



**SOFTBANK SPÓŁKA AKCYJNA**

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

**FOR THE 3<sup>RD</sup> QUARTER OF 2006**

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

All figures in PLN thousands

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE SOFTBANK GROUP  
FOR THE 3<sup>RD</sup> QUARTER OF 2006**

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These financial statements comprise 57 pages numbered consecutively from 1 to 57.

These condensed consolidated financial statements were approved by the Management Board of Softbank SA on 6 November 2006.

## Management Board:

Krzysztof Korba	President of the Management Board
Przemysław Borzestowski	Member of the Management Board
Piotr Jeleński	Member of the Management Board
Przemysław Sęczkowski	Member of the Management Board
Robert Smułkowski	Member of the Management Board

## Person responsible for maintaining the accounting books:

Mirosława Janusz	Chief Accountant
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All figures in PLN thousands

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE SOFTBANK GROUP  
FOR THE 3<sup>RD</sup> QUARTER OF 2006**

**FINANCIAL HIGHLIGHTS**

	PLN '000		EUR '000	
	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005
I. Sales revenues	356,182	274,800	90,930	67,713
II. Operating profit	31,690	43,932	8,090	10,825
III. Pre-tax profit	42,234	37,699	10,782	9,289
IV. Profit for the period reported	46,510	33,184	11,874	8,177
<b>- profit attributable to the Shareholders of the Parent Company</b>	<b>45,848</b>	<b>32,624</b>	<b>11,705</b>	<b>8,039</b>
V. Net cash provided by (used in) operating activities	12,706	( 11,113)	3,244	( 2,738)
VI. Net cash provided by (used in) investing activities	( 14,888)	13,042	( 3,801)	3,214
VII. Net cash provided by (used in) financing activities	( 22,116)	( 14,723)	( 5,646)	( 3,628)
VIII. Cash and cash equivalents at the end of period	37,842	34,550	9,500	8,821
IX. Earnings per ordinary share attributable to the Shareholders of Softbank SA (in PLN/EUR) - basic	1.82	1.56	0.46	0.38
X. Earnings per ordinary share attributable to the Shareholders of Softbank SA (in PLN/EUR) - diluted	1.82	1.30	0.46	0.32

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

- the condensed consolidated profit and loss account and cash flow statement items were translated into Euro at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month in a given quarter. The rates were as follows:
  - for the period from 1 January to 30 September 2006: EUR 1 = PLN 3.9171
  - for the period from 1 January to 30 September 2005: EUR 1 = PLN 4.0583
- the Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland on 30 September 2006 and 30 September 2005. The rates were as follows:
  - exchange rate effective on 30 June 2006: EUR 1 = PLN 3.9835
  - exchange rate effective on 30 June 2005: EUR 1 = PLN 3.9166

All figures in PLN thousands

## **PLANNED MERGER WITH ASSECO POLAND SA AND ISSUANCE OF SHARES**

### **Merger of Softbank SA with Asseco Poland SA**

On 31 August 2006 the Management Board of Softbank SA signed the Plan of Merger with the company Asseco Poland SA based in Rzeszów, Poland.

Asseco Poland SA conducts business activities including development of software and provision of IT services for the banking sector and miscellaneous companies. The shares of Asseco Poland SA are listed on the Warsaw Stock Exchange.

In connection with the Merger, Softbank SA intends to increase its share capital by the amount not higher than PLN 17,736,344, which is covered by the assets of Asseco Poland SA evaluated for the purposes of the merger. Softbank SA shall issue 17,736,344 ordinary bearer shares of series C, with a par value of PLN 1.00 each (the "Merger Shares"). The issuance of series C shares is the basis for the Merger process, which shall be executed pursuant to art. 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of Asseco Poland SA to Softbank SA instead for shares of Softbank SA.

The Merger Shares will be assigned to the shareholders of Asseco Poland SA proportionally to the number of Asseco Poland SA shares owned, applying the Exchange Parity of 5.9 Merger Shares for 1 share of Asseco Poland SA.

Both the companies, Asseco Poland SA and Softbank SA, convened their Extraordinary General Meetings of Shareholders to be held on 14 November 2006. The meeting agenda includes, among others, voting over the resolution on the merger of Softbank SA and Asseco Poland SA as well as appointing the members of the new Supervisory Board of the merged companies.

Taking into account that on 24 October 2006 the Plan of Merger with Asseco Poland SA was signed, the Company terminated the Option Agreement within the scope of acquisition of 268,000 shares of Asseco Poland SA from Mr. Adam Góral. The Agreement shall be terminated on condition the court registers the merger of companies Asseco Poland SA and Softbank SA.

Thanks to the Merger of Asseco Poland SA and Softbank SA it will be possible to enhance the development strategy for the merged companies with elements, implementation of which would not achievable in case Asseco Poland SA and Softbank SA acted as separate market players. The essential objective of the Merger is to establish the largest company within the Polish IT industry which will provide proprietary software for the financial and banking sector. The concentration of capital, following the Merger, will enable the merged companies to expand internationally, increase their competitiveness and improve the quality of products and services offered. Furthermore, the merged company will be able to develop diversified products, enter new segments of the market and increase its share the segments it operates right now. The new group of companies will employ approximately 3 thousand persons.

All figures in PLN thousands

## **PLANNED MERGER WITH ASSECO POLAND SA AND ISSUANCE OF SHARES (continued)**

### **Take-over of the company PVT a.s. and the Building Automation Department from Prokom Software SA**

Concurrently to the issuance of Merger Shares, the share capital of Softbank will be additionally increased by issuing shares of series B that will be assigned against a non-cash contribution (the "Non-Cash Contribution Shares"). The Company shall issue 3,210,000 shares to be acquired by Prokom Software SA. The issuance price for each Non-Cash Contribution Share shall equal PLN 37.70 which stands for PLN 121,017,000 for all the Non-Cash Contribution Shares.

The Non-Cash Contribution Shares shall be settled with a non-cash contribution comprising:

- shares representing 100% of the share capital of PVT a.s. based in Prague, the Czech Republic. Instead for the shares in PVT a.s., Softbank SA will assign 2,140,000 Non-Cash Contribution Shares with the total value of PLN 80,678,000;
- an organized part of the Prokom Software SA enterprise related to the operations of the Building Automation Department ("DAB"). Instead for the DAB contribution, Softbank SA will assign 1,070,000 Non-Cash Contribution Shares with the total value of PLN 40,339,000.

PVT a.s. is a leading IT company on the Czech market with a wealth of experience in execution of the largest IT projects. The company offers comprehensive IT solutions which help improve the efficiency of business processes of its clients. PVT a.s. supports strategic processes of its customers by providing them with services such as integration of IT systems, outsourcing and a wide range of specialized solutions which are customized for particular sectors of economy or particular clients. The company's offer is addressed especially to the public administration authorities and local government bodies, banks and financial institutions, as well as private companies.

Over 50 years of its operations in the Czech market, the company gained many prestigious clients of the following sectors: public administration, banking and finance, insurance, telecommunications, industry, public facilities, and transportation. Amongst the PVT's customers are the largest Czech bank CSOB, mobile telephony operator T-Mobil, the Czech Ministry of Internal Affairs. At present PVT executes an extensive and prestigious contract in consortium with an Austrian company KAPSCH. The companies construct the system for electronic collection of road tolls in the territory of Czech Republic.

The Building Automation Department concentrates the employees specialized in all the automation technologies applied in modern buildings. This enables performing the most complicated multi-sector projects whilst maintaining coherence and compatibility of the solutions proposed to the clients. The DAB team is a partner of the leading manufacturers of building automation systems such as Honeywell (Golden Partner status), TAC (Golden Partner status), Siemens, Bosch Security Systems, Schrack, and GE Security. The concluded partner co-operation agreements guarantee that DAB is granted the maximum discounts for the provided equipment and services. The DAB team has already executed several dozen projects and installations acting as a subcontractor for the largest Polish construction companies, but also as a direct contractor for the investors.

### **Subscription warrants**

Following the resolution passed by the Extraordinary General Meeting of Shareholders of Asseco Poland SA on 18 September 2006, Mr. Adam Góral was assigned 50,000 subscription warrants entitling the holder to buy 50,000 shares of series D of Asseco Poland SA. After the Merger Mr. Adam Góral will be assigned the subscription warrants for shares in Softbank SA in the quantity corresponding to the number of warrants of Asseco Poland SA multiplied by the Exchange Parity and rounded down to the nearest integer. The Company's subscription warrants shall entitle the holder to acquire 295,000 shares of the Company after the Merger.

All figures in PLN thousands

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT THE SOFTBANK GROUP

	Note no.	9 months ended 30 Sept. 2006	3 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005	3 months ended 30 Sept. 2005
	in Supplement Information	PLN '000	PLN '000	PLN '000	PLN '000
<b>Operating activities</b>					
<b>Sales revenues</b>		<b>356,182</b>	<b>139,371</b>	<b>274,800</b>	<b>100,708</b>
Sales of products and services	1	263,650	102,434	163,702	56,155
Sales of merchandise and materials	1	92,532	36,937	111,098	44,553
<b>Cost of sales</b>		<b>( 268,284)</b>	<b>( 106,876)</b>	<b>( 205,204)</b>	<b>( 66,545)</b>
Cost of products and services sold (-)	2	( 185,276)	( 72,619)	( 113,048)	( 34,765)
Cost of merchandise and materials sold (-)	2	( 83,008)	( 34,257)	( 92,156)	( 31,780)
<b>Gross profit on sales</b>		<b>87,898</b>	<b>32,495</b>	<b>69,596</b>	<b>34,163</b>
Selling expenses (-)	2	( 12,179)	( 3,472)	( 7,670)	( 2,608)
General administrative expenses (-)	2	( 41,060)	( 9,116)	( 30,080)	( 11,039)
<b>Net profit on sales</b>		<b>34,659</b>	<b>19,907</b>	<b>31,846</b>	<b>20,516</b>
Other operating income	3	774	51	12,768	281
Other operating expenses (-)	3	( 3,743)	( 3,230)	( 682)	( 173)
<b>Operating profit</b>		<b>31,690</b>	<b>16,728</b>	<b>43,932</b>	<b>20,624</b>
<b>Other activities</b>					
Financial income	4	35,157	12,600	45,078	19,380
Financial expenses (-)	4	( 34,439)	( 11,569)	( 51,311)	( 23,954)
Share in the profit of associated company	7	9,826	6,865	0	0
<b>Pre-tax profit</b>		<b>42,234</b>	<b>24,624</b>	<b>37,699</b>	<b>16,050</b>
Corporate income tax (current and deferred portions)		157	807	( 2,547)	( 1,587)
<b>Net profit on ordinary activities</b>		<b>42,391</b>	<b>25,431</b>	<b>35,152</b>	<b>14,463</b>
<b>Discontinued operations</b>					
Profit (loss) on discontinued operations for the period reported	5	4,119	5,260	( 1,968)	( 765)
<b>Profit for the period reported</b>		<b>46,510</b>	<b>30,691</b>	<b>33,184</b>	<b>13,698</b>
<b>Attributable to:</b>		<b>46,510</b>	<b>30,691</b>	<b>33,184</b>	<b>13,698</b>
<b>Shareholders of the Parent Company</b>		<b>45,848</b>	<b>30,414</b>	<b>32,624</b>	<b>13,553</b>
Minority Shareholders		662	277	560	145
<b>Consolidated earnings per share attributable to the Shareholders of Softbank SA (in PLN)</b>					
Earnings per share from consolidated net profit on continued operations for the period reported attributable to the Shareholders of Softbank SA (in PLN) - basic		1.82	1.21	1.56	0.65
Earnings per share from consolidated net profit on continued operations for the period reported attributable to the Shareholders of Softbank SA (in PLN) - diluted		1.82	1.21	1.30	0.54

