Giełda Papierów Wartościowych w Warszawie SA set September 20th 2005 as the last trading day for 1,396,701 rights to Series T shares, with a par value of PLN 1, (PLSOFTB00073 code). Furthermore, the Executive Board of Giełda Papierów Wartościowych w Warszawie SA admitted 1,396,701 Series T ordinary bearer shares, with a par value of PLN 1 per share, to exchange trading on the main market. The Executive Board of Giełda Papierów Wartościowych w Warszawie SA resolved to introduce these shares to exchange trading on September 21st 2005.

(see: Current Report No. 43/2005 of September 20th 2005)

Investing Activities

▪ As part of the continued consolidation of the Softbank Group, on July 1st 2005, Softbank SA and Sawan Grupa Softbank SA ("the Seller"), the Company's wholly-owned subsidiary, executed an Agreement on the sale of business ("the Agreement"), whereby the Company acquired the business understood as a set of tangible and intangible assets comprising the Seller's entire business, as defined in Par. 55.1 of the Polish Civil Code, excluding the Seller's company name. The selling price of the business amounted to PLN 11,800 thousand, and was set on the basis of a valuation prepared by an independent expert.

The acquisition was financed with the Company's own funds, and was effected as of July 1st 2005. The assets disposed of were used by the Seller to conduct business activities consisting in the provision of IT services. The acquired assets represent over 20% of the share capital and the total vote at the General Shareholders Meeting of Sawan Grupa Softbank SA, and on this account they are considered assets of significant value.

Sawan Grupa Softbank SA is one of the largest Polish IT companies engaged in the development of customised software. Its main areas of expertise are data warehouses and related management information systems, as well as Business Intelligence and CRS systems. Sawan's incorporation into Softbank SA's structures is part of the Company's strategy assuming consolidation of development and sales resources within Softbank SA, which will result in their more effective use and management during the execution of large IT contracts.

(see: Current Report No. 24/2005 of July 1st 2005)

▪ On July 1st 2005, the Executive Board of Softbank SA reported that on July 1st 2005 it was notified that on June 21st 2005 the Registry Court registered the share capital reduction at NetPower SA. The share capital was reduced by lowering the par value of the shares from PLN 10.00 to

All figures in PLN '000

PLN 3.73. The share capital was thus reduced from PLN 9,400,000 to PLN 3,506,200. Softbank SA holds 460,600 shares representing 49% of the share capital of NetPower SA, and conferring the right to 460,600 votes at its General Shareholders Meeting (49% of the total vote).

NetPower SA does not conduct operations. Softbank SA intends to dispose of its shareholding in NetPower SA.

(see: *Current Report No. 25/2005 of July 1st 2005*)

- On July 4th 2005, the Executive Board of Softbank SA reported that on July 4th 2005 Softbank was notified that on June 15th 2005 the court registered an increase in the share capital of AWiM Mediabank SA, Softbank's subsidiary undertaking. The share capital was increased by PLN 10,000 through the issue of Series I Shares with a par value of PLN 100 per share, at an issue price of PLN 36,394.40. The share issue value totalled PLN 3,634,440.

Currently, the share capital of AWiM Mediabank SA stands at PLN 10,025,000 and is divided into 100,250 shares with a par value of PLN 100 per share. Softbank SA holds 100,250 shares, representing 100% of the share capital of AWiM Mediabank SA.

(see: *Current Report No. 27/2005 of July 4th 2005*)

- On July 12th 2005, the Executive Board of Softbank SA ("Softbank") reported that on July 11th 2005 the Company received global certificates of 207,106 shares in Koma SA ("Koma"), with a par value of PLN 1 per share, representing 100% of its share capital and conferring the right to 100% of votes at its General Shareholders Meeting. Koma became a member of the Softbank Group upon the issue of Series U1 Shares, which were acquired by Koma's shareholders in exchange for contributions in the form of the company shares. The Koma shareholders who acquired Series U1 Shares are: Lech Cabaj, Roman Pudełko, Piotr Krzakała, Juliusz Bojanowski and Prokom Software SA – a related undertaking of Softbank within the meaning of the Polish Council of Ministers' Regulation on detailed requirements for issue prospectuses and summary issue prospectuses. The terms and conditions of the issue of Series U1 Shares were the same for all Koma shareholders.

Softbank acquired the shares in Koma in exchange for 1,459,646 Series U1 Shares. The issue price of the shares was PLN 27.80, therefore the price of 100% of shares in Koma was PLN 40.6m. The book value of Koma shares as disclosed in Softbank's accounting records is PLN 40.7m. In an independent valuation report prepared by the KPMG Corporate Finance Group of KPMG Sp. z o.o., Koma's value as at December 31st 2004 was estimated to range from PLN 52.8 from 64.3m. The valuation was made using the discounted cash flow method (DCF) and the comparable multiples method. The report of Softbank's Executive Board on the valuation of the contributions in kind was audited by a chartered auditor. The acquired assets were found to be assets of significant value as their value exceeds 10% of Softbank's equity.

Koma offers maintenance and comprehensive supplies of IT hardware, software and services related to the application of computer systems. Koma also offers its own human resources management system, which enjoys a leading position on the Polish market in terms of the employee numbers supported.

The Koma Group also includes two IT companies: Koma Nord Sp. z o.o. and MCCnet Sp. z o.o. Koma Nord Sp. z o.o. focuses on offering advanced network technologies and therefore it serves as a Network Technologies Centre for all the branches of the Koma Group. MCCnet Sp. z o.o. offers mobile solutions which facilitate the management of dispersed maintenance, sales and transport teams.

(see: *Current Report No. 32/2005 of July 12th 2005*)

- The Executive Board of Softbank SA reported that on September 13th 2005 the Company was notified by PZU Asset Management SA of Warsaw that as a result of the registration of the new issue shares in Softbank SA, the shareholding of PZU SA and PZU Życie SA in the Company's share capital was reduced to a level below 5%, while no purchase or sale transaction concerning the Company shares was concluded by either of these companies.

According to the released statement, Powszechny Zakład Ubezpieczeń SA and its subsidiary PZU Życie SA collectively hold a total of 1,151,385 shares in Softbank SA, which represent 4.57% of the

All figures in PLN '000

Company's share capital and confer the right to 1,151,385 votes at the General Shareholders Meeting of Softbank SA (4.57% of the total vote at the General Shareholders Meeting of Softbank SA).