All figures in PLN thousands

## CONDENSED CONSOLIDATED BALANCE SHEET THE SOFTBANK GROUP

	Note no.	30 September 2006	31 December 2005
	in Supplement Information	PLN '000	PLN '000
<b>ASSETS</b>			
<b>Fixed assets</b>		<b>302,407</b>	<b>311,889</b>
Property, plant and equipment		35,934	37,215
Intangible assets		11,344	14,206
Consolidation goodwill	6	76,500	84,715
Investments in associated companies valued under the equity method	7	94,756	86,308
Financial assets available for sale		0	0
Financial assets valued at fair value through profit or loss	9	896	3,575
Long-term receivables		57,997	57,734
Deferred income tax assets		22,492	20,617
Long-term deferred expenses		2,488	7,519
<b>Current assets</b>		<b>313,722</b>	<b>385,084</b>
Inventories		18,681	20,171
Deferred expenses		12,353	13,940
Trade accounts receivable		91,954	166,296
Corporate income tax recoverable		1,386	286
Receivables from the State budget		1,568	101
Other receivables		63,185	52,713
Financial assets held to maturity	8	32,774	17,388
Loans granted		206	0
Financial assets valued at fair value through profit or loss	9	53,773	52,049
Cash and short-term deposits		37,842	62,140
<b>TOTAL ASSETS</b>		<b>616,129</b>	<b>696,973</b>

All figures in PLN thousands

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

	Note no. in Supplement Information	30 September 2006 PLN '000	31 December 2005 PLN '000
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity (attributable to the shareholders of the Parent Company)</b>		<b>312,951</b>	<b>283,725</b>
Share capital		25,175	25,175
Share premium		253,151	253,151
Unrealized net profit on financial assets available for sale		0	0
Capital from bonds convertible to shares		1,409	801
Foreign currency translation differences on subsidiary companies		( 644)	475
Retained earnings (deficit) and current net profit		33,860	4,123
Minority interests		3,311	2,649
<b>Total shareholders' equity</b>		<b>316,262</b>	<b>286,374</b>
<b>Long-term liabilities</b>			
Long-term reserves		680	973
Long-term financial liabilities	10	98,711	99,978
Long-term deferred income		4,935	11,635
Other long-term liabilities		0	4,915
<b>Current liabilities</b>			
Interest-bearing bank credits, loans and debt securities	11	19,226	40,194
Trade accounts payable		58,463	141,359
Corporate income tax payable		252	3,404
Liabilities to the State budget		4,071	10,466
Financial liabilities	10	24,175	20,363
Other liabilities		58,181	47,753
Reserves		3,615	692
Accrued expenses		15,127	17,162
Deferred income		12,431	11,705
<b>TOTAL LIABILITIES</b>		<b>299,867</b>	<b>410,599</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>616,129</b>	<b>696,973</b>



All figures in PLN thousands

## CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY THE SOFTBANK GROUP

for 9 months ended 30 September 2006  
and for 12 months ended 31 December 2005

	Share capital PLN '000	Share premium PLN '000	Unrealized net profit on financial assets available for sale PLN '000	Capital from bonds convertible to shares PLN '000	Foreign currency translation differences on subsidiary companies PLN '000	Retained earnings (deficit) and current net profit PLN '000	Total PLN '000	Minority interests PLN '000	Total shareholder s equity PLN '000
<b>As at 1 January 2006</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>801</b>	<b>475</b>	<b>4,123</b>	<b>283,725</b>	<b>2,649</b>	<b>286,374</b>
Net profit for the period from 1 January 2006 to 30 September 2006						45,848	45,848	662	46,510
Foreign currency translation differences on subsidiary companies					( 1,119)		( 1,119)		( 1,119)
Motivational program for the employees of Softbank SA				608			608		608
Dividend for the year 2005						( 16,111)	( 16,111)		( 16,111)
<b>As at 30 September 2006</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>1,409</b>	<b>( 644)</b>	<b>33,860</b>	<b>312,951</b>	<b>3,311</b>	<b>316,262</b>
<b>As at 1 January 2005</b>	<b>20,951</b>	<b>148,525</b>	<b>6,826</b>	<b>801</b>	<b>0</b>	<b>( 39,862)</b>	<b>137,241</b>	<b>3,497</b>	<b>140,738</b>
Issuance of shares	4,224	104,626					108,850		108,850
Net profit for the period from 1 January 2005 to 31 December 2005						43,985	43,985	637	44,622
Reclassification of financial assets from available for sale to investments in associated companies			( 6,826)				( 6,826)		( 6,826)
Changes in the Group structure							0	( 1,485)	( 1,485)
Foreign currency translation differences on subsidiary companies					475		475		475
<b>as at 31 December 2005</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>801</b>	<b>475</b>	<b>4,123</b>	<b>283,725</b>	<b>2,649</b>	<b>286,374</b>

**CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**  
**(continued)**  
**THE SOFTBANK GROUP**

In July 2006, the International Financial Reporting Interpretations Committee ("IFRIC") issued a detailed interpretation concerning presentation in the consolidated financial statements of the Parent Company of obligations to acquire shares in subsidiary companies from minority shareholders. In accordance with IAS 32 paragraph 23, the Parent Company should recognize a financial liability to purchase shares in subsidiary companies from the minority shareholders already at the moment such liability arises, irrespective of the fact whether the payment depends upon future occurrences and decisions of the holders of put options for sale of shares.

In October 2005 the Company signed an agreement for acquisition of the 51% stake of shares in the company Gladstone. This agreement contains call and put options concerning acquisition of a further stake of shares (the remaining 49%).

Based on the above interpretation as well as on analysis of the transaction of acquiring the shares of Gladstone, the Management Board of Softbank SA decided to apply this interpretation retrospectively in the consolidated financial statements.

Following this decision and in accordance with the above-described methodology, the Company introduced the following adjustments to the comparable data (i.e. as at 31 December 2005):

<b>Description</b>	<b>Value</b>
Increase in goodwill due to acquisition of shares in Gladstone Consulting Ltd	24,345
Increase in foreign currency translation differences on subsidiary companies	221
Decrease in the value of minority interests capital	( 1,734)
Increase in the prior years' retained earnings due to recognizing additional 49% stake in the Gladstone's share capital	2,559
Increase (decrease) in retained earnings due to accounting (at the amortised cost) for the liability to be paid for the 49% stake of shares in Gladstone and determining foreign currency differences on that liability	( 641)
Recognizing (at fair value) the financial liability to be paid for the 49% stake of shares in Gladstone	23,940

All figures in PLN thousands

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE SOFTBANK GROUP

	9 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000
<b>Cash flows – operating activities</b>		
Pre-tax profit	46,353	35,731
<b>Total adjustments:</b>	<b>( 27,436)</b>	<b>( 40,513)</b>
Share in net profit of companies valued under the equity method	( 9,826)	0
Depreciation and amortisation	10,062	6,369
Change in inventories	1,462	( 4,393)
Change in receivables	60,474	24,440
Change in liabilities	( 80,620)	( 83,528)
Change in deferred and accrued expenses	( 1,643)	5,235
Change in reserves	2,630	( 7,352)
Interest income and expense	2,647	2,385
Gain (loss) on foreign exchange differences	( 12,907)	5,126
Gain (loss) on investing activities	245	9,392
Other	40	1,813
<b>Net cash generated from operating activities</b>	<b>18,917</b>	<b>( 4,782)</b>
Interest paid	( 1,810)	( 4,909)
Income tax paid	( 4,401)	( 1,422)
<b>Net cash provided by (used in) operating activities</b>	<b>12,706</b>	<b>( 11,113)</b>
<b>Cash flows – investing activities</b>		
Disposal of tangible fixed assets	468	256
Proceeds from redemption of financial assets held to maturity	571	5,968
Disposal of financial assets valued at fair value through profit or loss	547	0
Acquisition of tangible fixed assets	( 6,550)	( 3,088)
Acquisition of intangible assets	( 466)	( 1,546)
Acquisition of financial assets held to maturity	( 28,773)	( 253)
Acquisition of financial assets valued at fair value through profit or loss	0	( 15,300)
Acquisition of other financial assets	0	( 3,000)
Acquisition of subsidiary and associated companies less cash taken over	( 82)	( 1,281)
Cash contributed by subsidiary and associated companies	0	13,521
Interest received	507	1,282
Dividends received	1,244	657
Other items	( 43)	476
Cash provided by forward transactions	17,689	15,350
<b>Net cash provided by (used in) investing activities</b>	<b>( 14,888)</b>	<b>13,042</b>
<b>Cash flows – financing activities</b>		
Issuance of shares	0	30,581
Finance lease commitments paid	0	( 49)
Dividends paid out to the Shareholders of Softbank SA	( 16,111)	0
Bank credits and loans contracted	4,993	3,654
Bank credits and loans paid back	( 11,322)	( 22,963)
Redemption of debt securities issued	0	( 25,946)
Cash provided by issuance of debt securities	324	0
<b>Net cash provided by (used in) financing activities</b>	<b>( 22,116)</b>	<b>( 14,723)</b>
Net decrease in cash and cash equivalents	( 24,298)	( 12,794)
Cash and cash equivalents as at 1 January	62,140	47,344
<b>Cash and cash equivalents as at 30 September</b>	<b>37,842</b>	<b>34,550</b>