(see: Current Report No. 42/2005 of September 14th 2005)

▪ The Executive Board of Softbank SA reported that on September 23rd 2005, the Company was notified by Prokom Software SA of Warsaw that on September 20th and 21st 2005, 2,811,791 Series T, Series U1 and Series U2 new issue shares in Softbank SA were registered in the securities account of Prokom Software SA. The shares represent 11.169% of the Company's share capital and confer the right to 5.736% of the total vote at the General Shareholders Meeting of Softbank SA.

Following the transaction Prokom Software SA holds a total of 8,309,791 shares in Softbank SA, which represent 33.008% of the Company's share capital and confer the right to 27.575% of the total vote at the General Shareholders Meeting of Softbank SA.

Prokom Software SA will acquire additional voting rights attached to 1,367,854 Series U2 shares in Softbank SA, which represent 5.433% of the total vote at the General Shareholders Meeting of Softbank SA, upon the contribution to Softbank SA of 100% of shares in Incenti SA, which is to occur immediately after a relevant approval has been obtained from the Polish Anti-Trust and Consumer Protection Authority.

(see: Current Report No. 44/2005 of September 23rd 2005)

Financing Activities

▪ On July 5th 2005, the Executive Board of Softbank SA reported that all the terms and conditions of the Loan Agreement executed with Nord/LB Bank Polska SA were fulfilled (the Company reported on the Agreement in Current Report No. 18/2005 of June 8th 2005). The bank granted Softbank SA a loan of up to PLN 35m.

(see: Current Report No. 28/2005 of July 5th 2005)

15. Significant Events Subsequent to Balance-Sheet Date

Operating Activities

• The Executive Board of Softbank SA reported that on October 6th 2005, the Company and the Polish Ministry of Internal Affairs and Administration (MSWiA) signed an annex (the Annex) to the agreement (the Agreement) on creation, implementation, maintenance and development of an IT system of the Central Register of Vehicles and Drivers (CEPiK). The Agreement was concluded on October 28th 2003 (Current Report No. 55/2003 of October 28th 2003).

Under the Annex the work on all components of the IT system for CEPiK is to be completed on September 30th 2006. To date, the following tasks have been executed: the Central Register of Vehicles (CEP) and the Central Register of Drivers (CEK) have been launched, the module for data exchange with the Insurance Guarantee Fund (UFG) has been created, interfaces enabling access to the CEPiK system data by external users, including the Polish police, have been launched, and a report and analysis module has been placed in service. The main reasons why the project completion has been postponed is the delay in the construction of the CEPiK Wide Area Network and building a structure for the needs of the Backup Centre by the Polish Ministry of Internal Affairs and Administration. As a consequence, a new schedule for the execution of the CEPiK project has been worked out, which in particular provides for postponement of the deadline for building the register of vehicles registered in accordance with Art. 73.3 of the Polish Act on Road Traffic, for launching Advantage Database Server applications for the county governor's offices (*starostwo*) and for launching the Backup Centre.

(See: Current Report No. 48/2005 of October 7th 2005)

All figures in PLN '000

- The Executive Board of Softbank SA reported that on October 11th 2005, the Company received Resolution No. 564/05 of the Polish National Depository of Securities SA on assimilation of 1,459,646 of Softbank SA's series U1 shares indicated by a code No. PLSOFTB00081 with the other shares of Softbank SA indicated by a code No. PLSOFTB00016. The assimilation was to be effected on October 12th 2005. Thus, 23,806,859 ordinary bearer shares of Softbank SA, with a par value of PLN 1 per share, will be registered under the basic issue code No. PLSOFTB00016.

The Executive Board of Softbank SA also reports that the Management Board of the Warsaw Stock Exchange SA admitted 1,459,646 of ordinary bearer series U1 shares, with a par value of PLN 1 per share, to stock exchange trading on the main market. The Management Board decided to introduce the abovementioned shares to stock exchange trading as at October 12th 2005.

(See: Current Report No. 51/2005 of October 11th 2005)

- The Executive Board of Softbank SA reported that on October 14th 2005, the Company applied to the Warsaw Stock Exchange SA for the introduction of 1,367,854 ordinary bearer series U2 shares, with a par value of PLN 1 per share, to trading on the main market. The proposed date of the share assimilation and introduction to trading is October 28th 2005. Thus, 25,174,713 ordinary bearer shares, with a par value of PLN 1 per share, will be introduced to trading under the basic issue code No. PLSOFTB00016.

Furthermore, on October 14th 2005, the Company applied to the Polish National Depository of Securities SA for the merger of 1,367,854 ordinary bearer series U2 shares, registered at Polish National Depository of Securities SA under code No. PLSOFTB00099, with the bearer shares, registered under code No. PLSOFTB00016, to be effected on October 28th 2005.

(See: Current Report No. 54/2005 of October 14th 2005)

Investing Activities

- The Executive Board of Softbank SA reported that on October 5th, Dadlaw Trustee Ltd of Nicosia, Cyprus (the Seller) and Softbank SA executed an agreement (the Agreement) on purchase of shares in Gladstone Consulting Ltd.(Gladstone).

Under the Agreement, Softbank agreed to purchase from the Seller 510 Series A shares with a par value of CYP 1 per share, representing 51% of the share capital and total vote at the general shareholders meeting of Gladstone (the Shares), for USD 8,300 thousand. The Agreement was executed subject to a few standard conditions precedent (e.g. the parties will perform their contractual obligations until the time the ownership of the shares is transferred). The ownership of the shares will be transferred following a number of actions required in the case of disposal under the laws of Cyprus. Softbank SA expects the transfer to be effected within two or three business days.

Under the Agreement, Softbank SA holds a call option and the Seller holds a put option over the remaining 490 Series B shares in Gladstone (the Remaining Shares), representing 49% of Gladstone's share capital and total vote at its general shareholders meeting. Softbank SA may exercise the call option until March 31st 2009. The Seller has the right to call upon Softbank SA to purchase the Remaining Shares in Gladstone in the period April 1st – 14th 2009. The price of the Remaining Shares will be calculated on the base price, which ranges from USD 6,074 thousand to USD 6,700 thousand, depending on the time of option exercise. The base price will be increased or reduced depending on the amount of net profit achieved by Gladstone.

The Agreement is considered material because the value its value exceeds 10% of the Company's equity.

Gladstone was founded in 1999. Its core business comprises consulting services in the area of IT solutions for financial institutions. Gladstone employees form a multinational team of consultants with many years of experience in the provision of IT consulting services for banking sector companies.

All figures in PLN '000

Softbank intends to draw on the extensive consulting expertise and know-how of Gladstone to enhance the sale of its consulting services to Softbank's customers and to intensify its cooperation with foreign banks holding shares in Polish banking institutions.

(See: *Current Report No. 46/2005 of October 6th 2005*)

▪ The Executive Board of Softbank SA ("Softbank") reported that on October 6th 2005, the Company obtained approval from the Polish Anti-Trust and Consumer Protection Authority to assume control over Incenti SA of Warsaw ("Incenti").

Incenti became a member of the Softbank Group upon the issue of Series U2 shares, which were acquired by Incenti's shareholder, Prokom Software SA, in exchange for a contribution in the form of the company shares. Prokom Software SA is a related undertaking of Softbank within the meaning of the Polish Council of Ministers' Regulation on current and interim reports to be disclosed by issuers of securities. Prokom Software SA holds a 33.008% stake in Softbank's share capital. The shareholding entitles Prokom Software SA to exercise the rights specified in Softbank SA's Articles of Association. Moreover, the President of the Executive Board of Prokom Software SA holds the position of the Chairman of the Supervisory Board of Softbank. A member of the Executive Board of Prokom Software SA holds the position of a member of the Supervisory Board of Softbank.

Softbank acquired the shares in Incenti in exchange for 1,367,854 Series U2 shares. The issue price of the shares was PLN 27.80, therefore the price of 100% of shares in Incenti was PLN 38.0m. The book value of Incenti shares disclosed in Softbank's accounting records is PLN 38.1m. In an independent valuation report prepared by KPMG Corporate Finance Group of KPMG Sp. z o.o., Incenti's value as at December 31st 2004 was estimated in the range from PLN 37.0m to 47.1m. The valuation was made using the discounted cash flow method (DCF) and the comparable multiples method. The report of Softbank's Executive Board on the valuation of the contributions in kind was audited by a chartered auditor. The acquired assets were found to be assets of significant value as their value exceeds 10% of Softbank's equity.

Incenti concentrates on three business areas:

- IT outsourcing – provision and maintenance of elements of IT infrastructure used in customers' systems;
- e-Learning – implementation and offering of e-Learning platforms, IT and business courses, creation of dedicated courses, analysis and implementation of competence management systems at companies.
- Construction of Data Centres – design, construction, administration, development and implementation of BCP (Business Continuity Planning) and DRP (Disaster Recovery Planning).

Being a well-known brand on the market, Incenti will add to Softbank's offering and know-how. The joint competence of the entire Softbank Group, using Incenti's Data Processing Centre, which meets the world's highest standards, will help create a card outsourcing centre and will strengthen Incenti's position as the outsourcing centre for the Prokom Group. The range of services offered by the Softbank Group to banks and financial institutions will also be extended with the e-Learning solutions and the BCP and DRP services. In addition to the existing information technology outsourcing (ITO), the acquisition of Incenti will help organise projects oriented towards business processes outsourcing (BPO).

(see: *Current Report No. 47/2005 of Softbank SA of October 7th 2005*)

▪ The Executive Board of Softbank SA reported that on October 7th 2005, Softbank SA acquired from Dadlaw Trustee Ltd. of Nicosia, Cyprus (the Seller) 510 Series A shares with a par value of CYP 1 per share (the Shares), representing 51% of the share capital and the total vote at the general shareholders meeting of Gladstone Consulting Ltd. (Gladstone) for USD 8,300 thousand. The remaining 49% of Gladstone shares are held by the Seller. Softbank SA and the Seller are not related undertakings within the meaning of the Polish Council of Ministers' Regulation on current and interim reports to be disclosed by issuers of securities, dated March 21st 2005. The acquired shares are assets of significant value as their value exceeds 10% of the Company's equity. The acquisition was financed

All figures in PLN '000

with funds raised by Softbank SA through the issue of Series T shares. Softbank SA deems the transaction a long-term equity investment.

(see: Current Report No. 49/2005 of Softbank SA, dated October 7th 2005)

▪ The Executive Board of Softbank SA reported that on October 10th 2005, the Company executed an agreement with Adam Góral on acquisition of shares and pre-emptive rights to shares in Comp Rzeszów SA. Adam Góral, President of the Executive Board of Comp Rzeszów SA, made an offer to sell all his pre-emptive rights to new issue Series C shares. At present, Adam Góral holds 1,455,000 ordinary bearer shares in Comp Rzeszów SA, representing 42.17% of the share capital and of votes at the General Shareholders Meeting of Comp Rzeszów SA.

- Share Price is the arithmetic mean of the closing prices of one share in Comp Rzeszów SA, quoted at the Warsaw Stock Exchange over the period of 30 calendar days preceding the rights record date;
- Issue Price is the issue price of one Series C share in Comp Rzeszów SA;
- 8.625 is the ratio of the existing number of shares in Comp Rzeszów SA to the number of new issue shares.

The Executive Board of Softbank SA represents that it intends to exercise all its pre-emptive rights to the new issue Series C shares in Comp Rzeszów SA. At present, Softbank SA holds 605,000 ordinary bearer shares in Comp Rzeszów SA, representing 17.54% of the share capital and votes at the General Shareholders Meeting of Comp Rzeszów SA.

By exercising the currently held pre-emptive rights and the rights acquired from Mr Adam Góral, Softbank SA will be able to acquire 238,841 shares in Comp Rzeszów SA. After the share capital of Comp Rzeszów SA is increased by way of the planned share issue, Softbank SA will hold 843,841 shares in Comp Rzeszów SA, representing 21.92% of the share capital and votes at the General Shareholders Meeting of Comp Rzeszów SA.