All figures in PLN thousands

## CONDENSED INFORMATION ON THE BUSINESS SEGMENTS THE SOFTBANK GROUP

For current period - 9 months of 2006 and as at 30 September 2006	Implementation operations - continued PLN '000	Media operations - discontinued PLN '000	Total operations PLN '000
<b>Sales revenues</b>			
<b>for the period from 1 January to 30 September 2006</b>			
External sales	365,791	4,992	370,783
Intersegment sales	( 9,609)	0	( 9,609)
<b>Total segment's revenue</b>	<b>356,182</b>	<b>4,992</b>	<b>361,174</b>
<b>Profit (loss)</b>			
Segment's profit (loss)	34,659	( 1,475)	33,184
Profit (loss) on continued operations before financial expenses and taxation	31,690	( 1,411)	30,279
Net financial expenses	718	( 6)	712
Share in the profits of associated companies	9,826	0	9,826
Profit before taxation and minority interests	42,234	4,119	46,353
Income tax (tax expense)	157	0	157
<b>Net profit (loss) for the period reported</b>	<b>42,391</b>	<b>4,119</b>	<b>46,510</b>
<b>Assets and liabilities</b>			
<b>as at 30 September 2006</b>			
Segment's assets	521,373	0	521,373
Investments in associated companies	94,756	0	94,756
Segment's liabilities	299,867	0	299,867
<b>Other information on the segments</b>			
<b>for the period from 1 January to 30 September 2006</b>			
<b>Capital expenditures</b>	<b>( 6,854)</b>	<b>( 244)</b>	<b>( 7,098)</b>
<b>Depreciation and amortisation</b>	<b>( 9,939)</b>	<b>( 123)</b>	<b>( 10,062)</b>

All figures in PLN thousands

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

For prior period - 9 months of 2005 and as at 31 December 2005	Implementation operations - continued PLN '000	Media operations - discontinued PLN '000	Total operations  PLN '000
<b>Sales revenues</b>			
<b>for the period from 1 January to 30 September 2005</b>			
External sales	289,933	4,262	294,195
Intersegment sales	( 15,133)	0	( 15,133)
<b>Total segment's revenue</b>	<b>274,800</b>	<b>4,262</b>	<b>279,062</b>
<b>Profit (loss)</b>			
Segment's profit (loss)	31,846	( 1,946)	29,900
Profit (loss) on continued operations before financial income and expenses, and taxation	43,932	( 1,940)	41,992
Net financial income and expenses	( 6,233)	( 28)	( 6,261)
Profit before taxation and minority interests	37,699	( 1,968)	35,731
Income tax (tax expense)	( 2,547)	0	( 2,547)
<b>Net profit (loss) for the period reported</b>	<b>35,152</b>	<b>( 1,968)</b>	<b>33,184</b>
<b>Assets and liabilities</b>			
<b>as at 31 December 2005</b>			
Segment's assets	608,733	1,932	610,665
Investments in associated companies	86,308	0	86,308
Segment's liabilities	408,674	1,925	410,599
<b>Other information on the segments</b>			
<b>for the period from 1 January to 30 September 2005</b>			
<b>Capital expenditures</b>	( 5,823)	( 92)	( 5,915)
<b>Depreciation and amortisation</b>	( 6,151)	( 218)	( 6,369)

All figures in PLN thousands

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

In the current reporting period and in the corresponding period of the previous year, the Softbank Group generated over 90% of its sales revenues on the Polish market, with exports accounting for only a marginal part of the Group's turnover. Therefore, the division of the Group's operations by geographic regions was not presented.

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 expenditures than those inherent for other industry segments. The products and services are deemed related taking into account their type. The Softbank Group classifies its activities into specific industry based on their type.

Division of the Group's activities by industry is as follows:

Implementation operations – consulting services and supply of software and hardware:

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

Media operations:

- operating a radio station.

In 2006 as a result of received bids for acquisition of Mediabank SA shares, the Management Board of Softbank SA decided to dispose of that undertaking. On 28 April 2006 the Company concluded the agreement for sale of 100% of shares in Mediabank SA, which was executed on 28 September 2006. In accordance with IFRS, all the profit and loss account items related to discontinued operations were classified as appropriated for sale, and were shifted to the item "Profit (loss) on discontinued operations for the period reported" which is further described in item 5 of the Explanatory Notes.

All figures in PLN thousands

**PERFORMANCE OF THE SOFTBANK GROUP**

In Q3 2006 the Softbank Group's sales revenues amounted to PLN 139,371 thousand and they increased by 38% as compared with the prior year's corresponding period. Higher sales resulted chiefly from extending the Group with new undertakings. In 2005 Softbank SA made acquisitions of three companies: Koma SA (in January 2006 this company was merged with Softbank Serwis Sp. z o.o.), Incenti SA and Gladstone Consulting Ltd. The financial results of those companies were consolidated in Q3 2006 under full consolidation method. In Q3 2006 sales of the Parent Company increased to PLN 80,157 thousand or by 6%.

Sales revenues by sector	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept. 2006	30 Sept. 2006	30 Sept. 2005	30 Sept. 2005
	PLN '000	PLN '000	PLN '000	PLN '000
Banking and finance	216,262	86,429	209,995	69,936
Public institutions	77,308	36,684	39,715	20,417
Other sectors	62,612	16,258	25,090	10,355
<b>Total:</b>	<b>356,182</b>	<b>139,371</b>	<b>274,800</b>	<b>100,708</b>

Sales revenues by sector (%)	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept. 2006	30 Sept. 2006	30 Sept. 2005	30 Sept. 2005
	%	%	%	%
Banking and finance	60.7%	62.0%	76.4%	69.4%
Public institutions	21.7%	26.3%	14.5%	20.3%
Other sectors	17.6%	11.7%	9.1%	10.3%
<b>Total:</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

In Q3 2006 the Softbank Group's sales revenues from the banking sector increased by 24% y/y, however their share in the total turnover declined from 69% to 62%. Such lower share was observed primarily because the Softbank Group consolidated the companies acquired in Q4 2005, which execute contracts also for other sectors of economy, and apart from that due to high sales of Softbank SA to the public sector. For the most part, the Softbank Group's Q3 sales to the banking sector rose thanks to performance of Gladstone Consulting Ltd., which executes service contracts for Bank Pekao SA, as well as due to higher revenues achieved by Softbank SA from implementation of ZSI System.

The largest contracts of Softbank SA which made up sales to the banking sector in Q3 2006 were: implementation work related to ZSI System, implementation and modification work on other systems being implemented at PKO BP SA, such as Zorba, Cezar, the Central Support System, Bankart System, as well as implementation of the risk management systems based on Fermat application.

Also other companies of the Group provided their products and services to the banking sector clients. Here, the companies Novum Sp. z o.o. and Gladstone Consulting Ltd. generated sales of PLN 4,405 thousand and PLN 5,867 thousand respectively.

In Q3 2006, in the public administration sector the Softbank Group recorded a turnover of PLN 36,684 thousand, i.e. an increase of 80% year on year. Substantial increase of sales in comparison with the last year resulted from execution of contracts for delivery of hardware infrastructure for the Ministry of National Education (MEN) and the Head Office of Geodesy and Cartography (GUGiK) by Softbank Serwis Sp. z o.o., as well as from higher revenues from execution of the Central Register of Vehicles and Drivers (CEPiK) contract.

In Q3 2006 the Group performed also smaller contracts concluded with the public sector customers, including the Social Security Office (ZUS) and the Supreme Chamber of Control.

All figures in PLN thousands

**PERFORMANCE OF THE SOFTBANK GROUP (continued)**

Consolidated financial results of the Softbank Group	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept. 2006	30 Sept. 2006	30 Sept. 2005	30 Sept. 2005
	PLN '000	PLN '000	PLN '000	PLN '000
Sales revenues	356,182	139,371	274,800	100,708
Gross profit on sales	87,898	32,495	69,596	34,163
Operating profit	31,690	16,728	43,932	20,624
<b>Net profit attributable to the Shareholders of Softbank SA</b>	<b>45,848</b>	<b>30,414</b>	<b>32,624</b>	<b>13,553</b>

  

Key profitability ratios of the Softbank Group [%]	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept. 2006	30 Sept. 2006	30 Sept. 2005	30 Sept. 2005
	%	%	%	%
Gross margin on sales	24.7%	23.3%	25.3%	33.9%
Operating profit margin	8.9%	12.0%	16.0%	20.5%
<b>Net profit margin</b>	<b>12.9%</b>	<b>21.8%</b>	<b>11.9%</b>	<b>13.5%</b>

In Q3 2006 gross profit on sales of the Softbank Group decreased by almost 5% as compared with the corresponding period of the last year, due to lower gross margin on sales. The margin dropped as a result of execution of low-margin contracts for delivery of computer hardware to the public sector by Softbank Serwis Sp. z o.o.

In the period reported selling expenses and general administrative costs aggregated at PLN 12,588 thousand. In comparison with the previous year, the general administrative costs decreased by PLN 1,923 thousand thanks to savings achieved from the merger of companies Koma S.A. and Softbank Serwis Sp. z o.o. Whereas, the selling expenses increased by PLN 864 thousand in Q3 2006 because of the acquisition of company Incenti SA (in Q4 2005) and due to expenses incurred in relation with gaining new contracts for the Group.

In Q3 2006 the Company established a restructuring reserve in the amount of PLN 2,984 thousand, which was included in other operating expenses. The reserve is related to liquidation of work places at Softbank SA following the planned merger with Asseco Poland SA. Establishing such restructuring reserve resulted in a drop of the Group's Q3 operating profit by 19% year on year, this is to the level of PLN 16,728 thousand.

Despite lower operating profit, in Q3 2006 the Group's pre-tax profit grew by 53% y/y due to including, under the equity method, 22% of net profit of the associated company Asseco Poland SA (+ PLN 9,826 thousand) as well as due to the positive balance of financial income and expenses (PLN 1,031 thousand).