In addition, Adam Góral offered to sell Softbank SA 268,000 shares in Comp Rzeszów SA. The offer is valid for six months, starting September 27th 2006. The selling price of one share equals the arithmetic mean of the closing prices of one share in Comp Rzeszów SA, quoted at the Warsaw Stock Exchange over the period of three months preceding the day on which Softbank SA submits an offer acceptance notice.

The offers made by Adam Góral, the main shareholder and President of the Executive Board of Comp Rzeszów SA, and the Company's declaration that it will exercise all its pre-emptive rights to new issue Series C shares in COMP Rzeszów SA, are connected with the agreement on acquisition of shares in Comp Rzeszów SA executed on September 7th 2004 between Adam Góral and Softbank SA (Current Report No. 8/2004), and are a confirmation that the parties thereto have the will and determination to continue and develop cooperation under the agreement of September 6th 2004 between Softbank SA and COMP Rzeszów SA.

(see: Current Report No. 50/2005 of Softbank SA, dated October 11th 2005)

▪ The Executive Board of Softbank SA reported that on October 12th 2005, the Company received from Prokom Software SA of Warsaw global certificates for 5,000,000 shares in Incenti SA, with a par value of PLN 10 per share, representing 100% of its share capital and conferring the right to 100% of the total vote at its General Shareholders Meeting.

(see: Current Report No. 52/2005 of Softbank SA, dated October 12th 2005)

▪ The Executive Board of Softbank SA reported that on October 12th 2005, Prokom Software SA acquired the right to exercise 5.43% of the total vote at the General Shareholders

All figures in PLN '000

Meeting of Softbank SA on account of its holding, as a result of acquisition of 1,367,854 Series U2 shares in exchange for a contribution to Softbank SA of a 100% equity interest in Incenti SA.

Following the acquisition of the shares, Prokom Software SA holds 8,309,791 shares in Softbank SA, representing 33.008% of its share capital and carrying the right to 33.008% of the total vote at its General Shareholders Meeting. Prior to the contribution of Incenti SA shares to Softbank SA, Prokom Software SA had not exercised voting rights attached to 1,367,854 Series U2 shares in Softbank SA.

(see: Current Report No. 53/2005 of Softbank SA, dated October 12th 2005)

▪ The Executive Board of Softbank SA reported that on October 20th 2005, the Company concluded an agreement for the sale of 100% of shares in Koma SA of Katowice, representing 100% of the company's share capital and of the total vote at the company's general shareholders meeting. The buyer is Softbank Serwis Sp. z o.o., wholly-owned subsidiary of Softbank SA. Two Executive Board members of Softbank SA act as Supervisory Board members of Softbank Serwis Sp. z o.o. The selling price of Koma SA shares is PLN 40.6m. The book value of Koma shares as disclosed in Softbank's accounting records is PLN 40.7m.

The transaction marks a new stage of consolidation of the Koma Group and Softbank Serwis Sp. z o.o., initiated in July 2005 with a view to establishing a Regional Maintenance Centre. Koma SA and Softbank Serwis Sp. z o.o. specialise in a broad range of computer hardware maintenance services. The team created as a result of the merger will comprise several hundred highly qualified, experienced engineers, and will rank among the Poland's major maintenance and logistics organisations.

The acquisition of Koma SA by Softbank Serwis Sp. z o.o. will be financed with own funds and with a loan contracted specifically for that purpose. The transaction is deemed significant, as its value exceeds 10% of Softbank SA's equity.

(see: Current Report No. 56/2005 of Softbank SA, dated October 20th 2005)

▪ The Executive Board of Softbank SA reported that on October 20th 2005, the Company concluded an agreement whereby it advanced to its wholly-owned subsidiary – Softbank Serwis Sp. z o.o. – a loan of PLN 22m. The loan was granted for financing of Softbank Serwis Sp. z o.o.'s acquisition of Koma SA shares from Softbank SA. The loan bears interest at 1M WIBOR plus 2.5% per annum. The last instalment of the loan is to be repaid on or before December 31st 2008. The loan is secured with promissory notes.

The agreement is deemed significant, as its value exceeds 10% of Softbank SA's equity.

(see: Current Report No. 57/2005 of Softbank SA, dated October 20th 2005)

▪ The Executive Board of Softbank SA reported that on October 31st 2005, the Company concluded contract assignment agreements with Softbank Serwis Sp. z o.o., whereby selected software contracts executed by Softbank Serwis Sp. z o.o. were assigned to Softbank SA. The value of the transaction and the compensation totalled PLN 12.8m.

The assignment was related to the implementation of the Softbank Group's strategic goals comprising redistribution and rearrangement of responsibility areas within the Group. Softbank SA is now responsible mainly for the development and implementation of IT systems, while Softbank Serwis Sp. z o.o. (after the planned merger with Koma SA) is to specialise in a broad range of maintenance services.

Softbank Serwis Sp. z o.o. is a subsidiary of Softbank SA.

(see: Current Report No. 60/2005 of Softbank SA, dated October 31st 2005)

Financing Activities

▪ The Executive Board of Softbank SA reported that on October 17th 2005, the Company signed an annex to the loan agreement concluded with PKO BP SA of Warsaw (Bank). The Bank granted Softbank SA a PLN 70m current-account loan for the period October 17th 2005 – July 31st

All figures in PLN '000

2006. The loan is to be used for the financing of current liabilities related to the company's activities. The loan bears interest at 1M WIBOR plus the Bank's margin. It will be made available after a change of the relevant entry concerning the security (deposit) mortgage established on the real estate of Softbank SA. The agreement is deemed significant, as its value exceeds 10% of the Company's equity. On October 27th 2005, all the conditions for the grant of the loan were fulfilled.

(see: Current Report No. 55/2005 of Softbank SA, dated October 18th 2005)

▪ The Executive Board of Softbank SA reported that on October 27th 2005, the Company concluded an agreement for the issue of zero-coupon bonds with ING Bank Śląski SA (Agent). Accordingly, the previous bond issue agreements concluded with the Agent on October 24th 2001 and subsequently amended, have expired (for description of the agreements see: Current Reports No. 83/2001 of October 24th 2001, 85/2001 of October 25th 2001, 56/2004 of November 23rd 2004).

The key information on the bond issue programme:

- total par value of bonds is up to PLN 100m
- par value per bond is PLN 100,000
- bond maturities range from one month to three years
- issue price of each bond is equal to its par value, less discount agreed between Softbank SA and the Agent on a case-by-case basis
- the bonds are to be allotted at Softbank SA's discretion
- the bonds are to be repurchased on the repurchase date (maturity date), which should be a business day; if the repurchase date falls on a non-business day, the bonds are to be repurchased on the first business day falling after the repurchase date; repurchased bonds will be retired
- Softbank SA will not seek to introduce the bonds to public trading
- the Sub-Agent for the bond issue is Bank BPH SA.

(see: Current Report No. 58/2005 of Softbank SA, dated October 28th 2005)

16. Significant Events Relating to Past Years

In the past years there occurred no significant events which would not be disclosed in the financial statements for the nine months ended September 30th 2005.

17. Effect of the Application of IFRS on the Comparable Data Presented in the Condensed Consolidated Financial Statements

The table below sets forth the effect of individual differences between the previously applied (until the end of 2004) Polish Accounting Standards (PAS) and the International Financial Reporting Standards (IFRS) adopted as of January 1st 2005 on:

- the consolidated equity as at January 1st 2004,
- the consolidated equity as at December 31st 2004,
- the consolidated net profit for the nine months ended September 30th 2004.

	Jan 1 2004 (unaudited) PLN '000
	<u>128,152</u>
Consolidated equity according to PAS	
Non-current assets at fair value	2,706
Transfer of capitalised cost of issue to equity	(695)
Determination of fair value of revenue and costs and their valuation at amortised cost	(200)
Transfer to equity of minority interests following adjustments after adoption of IFRS	5,995
Other adjustments	1
Consolidated equity according to IFRS	<u>135,959</u>

All figures in PLN '000

	Dec 31 2004 (unaudited) PLN '000
Consolidated equity according to PAS	157,521
Non-current assets at fair value	2,630
Transfer of capitalised cost of issue to equity	(442)
Determination of fair value of revenue and costs and their valuation at amortised cost	(7,634)
Estimated provision for results on IT contracts, arising on disclosure of revenue and costs at fair value	(15,528)
Depreciation of investment property	(40)
Transfer to equity of minority interests following adjustments after adoption of IFRS	3,497
Reversal of goodwill amortisation for 2004 and goodwill valuation allowances	2,326
Other adjustments	10
Consolidated equity according to IFRS	142,340
	Nine months ended Sep 30 2004 (unaudited) PLN '000
Consolidated net profit according to PAS	10,309
Non-current assets at fair value – increase in depreciation	(57)
Transfer of issue cost write-off to equity	189
Determination of fair value of revenue and costs and their valuation at amortised cost	46
Depreciation of investment property	(15)
Reversal of goodwill amortisation	5,230
Change in classification of COMP Rzeszów SA shares	(12,100)
Transfer to equity of minority interests	(1,658)
Other adjustments	4
Consolidated net profit according to IFRS	1,948



SOFTBANK SPÓŁKA AKCYJNA

**SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS OF THE SOFTBANK GROUP**

FOR THE THIRD QUARTER OF 2005

**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS
OF SOFTBANK SA**

All figures in PLN '000

FINANCIAL HIGHLIGHTS

	PLN '000		EUR '000	
	Nine months ended Sep 30 2005 (unaudited)	Nine months ended Sep 30 2004 (unaudited)	Nine months ended Sep 30 2005 (unaudited)	Nine months ended Sep 2004 (unaudited)
I. Sales revenue	219,566	199,581	54,103	43,186
II. Operating profit	55,697	13,937	13,724	3,016
III. Pre-tax profit/loss	46,538	1,663	11,467	360
IV. Profit/loss for reporting period	46,384	1,727	11,429	374
V. Net cash provided by operating activities	(5,816)	(32,147)	(1,433)	(6,956)
VI. Net cash used in investing activities	(1,679)	(88,518)	(414)	(19,154)
VII. Net cash provided by financing activities	(14,049)	100,073	(3,462)	21,654
VIII. Balance of cash and cash equivalents at end of period	13,561	3,039	3,462	693
IX. Earnings (loss) per ordinary share (PLN / EUR)	2.19	0.08	0.54	0.02
X. Diluted earnings (loss) per ordinary share (PLN / EUR)	1.84	0.08	0.45	0.02

The financial highlights disclosed in these financial statements were translated into the euro in the following way:

- items of the profit and loss account and cash-flow statement were translated at the arithmetic mean of mid exchange rates published by the National Bank of Poland and in effect on the last day of each month in a given quarter. The average rates were as follows:
 - for the period from January 1st to September 30th 2005: EUR 1 = PLN 4,0583
 - for the period from January 1st to September 30th 2004: EUR 1 = PLN 4,6214
- Cash and cash equivalents as at the end of this reporting period and the corresponding period of the previous year were translated at the mid exchange rates published by the National Bank of Poland on September 30th 2005 and September 30th 2004. The rates were as follows:
 - exchange rate effective on September 30th 2005 EUR 1 = PLN 3,9166
 - exchange rate effective on September 30th 2004 EUR1 = PLN 4,3832.

All figures in PLN '000

KEY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF SOFTBANK SA

PROFIT AND LOSS ACCOUNT	Nine months ended Sep 30 2005 (unaudited) PLN '000	Three months ended Sep 30 2005 (unaudited) PLN '000	Nine months ended Sep 30 2004 (unaudited) PLN '000	Three months ended Sep 30 2004 (unaudited) PLN '000
<i>Operating activities</i>				
Sales revenue	219,566	75,883	199,581	76,981
Revenue on sales of products and services	77,814	28,952	52,126	19,716
Revenue on sales of goods for resale and materials	141,752	46,931	147,455	57,265
Cost of sales	(152,886)	(41,099)	(150,742)	(57,026)
Cost of products and services sold (-)	(32,077)	(5,942)	(28,769)	(9,867)
Cost of goods for resale and materials sold (-)	(120,809)	(35,157)	(121,973)	(47,159)
		0		
Gross profit (loss) on sales	66,680	34,784	48,839	19,955
Selling costs (-)	(4,742)	(1,763)	(5,073)	(1,547)
General and administrative expenses (-)	(18,323)	(6,377)	(24,160)	(7,542)
Net profit (loss) on sales	43,615	26,644	19,606	10,866
Other operating income	12,341	385	4,615	3,560
Other operating expenses (-)	(259)	(114)	(10,284)	(600)
Operating profit (loss)	55,697	26,915	13,937	13,826
<i>Other activities</i>				
Financial income	44,002	19,244	10,778	3,138
Financial expenses (-)	(53,161)	(23,960)	(23,052)	(15,313)
Pre-tax profit (loss)	46,538	22,199	1,663	1,651
Corporate income tax (current and deferred)	154	0	(64)	(8)
Net profit/(loss) for reporting period	46,384	22,199	1,727	1,659
Net earnings per share (PLN)				
Basic earnings per share based on the net profit for the reporting period (PLN)	2.19	1.05	0.08	0.08
Diluted earnings per share based on the net profit for the reporting period (PLN)	1.84	0.88	0.08	0.08