In Q3 2006, the Softbank Group net profit (attributable to the Shareholders of Softbank SA) amounted to PLN 30,414 thousand and was by 124% higher than in the corresponding period of the prior year. It was possible thanks to positive results on operating and financing activities. Moreover, in Q3 2006 the Group recognized a gain on disposal of shares in the company AWiM Mediabank SA (Radio PiN) in the amount of PLN 5,546 thousand which had a favourable impact on the bottom line.

Such positive result followed from high net profit cleared by Softbank SA (PLN 17,341 thousand – without consolidation eliminations) as well as by subsidiary companies: Incenti SA, Gladstone Consulting Ltd and Novum Sp. z o.o., whose aggregate Q3 net profits amounted to PLN 3,779 thousand (without consolidation eliminations), in spite of unsatisfactory results of Softbank Serwis Sp. z o.o. – PLN 7,968 thousand (without consolidation eliminations). Additionally, in Q3 2006 net profit of the Softbank Group was substantially influenced by its share in the consolidated net profit of the Asseco Group (PLN 9,826 thousand).

The financial results of subsidiary companies for Q3 2006 have been presented in item 13 of the Explanatory Notes.



All figures in PLN thousands

## PERFORMANCE OF THE SOFTBANK GROUP (continued)

### Key factors with impact on the Group's performance in Q3 2006

- change in profitability of the executed IT contracts resulted in a decrease of the result on operating activities by PLN 2,309 thousand,
- establishing the restructuring reserve in the amount of PLN 2,984 thousand decreased the operating profit,
- income from execution of forward contracts for purchase/sale of Euro and US dollars amounting to PLN 5,980 thousand increased the result on financing activities,
- gains/(losses) on change in fair value of the concluded forward contracts for purchase/sale of Euro and US dollars amounting to PLN 4,691 thousand increased the result on financing activities,
- gains/(losses) on change in the fair value of the embedded financial derivatives in the amount of PLN 6,034 thousand decreased the result on financing activities,
- excess of foreign exchange negative differences over positive ones in the amount of PLN 3,599 thousand decreased the result on financing activities,
- gain on disposal of the company Mediabank SA in the amount of PLN 5,546 thousand increased the net profit.

All figures in PLN thousands

## GENERAL INFORMATION

The Parent Company of the Softbank Group (the "Softbank Group") is Softbank SA (the "Parent Company", the "Company") with the registered seat at ul. 17 Stycznia 72a, Warsaw, Poland.

The Company was established on 18 January 1989 as a limited liability company, and subsequently under notary deed of 31 August 1993 it 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 the number KRS 33391, and previously the Company was entered into the Commercial Register maintained by the District Court of the Capital City of Warsaw, Commercial Court, XVI Commercial and Registration Department, under the number RHB 17220. Since 1998, the Parent Company shares have been listed on the main market of the Warsaw Stock Exchange SA. The Company has been assigned the statistical number REGON 010334578. The period of the Company's operations is indefinite.

Softbank SA is the Parent Company of the Softbank Group. Prokom Software SA is the parent company of Softbank SA; this results from exercising control over the Issuer's operating activities. As at 30 September 2006, Prokom Software SA held 34.26% of Softbank SA shares which entitled them to the proportional voting interest at the General Meeting of Shareholders.

The business profile of Softbank SA includes software and hardware consultancy, production of software as well as supply of software and hardware. According to the Polish Classification of Business Activities, the Parent Company's core business is "software consultancy and supply" (PKD-7222Z). This category includes analysing, developing and programming ready-to-use IT systems. According to the classification adopted by the Warsaw Stock Exchange, the Parent Company's business activity is classified as "information technology".

Other undertakings of the Group conduct similar activities, with the exception of AWiM Mediabank SA, which was disposed during Q3 2006, and whose business includes radio activities, public relations as well as media services.

In addition to rendering comprehensive IT services, the Group also sells goods including mainly computer hardware. The conducted sale of goods is to a large extent connected with the provision of software implementation services.

These condensed consolidated financial statements provide a description of the Softbank Group's core business broken down by relevant segments.

These condensed consolidated financial statements cover the interim period ended 30 September 2006 and contain comparable data for the interim period ended 30 September 2005 in case of the profit and loss account and cash flow statement, and as at 31 December 2005 in case of the balance sheet.

The Company draws up its financial statements in accordance with the International Financial Reporting Standards ("IFRS") for the current and comparable period. Softbank SA has begun to apply the IFRS since the year 2005.

The Company paid out a dividend for 2005. By the decision of the Ordinary General Meeting of Shareholders of Softbank SA, 30% of net profit for the year 2005 was distributed as payment of a dividend of PLN 0.64 per share. The remaining part of net profit for the year 2005 appropriated for increasing the Company's reserve capital.

All figures in PLN thousands

## GENERAL INFORMATION (continued)

### Basis for Preparation of Condensed 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 zloty (PLN), and all the figures are presented in thousands of zlotys (PLN '000), unless stated otherwise.

These condensed consolidated financial statements were prepared on the going-concern basis. It was assumed that the Parent Company as well as its subsidiary companies will continue their business activities in the foreseeable future. Till the date of approving these financial statements, there have been observed no circumstances indicating a threat to continuing business activities by the Softbank Group.

### Compliance Statement

These condensed consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS"), and in particular in accordance with the International Accounting Standard ("IAS") 34 and IFRS approved by the EU. IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Group is reporting under IFRS applicable to financial statements for the fiscal years started after 1 January 2006.

Some of the Group's companies maintain their accounting books in accordance with the accounting policies (principles) set forth in the Polish Accounting Act of 29 September 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 companies, which were introduced to adjust the financial statements of those companies to the IFRS.

The accounting policy (principles) applied in preparing these condensed consolidated financial statements is presented in the full semi-annual consolidated financial statements for the six months ended 30 June 2006 which was published on 15 September 2006. These condensed consolidated financial statements should be read together with the said full semi-annual consolidated financial statements of the Softbank Group for the period of six months ended 30 June 2006.

### Estimates

Preparing condensed consolidated financial statements in accordance with IFRS requires making estimates and assumptions which impact the data disclosed in such financial statements. Despite the estimates and assumptions have been adopted based on the Group's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated.

Below are presented the main areas, which in the process of applying the accounting principles (policy) were subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Group's future results.

#### *Operating cash flows assumed for valuation of IT contracts*

The Group executes a number of contracts for construction and implementation of information technology systems. Additionally, some of those contracts are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of sales revenues and costs, as well as to provide the fair value of the embedded currency derivatives for which "forward" exchange rates are applied. The assumed operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of the implementation schedules of IT projects involved.

## GENERAL INFORMATION (continued)

#### *Rates of depreciation and amortisation*

The level of depreciation and amortisation rates is determined on the basis of anticipated period of

All figures in PLN thousands

useful economic life for the components of tangible and intangible assets. The Group verifies the adopted periods of useful economic life on an annual basis, taking into account the current estimates.

*Deferred income tax assets (net of reserves)*

In the three quarters of 2006 the Group did not recognise the entire balance of deferred income tax assets (net of reserves). This resulted from the verification of estimates of the planned taxable income to be achieved in the future.

*Goodwill – impairment test*

At the end of 2005 the Management Board of the Parent Company performed an impairment test on goodwill resulted from acquisition of subsidiary companies and one associated company. This task required making estimates of the value in use of cash generating units, which include goodwill. The value in use is estimated by determination of the future cash flows expected to be generated from the cash generating unit and selection of a discount rate to be used in order to calculate the net present value of those cash flows. As at 30 September 2006 impairment tests were performed only for goodwill as to which there existed indications of impairment.

*Liability to pay for the 49% stake of shares in Gladstone Consulting Limited*

As at 31 December 2005 (in effect of the adjustments to the comparable data as described under "Condensed consolidated statement of shareholders' equity") as well as at 30 September 2006, the Group recognized a financial liability due to the payment to the minority shareholders of Gladstone to be effected in the future. Determination of the amount of the said financial liability required estimation of the Gladstone financial results in the years 2006 – 2008 and applying a discount rate on that liability.

**Professional judgement**

The Group has concluded a number of agreements for lease of transportation vehicles, which are classified as operational leasing agreements. The lessor keeps all the material risks and benefits resulting from ownership of those assets.

The embedded derivatives, which are strictly related to the principal agreements, are accounted for separately as other derivatives, not classified as securing instruments. Gains/losses on changes in fair value of those derivatives are reflected in the profit and loss account for the period in which they actually occurred.

In case of some types of transactions, embedded derivatives are not detached from the principal agreement and are not accounted for separately, especially if those transactions are carried out in the currency deemed as applied customarily in such type of transactions in the given economic environment. The contracts of such type include, among others, real estate lease agreements and, as from 1 January 2005, also IT services contracts because applying Euro rates becomes more and more common.

Combinations of business entities under common control are accounted for using the purchase method in accordance IFRS 3, provided such transaction is economically justified.

All figures in PLN thousands

## GENERAL INFORMATION (continued)

### Changes in data for Q3 2005

#### *Changes in the comparable data*

In July 2006, the International Financial Reporting Interpretations Committee ("IFRIC") issued a detailed interpretation concerning presentation in the consolidated financial statements of the Parent Company of obligations to acquire shares in subsidiary companies from the minority shareholders. In accordance with IAS 32 paragraph 23, the Parent Company should recognize a financial liability to purchase shares in subsidiary companies from the minority shareholders already at the moment such liability arises, irrespective of the fact whether the payment depends upon future occurrences and decisions of the holders of put options for sale of shares.

In October 2005 the Company signed an agreement for acquisition of the 51% stake of shares in the company Gladstone. This agreement contains call and put options concerning acquisition of a further stake of shares (the remaining 49%).

Based on the above interpretation as well as on analysis of the transaction of acquiring the shares of Gladstone, the Management Board of Softbank SA decided to apply this interpretation retrospectively in the consolidated financial statements, which has been described in more detail under "Condensed consolidated statement of shareholders' equity".

#### *Discontinued operations*

In 2006 as a result of received bids for acquisition of Mediabank SA shares, the Management Board of Softbank SA decided to dispose of that undertaking. On 28 April 2006 the Company concluded the agreement for sale of 100% of shares in Mediabank SA, which was effected on 28 September 2006. In compliance with IFRS, assets and liabilities of Mediabank SA have been classified as held for disposal, which is further described in item 5 of the Explanatory Notes.

#### *Changes in adopted accounting principles*

In 2005 the Group decided to change the manner of presentation of sales revenues and operating expenses in the breakdown to products and merchandise. At present sales and operating expenses are classified as products or merchandise taking into account the type of project executed, irrespective of the fact whether the solutions have been developed by the Group itself or using third party work.

Such change resulted in an increase of sales of products for the three quarters of 2005 by PLN 49,378 thousand, and for the third quarter of 2005 by PLN 18,393 thousand, which was offset by decreasing the sales of merchandise and materials by the same amount. Analogically, the costs of products sold increased by PLN 42,090 thousand and PLN 13,823 thousand, respectively, which was offset by decreasing the cost of merchandise and materials sold.

In 2005 the Group decided to change the manner of presentation of allowances for accounts receivable, and write-downs on inventories and on work in process. Those allowances and write-downs, instead of being included in operating income or expenses respectively, are disclosed in cost of products sold.

This change resulted in a decrease of profit on sales for the three quarters of 2005 and for the third quarter of 2005 by the amounts of PLN 1,936 thousand and PLN 1,842 thousand, respectively.

All figures in PLN thousands

**GENERAL INFORMATION (continued)****Composition of the Management Board and Supervisory Board of the Parent Company**

As at 30 September 2006 and 31 December 2005, the Company's Management Board was composed of the following persons:

<b>First name and surname</b>	<b>Position</b>
Krzysztof Korba	President of the Management Board
Przemysław Borzestowski	Member of the Management Board
Piotr Jeleński	Member of the Management Board
Przemysław Sęczkowski	Member of the Management Board
Robert Smułkowski	Member of the Management Board

As at 30 September 2006 and 31 December 2005, the Company's Supervisory Board was composed of the following persons:

<b>First name and surname</b>	<b>Position</b>
Ryszard Krauze	Chairman of the Supervisory Board
Marek Jakubik	Member of the Supervisory Board
Stanisław Janiszewski	Member of the Supervisory Board
Piotr Mondalski	Member of the Supervisory Board
Maria Zagrajek	Member of the Supervisory Board

**Major Shareholders and Changes in the Ownership of Significant Stakes of Shares**

The table below sets forth the shareholders who, directly or through their subsidiary companies, have at least a 5% voting interest at the General Meeting of Shareholders of Softbank SA.

**Major shareholders in Softbank SA according to information available as at 30 September 2006**

<b>Name of shareholder</b>	<b>Number of shares and votes at GMS</b>	<b>% of share capital owned and voting interest at GMS</b>
Prokom Software SA	8,624,791	34.26%
ING TFI SA (investment funds)	1,279,964	5.08%
Others	15,269,958	60.66%
<b>Total</b>	<b>25,174,713</b>	<b>100.00%</b>

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 each.

**Major shareholders in Softbank SA according to information available as at 31 December 2005**

<b>Name of shareholder</b>	<b>Number of shares and votes at GMS</b>	<b>% of share capital owned and voting interest at GMS</b>
Prokom Software SA	8,309,791	33.01 %
ING TFI SA (investment funds)	1,306,307	5.19 %
Others	15,558,615	61.80 %
<b>Total</b>	<b>25,174,713</b>	<b>100.00 %</b>

As at 31 December 2005, the share capital of Softbank SA amounted to PLN 25,174,713 and was divided into 25,174,713 ordinary shares with a par value of PLN 1 each.

All figures in PLN thousands

**GENERAL INFORMATION (continued)****Changes in the numbers of Softbank SA shares held by the Company's managing and supervisory staff**

<b>Members of the Supervisory Board</b>	<b>Number of shares</b>	
	<b>as at 30 September 2006</b>	<b>as at 8 August 2006</b>
Ryszard Krauze	0	0
Marek Jakubik	0	0
Stanisław Janiszewski	1,600	1,600
Piotr Mondalski	0	0
Maria Zagrajek	0	0

<b>Members of the Management Board</b>	<b>Number of shares</b>	
	<b>as at 30 September 2006</b>	<b>as at 8 August 2006</b>
Krzysztof Korba	0	0
Przemysław Borzestowski	0	0
Piotr Jeleński	0	0
Przemysław Sęczkowski	0	0
Robert Smułkowski	1,500	1,500

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 1. Breakdown of sales revenues

#### Sales of products and services

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Software and implementations	164,451	61,329	84,271	26,444
Maintenance services	93,480	40,416	78,794	29,529
Hardware	5,719	689	637	182
<b>Total</b>	<b>263,650</b>	<b>102,434</b>	<b>163,702</b>	<b>56,155</b>

#### Sales of merchandise and materials

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Hardware	72,555	32,846	45,922	36,306
Software and licences	19,977	4,091	65,176	8,247
<b>Total</b>	<b>92,532</b>	<b>36,937</b>	<b>111,098</b>	<b>44,553</b>

In Q3 2006 the Group observed positive changes in the structure of its sales revenues. Sales of products increased by 82% year on year, whereas proceeds from sale of merchandise decreased by 17% y/y. Software and implementations of IT systems generated the majority (i.e. 60%) of the Group's sales of products and services in Q3 2006. Over a year's time those sales of software and implementations increased by 132% due to doubled revenues from implementation of ZSI system for the bank PKO BP SA as well as due to commenced consolidation of the results of Gladstone Consulting Ltd. which sells its own services only. Furthermore, in Q3 2006 Softbank SA conducted sales of software for brokerage houses, namely Promak (Softbank SA purchased the copyrights to this software in December 2005).

The remaining portion of sales of products comprised primarily of the revenues from maintenance services related to the IT systems implemented formerly. The value of maintenance services provided during Q3 2006 amounted to PLN 40,416 thousand, i.e. 37% more than in Q3 last year.

With its 89% share, computer hardware contributed the most to the Group's sales of merchandise and materials in Q3 2006. Sales of hardware remained at a similar level as in the previous year. Here the main revenue drivers in Q3 2006 were the contracts for supply of hardware infrastructure for the Ministry of National Education (MEN) and the Head Office of Geodesy and Cartography (GUGiK) executed by Softbank Serwis Sp. z o.o.

In 2005 the Group decided to change the manner of presentation of sales revenues and operating expenses in the breakdown to products and merchandise. At present sales and operating expenses are classified as products or merchandise taking into account the type of project executed, irrespective of the fact whether the solutions have been developed by the Group itself or using third party work.

Such change resulted in an increase of sales of products in Q3 2005 by PLN 18,393 thousand, which was offset by decreasing the sales of merchandise and materials by the same amount.

The Group presents its sales revenues in breakdown to products and merchandise. Such presentation reflects the division of achieved economic benefits. Revenues from sale of merchandise and materials are part of typical trading activities, whereas proceeds from sale products and services result from the executed information technology projects, which include development of IT systems and maintenance services.



All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 2. Breakdown of operating expenses

	9 months ended 30 Sept. 2006	3 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005	3 months ended 30 Sept. 2005
	PLN '000	PLN '000	PLN '000	PLN '000
Cost of merchandise and materials sold (-)	( 83,008)	( 34,257)	( 92,156)	( 31,780)
Materials and energy used (-)	( 14,914)	( 7,333)	( 7,114)	( 2,320)
Third party work (-)	( 92,703)	( 34,121)	( 61,533)	( 21,294)
Salaries (-)	( 76,275)	( 25,261)	( 61,040)	( 20,736)
Employee benefits (-)	( 11,466)	( 3,091)	( 9,519)	( 3,505)
Depreciation and amortisation (-)	( 10,062)	( 3,286)	( 6,369)	( 2,183)
Taxes and charges (-)	( 1,240)	( 378)	( 818)	( 489)
Business trips (-)	( 2,055)	( 592)	( 1,632)	( 487)
Other (-)	( 1,729)	586	924	4,211
Cost of software purchased in connection with implementation of IT systems (-)	( 20,185)	( 8,807)	( 1,882)	( 494)
Cost of hardware purchased for implementation of IT systems (-)	( 6,072)	( 894)	( 597)	( 165)
<b>Total</b>	<b>( 319,709)</b>	<b>( 117,434)</b>	<b>( 241,736)</b>	<b>( 79,242)</b>
Changes in inventories, products and deferred expenses	1,814	2,030	1,218	950
Selling expenses (-)	( 12,179)	( 3,472)	( 7,670)	( 2,608)
General administrative expenses (-)	( 41,060)	( 9,116)	( 30,080)	( 11,039)
Cost of products sold (-)	( 185,276)	( 72,619)	( 113,048)	( 34,765)

On the basis of current estimates, in Q3 2006 the Softbank Group recognised changes in the profitability of performed long-term IT contracts which decreased the cost of products sold by PLN 2,118 thousand.

In 2005 the Group decided to change the manner of presentation of sales revenues and operating expenses in the breakdown to products and merchandise. At present sales and operating expenses are classified as products or merchandise taking into account the type of project executed, irrespective of the fact whether the solutions have been developed by the Group itself or using third party work.

The change resulted in an increase of cost of products sold for Q3 2005 by PLN 13,823 thousand, which was offset by decreasing the cost of merchandise and materials sold by the same amount.

In 2005 the Group decided to change the manner of presentation of allowances for accounts receivable, and write-downs on inventories and on work in process. Those allowances and write-downs, instead of being included in operating income or expenses respectively, are disclosed in cost of products sold.