All figures in PLN '000

BALANCE SHEET OF SOFTBANK SA

	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
ASSETS		
Non-current assets	327,709	243,990
Property, plant and equipment	15,965	14,736
Intangible assets	13,726	4,428
Shares in subsidiary undertakings	91,871	48,442
Non-current financial assets available for sale	78,045	65,945
Non-current financial assets recognised at fair value in the financial result	37,327	29,291
Non-current receivables	64,056	54,750
Non-current deferred tax assets	14,985	17,407
Non-current prepayments and accrued income	11,734	8,991
Current assets	227,169	273,046
Shares in subsidiary undertakings	0	23,798
Inventory	18,851	17,370
Prepayments and accrued income	17,990	9,331
Trade receivables	60,765	99,902
Receivables from the state budget	594	2
Other receivables	74,980	38,970
Financial assets held to maturity	8,231	14,199
Financial assets recognised at fair value in the financial result	32,197	34,369
Cash and short-term deposits	13,561	35,105
TOTAL ASSETS	554,878	517,036
	Sep 30 2005 (unaudited) PLN '000	Dec 31 2004 (unaudited) PLN '000
EQUITY AND LIABILITIES		
Equity		
Share capital	25,175	20,951
Share premium	250,018	145,088
Capital called but unpaid	(38,026)	0
Unrealised net profit	16,504	6,827
Other capital reserves	801	801
Retained earnings/ (deficit)	(32,443)	(27,023)
Profit/loss for reporting period	46,384	(5,420)
TOTAL EQUITY	268,413	141,224
Non-current liabilities	104,368	85,703
Non-current provisions	144	102
Non-current financial liabilities	85,937	76,212
Non-current deferred income	13,444	9,389
Other non-current liabilities	4,843	0

All figures in PLN '000

	182,097	290,109
Current liabilities		
Interest-bearing bank loans, borrowings and debt securities	55,165	99,796
Trade payables	40,278	114,365
Liabilities towards the state budget	1,693	6,737
Financial liabilities	13,363	12,818
Other liabilities	45,143	35,435
Provisions	567	5,112
Accrued expenses	9,073	6,292
Deferred income	16,815	9,554
TOTAL LIABILITIES	286,465	375,812
TOTAL EQUITY AND LIABILITIES	554,878	517,036

All figures in PLN '000

CONDENSED STATEMENT OF CHANGES IN EQUITY OF SOFTBANK SA

for the nine months ended September 30th 2005 (unaudited)

and for the nine months ended September 30th 2004

(unaudited)

	Share capital	Share premium	Capital called but unpaid	Unrealised net profit on financial assets available for sale	Other capital reserves	Retained earnings/(deficit)	Total equity
	PLN '000	PLN '000		PLN '000	PLN '000	PLN '000	PLN '000
As at January 1st 2004	20,951	145,088	0	0	801	(27,023)	139,817
Net gain on financial assets available for sale				9,801			9,801
Profit/(loss) for the period Jan 1–Sep 30 2004						1,727	1,727
As at September 30th 2004	20,951	145,088	0	9,801	801	(25,296)	151,345
As at January 1st 2005	20,951	145,088	0	6,827	801	(32,443)	141,224
Net gain on financial assets available for sale				9,677			9,677
Profit/(loss) for the period Jan 1–Sep 30 2005						46,384	46,384
Issue of share capital	4,224	104,930	(38,026)				71,128
As at September 30th 2005	25,175	250,018	(38,026)	16,504	801	13,941	268,413

All figures in PLN '000

CONDENSED CASH-FLOW STATEMENT OF SOFTBANK SA

	Nine months ended Sep 30 2005 (unaudited) PLN '000	Nine months ended Sep 30 2004 (unaudited) PLN '000
Cash flows from operating activities		
Pre-tax profit/(loss)	46,538	1,663
Adjustments:	(47,604)	(32,678)
Depreciation and amortisation	4,049	3,951
Change in inventory	(1,481)	(21,158)
Change in receivables	4,423	(23,985)
Change in liabilities	(64,882)	(13,080)
Change in accruals and deferrals	2,427	294
Change in provisions	(4,503)	3,508
Interest income and expense	4,079	706
Foreign exchange gains (losses)	5,126	13,578
Profit (loss) on investment activities	2,461	3,508
Other	697	0
Net cash provided by operating activities	(1,066)	(31,015)
Interest paid	(4,750)	(1,132)
Net cash provided by/ (used in) operating activities	(5,816)	(32,147)
Cash flows from investing activities		
Disposal of property, plant and equipment	105	177
Repayment of financial assets held to maturity	5,968	6,002
Disposal of financial assets held for trading	(15,300)	0
Acquisition of financial assets available for sale	0	(56,870)
Sale of shares in subsidiary undertakings	0	661
Acquisition of property, plant and equipment	(2,353)	(1,815)
Acquisition of intangible assets	(4,495)	(740)
Acquisition of financial assets held to maturity	(239)	(30,064)
Acquisition of shares in subsidiary undertakings	(1,981)	(2,100)
Loans repaid	800	0
Loans advanced	(1,750)	(3,841)
Interest received	960	56
Dividends received	657	0
Other	599	16
Cash provided by forward transactions	15,350	0
Net cash provided by/(used in) investing activities	(1,679)	(88,518)
Cash flows from financing activities		
Share issue	30,581	0
Incurred loans and borrowings	0	54,206
Repayment of loans and borrowings	(17,272)	(2,383)
Repayment of liabilities under issue of debt securities	(27,358)	0
Issue of debt securities	0	48,250
Net cash provided by/(used in) financing activities	(14,049)	100,073
Net decrease in cash and cash equivalents	(21,544)	(20,592)
Cash and cash equivalents as at January 1st	35,105	23,631
Cash and cash equivalents as at September 30th	13,561	3,039