This change resulted in a decrease of profit on sales for Q3 2005 by the amount of PLN 1,842 thousand.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 3. Financial income and expenses

#### Other operating income

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Reimbursement of excess amount of withholding tax	0	0	11,294	0
Gain on disposal of tangible fixed assets	154	0	201	59
Reversal of reserves	0	0	218	192
Other	620	51	1,055	30
<b>Total other operating income</b>	<b>774</b>	<b>51</b>	<b>12,768</b>	<b>281</b>

#### Other operating expenses

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Charitable contributions for unrelated companies (-)	( 327)	( 12)	( 56)	( 16)
Loss on disposal of tangible fixed assets (-)	( 33)	( 33)	( 25)	( 14)
Establishing of reserves, of which:	( 2,984)	( 2,984)	( 127)	( 53)
Reserves for liabilities (-)	0	0	( 127)	( 53)
Restructuring reserve (-)	( 2,984)	( 2,984)	0	0
Other operating expenses (-)	( 399)	( 201)	( 474)	( 90)
<b>Total other operating expenses</b>	<b>( 3,743)</b>	<b>( 3,230)</b>	<b>( 682)</b>	<b>( 173)</b>

In Q3 2006 the Parent Company established a reserve on the Company's liabilities due to the restructuring process which shall take place the end of 2006 and the beginning of 2007 with respect to the planned merger with Asseco Poland SA. As at 30 September 2006, the restructuring reserve is related to liquidation of selected work places at Softbank SA.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 4. Financial income and expenses

#### Financial income

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Interest income on loans granted, debt securities and bank deposits	1,169	480	1,380	674
Other interest income	2,685	785	7,702	2,239
Gain on foreign exchange differences	1,196	377	616	0
Dividends received from unrelated companies	0	0	811	0
Gain on disposal of equity investments in related companies	0	0	399	0
Gain on disposal of other capital investments	96	96	0	0
Gain on valuation of capital investments	166	0	46	0
Other financial income	8	0	600	0
<b>Total financial income (at historical value)</b>	<b>5,320</b>	<b>1,738</b>	<b>11,554</b>	<b>2,913</b>
Gain on change in fair value of embedded currency derivatives	6,320	191	8,209	8,209
Gain on exercise of currency derivatives – forward contracts	17,689	5,980	15,350	7,142
Gain on change in fair value of currency derivatives – forward contracts	4,691	4,691	9,965	1,116
Change in valuation of the stock option for acquisition of Asseco Poland SA	1,137	0	0	0
<b>Total financial income</b>	<b>35,157</b>	<b>12,600</b>	<b>45,078</b>	<b>19,380</b>

#### Financial expenses

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
Interest expense on bank credits and current account credits (-)	( 904)	( 384)	( 1,834)	( 316)
Other interest expenses (-)	( 3,781)	( 872)	( 1,145)	( 540)
Interest on short-term commercial papers (-)	( 167)	( 2)	( 2,099)	( 557)
Loss on foreign exchange differences (-)	( 14,081)	( 3,976)	( 5,773)	( 2,748)
Loss on valuation of capital investments	( 134)	0	( 476)	0
Financial expenses of financial leasing and lease agreements with purchase option (-)	0	0	( 7)	0
Other financial expenses (-)	( 114)	( 110)	( 228)	( 4)
<b>Total financial expenses (at historical cost)</b>	<b>( 19,181)</b>	<b>( 5,344)</b>	<b>( 11,562)</b>	<b>( 4,165)</b>
Loss on change in fair value of embedded currency derivatives (-)	( 8,840)	( 6,225)	( 20,357)	( 397)
Loss on change in fair value of currency derivatives – forward contracts (-)	( 6,418)	0	( 19,392)	( 19,392)
<b>Total financial expenses</b>	<b>( 34,439)</b>	<b>( 11,569)</b>	<b>( 51,311)</b>	<b>( 23,954)</b>

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 4. Financial income and expenses (continued)

In Q3 2006, just as in the analogous period of 2005, the Group held a number of concluded forward contracts for purchase or sale of Euro and US dollars. In Q3 2006 the valuation of forward contracts increased the Group's financial income by the amount of PLN 4,691 thousand. Whereas, in Q3 2005 due to valuation of forward contracts the Group's financial income increased by the amount of PLN 1,116 thousand and, at the same time, the related financial expenses increased by PLN 19,392 thousand.

As in the corresponding period of prior year, also in Q3 2006 the Group held a number of embedded derivatives under concluded trade agreements denominated in Euro or US dollars. The valuation of embedded derivatives in Q3 2006 increased the Group's financial income by the amount of PLN 191 thousand and concurrently it increased the financial expenses by PLN 6,225 thousand. The valuation of embedded derivatives in Q3 2005 increased the Group's financial income by the amount of PLN 8,209 thousand, and concurrently it increased the financial expenses by PLN 397 thousand.

In October 2005 the Company concluded with Mr. Adam Góral the option agreement for acquisition of 268 thousand shares of Asseco Poland SA in the period of six months as from 27 September 2006.

As at 30 June 2006 the stock option was valued at PLN 3,967 thousand based on the mathematical model for valuation of Hawaiian options. Such valuation of the options had a favourable impact on the Group's financial results.

As described in more detail in item "Planned merger with Asseco Poland SA and issuance of shares" in these interim condensed consolidated financial statements, on 31 August 2006 Softbank SA and Asseco Poland SA signed the Plan of Merger. The merger of both companies shall be executed pursuant to art. 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of Asseco Poland SA to Softbank SA. Under the Plan of Merger Softbank SA is obliged neither to sell nor to purchase any shares of Asseco Poland SA.

In connection with signing the agreement for conditional termination of the option agreement with Mr. Adam Góral on 24 October 2006, and with regard to highly probable accomplishment of the published Plan of Merger with Asseco Poland SA, in Q3 2006 the Company did not recognize the valuation of options for shares of Asseco Poland SA in the amount of PLN 1,713 thousand.

Not recognizing the aforementioned valuation of the stock option results from the fact that, if in the Q4 2006 the Extraordinary General Meetings of Shareholders of Softbank SA and Asseco Poland SA approve the merger then, according to art. 514 of the Polish Commercial Companies Code, Softbank SA as the taking-over company will not be able to acquire its own shares instead for the shares in the company being taken over.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 5. Discontinued operations

Consolidated Profit and Loss Account	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept. 2006	30 Sept. 2006	30 Sept. 2005	30 Sept. 2005
	PLN '000	PLN '000	PLN '000	PLN '000
Sales revenues	4,992	1,547	4,262	1,331
Operating costs	( 6,467)	( 1,887)	( 6,208)	( 2,135)
Operating loss	( 1,411)	( 276)	( 1,940)	( 798)
Pre-tax profit (loss) on discontinued operations	4,119	5,260	( 1,968)	( 765)
- of which gain on disposal of Mediabank SA	5,546	5,546	0	0
<b>Net profit (loss) attributable to discontinued operations</b>	<b>4,119</b>	<b>5,260</b>	<b>( 1,968)</b>	<b>( 765)</b>

Consolidated Statement of Cash Flows	9 months ended	9 months ended
	30 Sept. 2006	30 Sept. 2005
	PLN '000	PLN '000
Net cash provided by (used in) operating activities	( 1,338)	( 2,822)
Net cash provided by (used in) investing activities	( 234)	( 92)
Net cash provided by (used in) financing activities	1,602	2,812
<b>Total net cash provided (used)</b>	<b>30</b>	<b>( 102)</b>

On 28 April 2006 the Company concluded the agreement for sale of 100,265 shares of AWiM Mediabank SA which owns the radio station, namely PiN 102 FM. The disposed shares constitute 100% of the share capital and voting interest at the General Meeting of Shareholders of AWiM Mediabank SA. The buyer is Prokom Investments SA based in Gdynia, Poland.

The sale price equalled PLN 4,500 thousand.

The sale agreement included the following conditions precedent:

- obtaining appropriate approval from the Polish Office of Competition and Consumers Protection,
- obtaining appropriate approval from the Polish National Broadcasting Council.

Entering into this agreement was preceded by review of other bids for acquisition of AWiM Mediabank SA, the most beneficial of which was the offer submitted by Prokom Investments SA.

The group KPMG Corporate Finance, part of KPMG Sp. z o.o., prepared an Independent Valuation Report in which they estimated the fair value of all the shares of AWiM Mediabank SA as at 31 December 2005 in the range between PLN 3.9 – 5.1 million. The assessment was based on comparison of the market ratios, and the value range was also confirmed by the method of discounted cash flows (DCF).

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 5. Discontinued operations (continued)

On 28 September 2006, as a result of satisfying all the conditions precedent and transferring to Prokom Investments SA all the coupons of 100,265 shares in Mediabank SA, this company was sold. The Group's gain realized on disposal of shares in Mediabank SA amounted to PLN 5,546 thousand.

#### Accounting for the gain on disposal of Mediabank SA

<b>Selling price</b>	<b>4,500</b>
<b>Net value of assets disposed, of which:</b>	<b>( 1,097)</b>
Fixed assets	695
Current assets	1,737
Liabilities	( 3,529)
<b>Net goodwill</b>	<b>51</b>
<b>Gain on disposal</b>	<b>5,546</b>
Cash and cash equivalents as at the date of sale	47

In accordance with IFRS, the Mediabank's assets and liabilities as at 30 September 2006 have been classified as held for disposal, whereas the profit and loss account items, related to those discontinued operations, were disclosed in the profit and loss account under "Profit (loss) on discontinued operations for the period reported".

In 2004, the Group's management decided to discontinue the publishing activities conducted by Mediabank SA, by concluding a relevant agreement for sale of its magazine titles and other rights related to the publishing of magazines. In 2005 the Group disposed its publishing operations.

### 6. Consolidation goodwill

Since 1 January 2004 the goodwill from consolidation has not been amortized, but only tested for impairment of value on an annual basis .

	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>PLN '000</b>	<b>PLN '000</b>
Balance-sheet value of goodwill from consolidation		
Gladstone Consulting Limited	51,681	52,845
Softbank Serwis Sp. z o.o.(*)	14,224	21,224
Incenti SA	7,619	7,619
Sawan Grupa Softbank SA	2,714	2,714
Novum Sp. z o.o.	262	262
Mediabank SA	0	51
<b>Total balance sheet value</b>	<b>76,500</b>	<b>84,715</b>

(\*) In 2006 the companies Softbank Serwis Sp. z o.o. and Koma SA merged; the taking-over company was Softbank Serwis Sp. z o.o. Their financial data have been presented in aggregate.

### 7. Investments in associated companies

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

As at 30 September 2006 the Softbank Group held a 21.92% stake of shares in Asseco Poland SA based in Rzeszów, Poland.

The table below presents condensed information on the investment in Asseco Poland SA.

	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>PLN '000</b>	<b>PLN '000</b>
Current assets	192,118	152,335
Current liabilities	56,348	75,438
Net assets	177,965	152,495
% of share capital owned	22%	22%
<b>Balance sheet value of investment</b>	<b>94,756</b>	<b>86,308</b>

	<b>9 months ended 30 Sept. 2006</b>	<b>3 months ended 30 Sept. 2006</b>
	<b>PLN '000</b>	<b>PLN '000</b>
Share in the profit of associated company	9,826	6,865

	<b>9 months ended 30 Sept. 2006</b>	<b>3 months ended 30 Sept. 2006</b>
	<b>PLN '000</b>	<b>PLN '000</b>
Sales revenues	230,508	76,978
Net profit	46,339	31,313

In 2006 the Management Boards of Softbank SA and Asseco Poland SA made the decision on merger, as described in more detail under "Planned merger with Asseco Poland SA and issuance of shares" in these interim condensed consolidated financial statements.

In October 2005 the Company concluded with Mr. Adam Góral the option agreement for acquisition of 268 thousand shares of Asseco Poland SA in the period of six months as from 27 September 2006.

As at 30 June 2006 the stock option was valued at PLN 3,967 thousand based on the mathematical model for valuation of Hawaiian options. Such valuation of the options had a favourable impact on the Group's financial results.

As described in item "Planned merger with Asseco Poland SA and issuance of shares" in these interim condensed consolidated financial statements, on 31 August 2006 Softbank SA and Asseco Poland SA signed the Plan of Merger. The merger of both companies shall be executed pursuant to art. 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of Asseco Poland SA to Softbank SA. Under the Plan of Merger Softbank SA is obliged neither to sell nor to purchase any shares of Asseco Poland SA.

As at 30 September 2006, Softbank SA was a party to the option agreement for acquisition of 268 thousand shares of Asseco Poland SA from Mr. Adam Góral in the period of six months as from 27 September 2006.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 7. Investments in associated companies (continued)

In connection with signing the agreement for conditional termination of the option agreement with Mr. Adam Góral on 24 October 2006, and with regard to highly probable accomplishment of the published Plan of Merger with Asseco Poland SA, in Q3 2006 the Company did not recognize the valuation of options for shares of Asseco Poland SA in the amount of PLN 1,713 thousand.

Not recognizing the aforementioned valuation of the stock option results from the fact that, if in the Q4 2006 the Extraordinary General Meetings of Shareholders of Softbank SA and Asseco Poland SA approve the merger then, according to art. 514 of the Polish Commercial Companies Code, Softbank SA as the taking-over company will not be able to acquire its own shares instead for the shares in the company being taken over.

As at 30 September 2006, shares of Asseco Poland SA with the book value of PLN 94,756 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 30 September 2006 amounted to PLN 15,000 thousand.

As at 31 December 2005, shares of Asseco Poland SA with the book value of PLN 86,308 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 31 December 2005 amounted to PLN 15,000 thousand.

### 8. Financial assets held to maturity

#### Current financial assets held to maturity

	30 September 2006 PLN '000	31 December 2005 PLN '000
<b>In unrelated companies</b>		
Bonds	32,774	17,388

Short-term corporate bonds and Treasury bonds characterized by high liquidity are an alternative to bank deposits when it comes to investing spare cash.

As at 30 September 2006, all the bonds served as security limited to PLN 7,849 thousand for guarantees (of agreement performance and tender deposits) issued by the bank maintaining the Parent Company's account.

As at 31 December 2005 the above-mentioned bonds served as security for bank guarantees of up to the amount of PLN 7,250 thousand.

The above-mentioned bonds are valued using the amortised cost method.



All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 9. Financial assets carried at fair value

#### Fixed financial assets carried at fair value

	30 Sept. 2006 PLN '000	31 Dec. 2005 PLN '000
<b>Fixed financial assets</b>	<b>896</b>	<b>3,575</b>
Treasury bonds	743	663
Financial instruments embedded in trade contracts	71	0
Call option for purchase of Asseco Poland SA shares	0	2,830
Other	82	82

#### Current financial assets carried at fair value

	30 Sept. 2006 PLN '000	31 Dec. 2005 PLN '000
<b>Current financial assets</b>	<b>53,773</b>	<b>52,049</b>
Treasury bonds	162	260
Forward contracts for purchase of EUR and USD	49,521	51,249
Financial instruments embedded in trade contracts	123	110
Call option for purchase of Asseco Poland SA shares	3,967	0
Investments in other companies	0	430

As at 30 September 2006, the Parent Company held a number of concluded forward transactions for purchase or sale of foreign currencies – EUR and USD. These instruments are valued at fair value at each balance sheet date. The valuation of the aforementioned assets as at 30 September 2006 equalled PLN 49,521 thousand. Whereas, as at 31 December 2005 the valuation of concluded forward transactions amounted to PLN 51,249 thousand.

In October 2005 the Company concluded with Mr. Adam Góral the option agreement for acquisition of 268 thousand shares of Asseco Poland SA in the period of six months as from 27 September 2006.

As at 30 June 2006 the stock option was valued at PLN 3,967 thousand based on the mathematical model for valuation of Hawaiian options. Such valuation of the options had a favourable impact on the Group's financial results. As described in more detail in item "Planned merger with Asseco Poland SA and issuance of shares" in these interim condensed consolidated financial statements, on 31 August 2006 Softbank SA and Asseco Poland SA signed the Plan of Merger. The merger of both companies shall be executed pursuant to art. 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of Asseco Poland SA to Softbank SA. Under the Plan of Merger Softbank SA is obliged neither to sell nor to purchase any shares of Asseco Poland SA.

In connection with signing the agreement for conditional termination of the option agreement with Mr. Adam Góral on 24 October 2006, and with regard to highly probable accomplishment of the published Plan of Merger with Asseco Poland SA, in Q3 2006 the Company did not recognize the valuation of options for shares of Asseco Poland SA in the amount of PLN 1,713 thousand, which is further described in item 4 of the Explanatory Notes to these condensed consolidated financial statements.

As at 30 September 2006 the current and fixed Treasury bonds served as security for bank guarantees (of agreement performance and tender deposits) up to the amount of PLN 828 thousand.

Likewise, as at 31 December 2005 the current and fixed Treasury bonds served as security for bank guarantees (of agreement performance and tender deposits) up to the amount of PLN 782 thousand.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 10. Long-term and current financial liabilities

#### Long-term financial liabilities

	30 September 2006 PLN '000	31 December 2005 PLN '000
Financial instruments embedded in trade contracts	74,633	76,038
Liabilities due to acquisition of shares in Gladstone Consulting Ltd	24,078	23,940
	<u>98,711</u>	<u>99,978</u>

#### Current financial liabilities

	30 September 2006 PLN '000	31 December 2005 PLN '000
Financial instruments embedded in trade contracts	<u>24,175</u>	<u>20,363</u>

As at 30 September 2006, the Group held a number of embedded financial derivatives. They resulted chiefly from the denomination of payments under the concluded trade agreements in Euro or US dollars. As at 30 September 2006, the liabilities due to embedded currency derivatives amounted to PLN 98,808 thousand, whereas the assets equalled PLN 194 thousand. As at 31 December 2005, the derivative related liabilities amounted to PLN 96,401 thousand, while the assets equalled PLN 110 thousand.

In July 2006, the International Financial Reporting Interpretations Committee ("IFRIC") issued a detailed interpretation concerning presentation in the consolidated financial statements of the Parent Company of obligations to acquire shares in subsidiary companies from minority shareholders. Based on the above interpretation as well as on analysis of the transaction of acquiring the shares of Gladstone, the Management Board of Softbank SA decided to apply this interpretation retrospectively in the consolidated financial statements, which has been described in more detail under "Condensed consolidated statement of shareholders' equity".

In accordance with IAS 32 paragraph 23, a contractual obligation of the company to purchase its own securities gives rise to a financial liability recognised for the present value of retirement of such securities. On account of the above, as at 31 December 2005 the Group recognized financial liabilities in the amount of PLN 23,940 thousand representing the estimated value of future payment for the additional 49% stake of shares in the company Gladstone. The above liabilities are presented at fair (discounted) value and are accounted for under the amortised cost method. The average discount rate equals ca. 7%.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
THE SOFTBANK GROUP**

**11. Short-term interest-bearing bank credits and securities issued**

	Name of company	Maximum debt as at 30 September 2006	Maximum debt as at 31 December 2005	Effective interest rate %	Date of maturity	30 September 2006 PLN '000	31 December 2005 PLN '000
Term credit facility	Bank DnB NORD Polska SA	0	15,000	WIBOR 1M + margin	2006-09-29	0	15,000
Term credit facility	Bank DnB NORD Polska SA	35,000	20,000	WIBOR 1M + margin	2007-05-31	15,000	0
Current account credits	ING Bank Śląski SA	10,000	10,000	WIBOR 1M + margin	not specified	0	0
Current account credits	PKO BP SA	70,000	70,000	WIBOR 1M + margin	2007-07-31	0	7,481
Current account credits	BPH SA	50,000	50,000	WIBOR 1M + margin	2007-06-29	0	3,813
Current account credits	Raiffeisen Bank Polska SA	10,000	10,000	WIBOR 1M + margin	2006-10-31	0	0
Current account credits	Bank Millennium	0	2,100	WIBOR 1M + margin	2005-09-09	0	0
Current account credits	Bank Millennium	5,000	1,900	WIBOR 1M + margin	2007-04-14	4,193	0
		<b>180,000</b>	<b>179,000</b>			<b>19,193</b>	<b>26,294</b>
<b>Other credits:</b>							
Investment credit	BRE BANK	0	900	WIBOR 1M + margin	2005-12-31	0	25
<b>TOTAL</b>		<b>0</b>	<b>900</b>			<b>0</b>	<b>25</b>

As at 30 September 2006, the Group held credit facilities in current accounts, under which the available financing amounted to approx. PLN 180,000 thousand. As at the end of the period reported, the Group had drawn PLN 19,193 thousand. At the end of the previous year the financing available under credit facilities was PLN 179,000 thousand, and the liabilities thereunder stood at PLN 26,294 thousand.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 11. Short-term interest-bearing bank credits and securities issued (continued)

Debt securities:	Face value	Face value	Effective interest rate %	Date of maturity	30 September 2006	31 December 2005
	as at 30 September 2006	as at 31 December 2005			PLN '000	PLN '000
Bonds	0	5,000	7.45%	2006-02-01	0	4,967
Bonds	0	5,000	6.60%	2006-03-20	0	4,928
Bonds	0	4,000	6.35%	2006-03-20	0	3,947
<b>TOTAL</b>	<b>0</b>	<b>14,000</b>			<b>0</b>	<b>13,842</b>

As at 30 September 2006, the Softbank Group's total debt under credits contracted and debt securities issued aggregated at PLN 19,193 thousand, which meant a decrease as compared with the level of 31 December 2005 (i.e. PLN 40,161 thousand).