All figures in PLN '000

1. Transactions with Related Undertakings

Name	Softbank SA's sales to related undertakings for the period				Softbank SA's purchases from related undertakings for the period			
	Nine months ended	Three months ended	Nine months ended	Three months ended	Nine months ended	Three months ended	Nine months ended	Three months ended
	Sep 30 2005	Sep 30 2005	Sep 30 2004	Sep 30 2004	Sep 30 2005	Sep 30 2005	Sep 30 2004	Sep 30 2004
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Transactions with subsidiary undertakings								
Epsilio SA	0	0	82	79	62	0	149	48
Mediabank SA	43	0	3	0	9	0	16	0
ZUI Novum Sp. z o.o.	0	0	0	0	0	0	273	35
Sawan Grupa Softbank SA	98	70	2	0	1,153	0	929	720
Softbank Serwis Sp. z o.o.	7,666	7,467	762	194	13,955	9,786	18,822	10,777
Transactions with associated undertakings								
NetPower SA	4	1	0	0	0	0	0	0
Transactions with Parent Undertaking								
Prokom Software SA	2,177	1,023	459	146	19,176	16,870	63,697	28,199
Transactions with subsidiary undertakings of Prokom Software SA								
ABG – Ster Projekt SA	0	0	0	0	312	312	0	0
Combidata Poland Sp. z .o.	0	0	0	0	121	44	0	0
MCC Net Sp. z o.o. *	0	0	0	0	1	0	0	0
Optix Polska Sp. z o.o.	0	0	0	0	0	0	608	608
Safe Computing Sp. z o. o.	0	0	0	0	0	0	220	0
Spin SA	105	0	0	0	0	0	0	0
Transactions with associated undertakings of Prokom Software SA								
Comp SA	0	0	0	0	1,458	528	0	0
Enigma Systemy Ochrony Informacji Sp. z o.o.	0	0	0	0	2	0	0	0
Total transactions with related undertakings	10,093	8,561	1,308	419	36,249	27,540	84,714	40,387

All figures in PLN '000

1. Transactions with Related Undertakings (continued)

Name	Softbank SA's receivables as at		Softbank SA's liabilities as at	
	Sep 30 2005	Dec 31 2004	Sep 30 2005	Dec 31 2004
	PLN '000	PLN '000	PLN '000	PLN '000
Transactions with subsidiary undertakings				
Epsilio SA	0	81	0	25
Mediabank SA	30	0	0	3
Sawan Grupa Softbank SA	85	2	0	38
Softbank Serwis Sp. z o.o.	7,498	75	7,937	4,546
Transactions with associated undertakings				
NetPower SA	0	4	0	0
Transactions with Parent Undertaking				
Prokom Software SA	1,067	1,055	20,217	45,942
Transactions with subsidiary undertakings of Prokom Software SA				
Combidata Poland Sp. z o.o.	0	0	15	0
Koma S.A.*	0	0	0	1
Optix Polska Sp. z o.o.	0	0	10	10
Transactions with associated undertakings of Prokom Software SA				
Comp SA	0	0	10,715	12,273
Total transactions with related undertakings	8,680	1,217	38,894	62,838

* As of July 1st 2005, KOMA SA, Koma Nord Sp z o.o. and MCC Net Sp. z o.o. are subsidiary undertakings of Softbank SA and consolidated undertakings of the Softbank Group.

The above transactions with related parties were executed at arm's length as part of the business activities of the Softbank Group's companies as defined in their respective articles of association.

All figures in PLN '000

On July 1st 2005, Sawan Grupa Softbank SA and Softbank entered into an agreement on the sale of business, whereby Softbank acquired a set of tangible and intangible assets comprising the entire business of Sawan Grupa Softbank SA, as defined in Par. 55.1 of the Polish Civil Code, excluding the name Sawan Grupa Softbank SA. The selling price amounted to PLN 11,800,000, and was determined on the basis of a valuation prepared by an independent expert. As a result of the transaction Sawan Grupa Softbank SA discontinued its operations. The resources acquired by Softbank SA will continue to operate within that Company.

Following the transaction, Softbank SA recognised goodwill of PLN 9,047 thousand, which was the difference between fair value of the acquisition cost of PLN 11,522 thousand, plus related transaction costs of PLN 266 thousand, and the fair value of the acquired net assets of PLN 2,741 thousand.

In Q3 2005, Softbank SA started to implement the process of distribution of powers and responsibilities within the Softbank Group with a view to optimising production processes, minimising costs and streamlining the Group's structure.

One of the key elements of the process was the abovementioned acquisition Sawan Grupa Softbank SA's business by the Parent Undertaking.

Another important stage of the process initiated in Q3 2005 was the transfer of selected software contracts from Softbank Serwis Sp. z o.o – responsible for their execution to date – to Softbank SA. The Group's plans assume that Softbank Serwis Sp. z o.o., along with a new Group company, Koma SA (acquired through the issue of Series U1 shares covered with non-cash contributions by Prokom Software SA), are to specialise, in particular, in a broad range of technical maintenance services. The two companies are planned to merge ultimately.

Off-Balance-Sheet Commitments and Liabilities Concerning Related Undertakings

Guarantees and sureties issued by Softbank SA as security for loans contracted by related undertakings as at September 30th 2005:

- Surety for AWiM Mediabank SA's liabilities under an agreement for an investment loan of PLN 1,200 thousand. The amount outstanding under the loan was PLN 75 thousand as at September 30th 2005,

Guarantees and sureties issued by Softbank SA as security for loans contracted by related undertakings as at December 31st 2004:

- Surety for AWiM Mediabank SA's liabilities under an agreement for an investment loan of PLN 1,200 thousand. The amount outstanding under the loan was PLN 300 thousand as at December 31st 2004,
- Guarantee to secure repayment of a revolving working-capital loan of up to PLN 2,000 thousand, advanced by Bank BPH SA to Sawan Grupa Softbank SA. The amount outstanding under the loan was PLN 1,805 thousand as at December 31st 2004,
- Guarantee to secure repayment of a current-account loan of up to PLN 300 thousand advanced by Bank BPH SA to Sawan Grupa Softbank SA. There was no amount outstanding under the loan as at December 31st 2004.

Sureties issued by Softbank SA to secure other liabilities as at September 30th 2005:

- Surety for liabilities under an agreement of February 26th 2004 between Softbank Serwis Sp. z o.o. and Tyco Sp. z o. o. concerning the construction of a structural network. The value of the surety as at September 30th 2005 was estimated at PLN 7,050 thousand.

Sureties issued by Softbank SA to secure other liabilities as at December 31st 2004:

- Surety for liabilities under an agreement of February 26th 2004 between Softbank Serwis Sp. z o.o. and Tyco Sp. z o. o. concerning to the construction of a structural network. The value of the surety as at December 31st 2004 was estimated at PLN 7,342 thousand.

All figures in PLN '000

- Surety for Sawan Grupa Softbank SA's liabilities under the agreement of November 26th 2003, concerning the lease of office space, concluded between Sawan Grupa Softbank SA and KBP-1 Sp. z o.o.. The surety was signed by Sawan Grupa Softbank SA, KBP-1 Sp. z o.o. and Softbank SA. The estimated value of the surety was PLN 4,999 thousand as at December 31st 2005.

The Other Off-Balance Sheet Commitments and Liabilities Concerning Related Undertakings

	Sep 30 2005 (unaudited) PLN'000	Dec 31 2005 (unaudited) PLN'000
Commitment to advance a loan to Mediabank SA	490	40
Commitment to advance a loan to Sawan Grupa Softbank SA	200	300
TOTAL	690	340

2. Off-Balance Sheet Commitments and Liabilities towards Other Undertakings

In its commercial activities, Softbank SA uses bank guarantees and letters of credit, as well as contract performance insurance as security in business transactions with various organisations, companies and administration entities. As at September 30th 2005, the contingent liabilities stood at PLN 10,500 thousand, while as at December 31st 2004 – at PLN 26,849 thousand.

As at September 30th 2005 and December 31st 2004, Softbank SA was also party to a number of lease and tenancy contracts or other contracts of similar nature, providing for the following future liabilities:

Liabilities under lease of space	Sep 30 2005 (unaudited) PLN'000	Dec 31 2004 (unaudited) PLN'000
Up to 1 year	2,982	2,191
From 1 to 5 years	4,378	3,438
Over 5 years	2,116	0
Total	9,476	5,629

Liabilities under operating lease of property, plant and equipment	Sep 30 2005 (unaudited) PLN'000	Dec 31 2004 (unaudited) PLN'000
Up to 1 year	439	322
From 1 to 5 years	670	174
Over 5 years	0	0
Total	1,109	496

All figures in PLN '000

3. Remuneration Paid or Due to the Members of the Executive Board and Supervisory Board of Softbank SA

	Six months ended Jun 30 2005 (unaudited) PLN'000	Nine months ended Sep 31 2004 (unaudited) PLN'000
Executive Board	6,210	6,892
Supervisory Board	167	111
Total	6,377	7,003

The remuneration paid to the members of Softbank SA's Supervisory Board who were also members of the Executive Board of Prokom Software SA amounted to PLN 85 thousand in the first three quarters of 2005, compared to PLN 11 thousand in the first three quarters of 2004.

4. Capital Expenditure

In Q3 2005, Softbank SA incurred capital expenditure of PLN 8,829 thousand, including PLN 6,848 thousand spent on non-current non-financial assets. The capital expenditure planned until the end of 2005 amounts to approx. PLN 106m, including:

- non-cash contributions (Series U2 Shares issue) in the amount of PLN 38m, to be used to finance the acquisition of shares in Incenti SA,
- proceeds from the series T shares issue and own funds to finance the following:
 - a. acquisition of shares in Gladstone – approx. PLN 28m,
 - b. acquisition of shares in Comp Rzeszów SA – approx. PLN 29m,
 - c. acquisition of business from Sawan Grupa Softbank SA – approx. PLN 6m (payment of two instalments under the agreement on the acquisition of the business),
 - d. investment in tangible assets – approx. PLN 4.3m,
 - e. other expenditure – approx. PLN 0.7m

The capital expenditure incurred in the first three quarters of 2004 stood at PLN 4,655 thousand, including PLN 2,555 thousand spent on non-current non-financial assets.

All figures in PLN '000

5. Effect of the Application of IFRS on the Comparable Data Presented in the Key Financial Information from the Non-Consolidated Financial Statements of Softbank SA

The table below sets forth the effect of individual differences between the previously applied (until the end of 2004) Polish Accounting Standards (PAS) and the International Financial Reporting Standards (IFRS) adopted as of January 1st 2005 on the equity as at January 1st 2004 and net profit for the nine months ended September 30th 2004.

	Jan 1 2004 (unaudited) PLN'000
Effect of the application of IFRS on the equity	
Equity according to PAS	137,984
Non-current assets at fair value	2,706
Transfer of capitalised cost of issue to equity	(695)
Determination of fair value of revenue and costs and their valuation at amortised cost	(178)
Equity according to IFRS	139,817
	Dec 31 2004 (unaudited) PLN'000
Equity according to PAS	164,501
Non-current assets at fair value	2,630
Transfer of capitalised cost of issue to equity	(442)
Determination of fair value of revenue and costs and their valuation at amortised cost	(7,634)
Estimated provision for results on IT contracts, arising on disclosure of revenue and costs at fair value	(15,528)
Provision for deferred income tax on gains from valuation of financial assets available for sale	(1,601)
Revaluation write-off on Epsilio SA in connection with determination of fair value of disposal proceeds	(702)
Equity according to IFRS	141,224
	Nine months ended Sep 30 2004 (unaudited) PLN'000
Net profit according to PAS	13,651
Non-current assets at fair value	57
Transfer of issue cost write-off to equity	189
Determination of fair value of revenue and costs and their valuation at amortised cost	44
Change of class of shares in COMP Rzeszów SA	12,100
Net profit according to IFRS	1,727