Both in the period reported and in 2005, the margin realized by the Softbank Group's lenders ranged from 1% to 3%.

As at 30 September 2006, tangible fixed assets with the book value of PLN 7,910 thousand served as security for the contracted bank credits. As at 30 September 2006, there were no liabilities by virtue of those credits.

Whereas as at 31 December 2005, tangible fixed assets with the book value of PLN 8,290 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 31 December 2005 amounted to PLN 7,506 thousand.

As at 30 September 2006, shares of Asseco Poland SA with the book value of PLN 94,756 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 30 September 2006 amounted to PLN 15,000 thousand.

As at 31 December 2005, shares of Asseco Poland SA with the book value of PLN 86,308 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 31 December 2005 amounted to PLN 15,000 thousand.

As at 30 September 2006, receivables in the amount of PLN 7,849 thousand served as security for the contracted bank credits. Liabilities by virtue of those credits as at 30 September 2006 amounted to PLN 4,194 thousand.

As at 31 December 2005, receivables in the amount of PLN 12,000 thousand served as security for the contracted bank credits. As at 31 December 2005, there were no liabilities by virtue of those credits.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 11. Short-term interest-bearing bank credits and securities issued (continued)

As at 30 September 2006, future receivables provided for in the concluded trade agreements served as security for the contracted bank credits with the limit up to PLN 72,409 thousand. As at 30 September 2006, there were no liabilities by virtue of those credits.

As at 31 December 2005, future receivables provided for in the concluded trade agreements served as security for the contracted bank credits with the limit up to PLN 72,000 thousand. Liabilities by virtue of those credits as at 31 December 2005 amounted to PLN 3,813 thousand.

#### Bonds convertible to shares

On 3 July 2000 Softbank SA concluded agreements for acquisition of shares in companies Multinet SA, Pik-Net Sp. z o.o. and Polbox Sp. z o.o., under which it committed itself to provide a motivational program for the managerial staff of those companies. The motivational program assumed issuing 32,748 bonds convertible to shares and it was subject to achieving the specified results by those companies. The expected results were not achieved. With regard to the above, the bonds convertible to shares have not been and will not be given out to the managerial staff of Multinet SA, Pik-Net Sp. z o.o. and Polbox Sp. z o.o.

According to the said agreement for acquisition of shares in those undertakings, in such event half of the bonds convertible to shares, this is 16,374 bonds, shall be transferred to the entities which sold those undertakings on the day when the motivational program expires.

The shares acquisition price disclosed by the Group was based on the fair value of assets transferred in return.

In November 2005 the Softbank Management Board made a decision to award 16,374 bonds convertible to shares to selected employees of Softbank SA. The awarding rules and motivational program conditions were established in March 2006 and they include job seniority, opinion of direct superiors, competence level and qualifications acquired. The bonds were awarded in October 2006 and they were expensed in 2006 at their fair value of PLN 608 thousand.

	30 September 2006	31 December 2005
	PLN '000	PLN '000
Liability due to issuance of bonds convertible to shares	33	33

All figures in PLN thousands

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****THE SOFTBANK GROUP****12. Transactions with related companies**

Name of company	Softbank Group sales to related companies in the period of:				Softbank Group purchases from related companies in the period of:			
	9 months ended 30 Sept. 2006	3 months ended 30 June 2006	9 months ended 30 Sept. 2005	3 months ended 30 June 2005	9 months ended 30 Sept. 2006	3 months ended 30 June 2006	9 months ended 30 Sept. 2005	3 months ended 30 June 2005
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
<b>Transactions with related companies</b>								
Asseco Poland SA <sup>(1)</sup>	5,186	29	0	0	883	665	0	0
Comp Soft Sp. z o.o. <sup>(1)</sup>	6	0	0	0	0	0	0	0
<b>Transactions with the Parent Company</b>								
Prokom Software SA	17,826	8,175	4,070	2,267	4,912	3,072	19,394	16,990
<b>Transactions with related companies of Prokom Software SA</b>								
Prokom Investments SA <sup>(2)</sup>	0	0	0	0	451	180	0	0
<b>Transactions with subsidiary companies of Prokom Software SA</b>								
ABG – Ster Projekt SA	17,322	17,132	0	0	5,706	5,478	312	312
Combidata Poland Sp. z .o.o.	809	727	0	0	94	23	121	44
Koma SA <sup>(3)</sup>	0	0	0	0	0	0	75	0
Koma Nord Sp. z o.o. <sup>(3)</sup>	0	0	0	0	0	0	2	0
Spin SA	10	5	114	9	13	4	6	6
WiedzaNet Sp. z o.o.	92	15	0	0	1,346	266	0	0
<b>Transactions with associated companies of Prokom Software SA</b>								
Comp SA	147	147	0	0	4,794	804	3,465	2,536
Enigma Systemy Ochrony Informacji Sp. z o.o.	0	0	0	0	0	0	2	0
Postdata SA	5	2	1	0	0	0	0	0
<b>Total transactions with related companies</b>	<b>41,403</b>	<b>26,232</b>	<b>4,185</b>	<b>2,276</b>	<b>18,199</b>	<b>10,492</b>	<b>23,377</b>	<b>19,888</b>

<sup>(1)</sup> Asseco Poland SA has become an associated company since 11 December 2005.<sup>(2)</sup> Prokom Investments SA is a minority shareholder in Prokom Software SA.<sup>(3)</sup> Since 1 July 2005 the companies Koma SA and Koma Nord Sp. z o.o. have become subsidiaries of Softbank SA and part of the Softbank Group. In January 2006 the companies Koma SA and Softbank Serwis Sp. z o.o. merged; the taking-over company was Softbank Serwis Sp. z o.o.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 12. Transactions with related companies (continued)

Name of company	Softbank Group receivables as at:		Softbank Group liabilities as at:	
	30 September 2006 PLN '000	31 December 2005 PLN '000	30 September 2006 PLN '000	31 December 2005 PLN '000
<b>Transactions with related companies</b>				
Asseco Poland SA <sup>(1)</sup>	10	12,369	811	0
Comp Soft Sp. z o.o. <sup>(1)</sup>	0	3	0	0
<b>Transactions with the Parent Company</b>				
Prokom Software SA	8,679	5,327	1,797	23,893
<b>Transactions with related companies of Prokom Software SA</b>				
Prokom Investments SA <sup>(2)</sup>	4,500	0	22	81
<b>Transactions with subsidiary companies of Prokom Software SA</b>				
ABG – Ster Projekt SA	14,379	568	6,546	706
Combidata Poland Sp. z .o.o.	16	0	23	1
Optix Polska Sp. z o.o.	0	59	10	10
Spin SA	6	176	2	24
WiedzaNet Sp. z o.o.	0	0	319	2,583
<b>Transactions with associated companies of Prokom Software SA</b>				
Comp SA	0	0	9,295	11,038
<b>Total transactions with related companies</b>	<b>27,590</b>	<b>18,502</b>	<b>18,825</b>	<b>38,336</b>

<sup>(1)</sup> Asseco Poland SA has become an associated company since 11 December 2005.

<sup>(2)</sup> Prokom Investments SA is a minority shareholder in Prokom Software SA. Receivables from Prokom Investments SA have resulted from sale of the company Mediabank SA.

The above presented transactions with the related companies were executed at arm's length and were carried out as part of the statutory business activities of particular companies of the Softbank Group.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 13. Related companies

The table below presents the Softbank Group structure along with equity interests and voting interests at the general meetings of shareholders/partners.

Subsidiary companies	Country of registration	% of total votes at the GMS as at		% of share capital held as at	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
bezpieczeństwo.pl Sp. z o.o.	Poland	100%	100%	100%	100%
Bielpolsoft j.v.	Belarus	85%	85%	85%	85%
Gladstone Consulting Limited <sup>(5)</sup>	Cyprus	51%	51%	51%	51%
Incenti SA	Poland	100%	100%	100%	100%
Koma SA <sup>(1)</sup>	Poland	-	100%	-	100%
Koma Nord Sp. z o.o. <sup>(2)</sup>	Poland	100%	100%	100%	100%
AWiM Mediabank SA <sup>(6)</sup>	Poland	-	100%	-	100%
ZUI Novum Sp. z o.o.	Poland	51%	51%	51%	51%
NetPower SA	Poland	100%	100%	100%	100%
Sawan Grupa Softbank SA	Poland	100%	100%	100%	100%
Softbank Serwis Sp. z o.o.	Poland	100%	100%	100%	100%
<b>Co-owned companies</b>					
Soft Technologies <sup>(3)</sup>	Poland	45%	45%	45%	45%
<b>Associated companies</b>					
Asseco Poland SA <sup>(4)</sup>	Poland	22%	22%	22%	22%

<sup>(1)</sup> On 4 January 2006 Softbank Serwis Sp. z o.o. merged with Koma SA. The taking-over company was Softbank Serwis Sp. z o.o.

<sup>(2)</sup> Stake of shares held indirectly by Softbank Serwis Sp. z o.o.

<sup>(3)</sup> Soft Technologies is co-owned by Softbank Serwis Sp. z o.o. In 2005 the company lost its ability to influence this undertaking in any way.

<sup>(4)</sup> Softbank SA became a major investor in Asseco Poland SA in December 2005.

<sup>(5)</sup> Despite Softbank SA formally owns 51% in the share capital of Gladstone, the Company consolidates 100% of this undertaking financial results.

<sup>(6)</sup> On 28 September 2006 Softbank SA effected the transaction of sale of 100% equity stake in the company Mediabank SA.

In Q1 2006 the companies Softbank Serwis Sp. z o.o. and Koma SA merged. The taking-over company was Softbank Serwis Sp. z o.o. The merger of those undertakings resulted from distribution of responsibilities within the Softbank Group as part of implementing its development strategy.

### Financial results of the Softbank Group in Q3 2006

The consolidated financial results of the Softbank Group in Q3 2006 comprise the results of Softbank SA and the consolidated companies. Below are presented the key financial data of companies subject to consolidation in the Q3 2006 financial statements.



All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 13. Related companies (continued)

Below are presented the key financial data of companies subject to consolidation in the Q3 2006 financial statements\*

Name of company % of share capital/total votes	Core business	Sales revenues			
		9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 June 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 June 2005 PLN '000
<b>Softbank SA</b> Parent Company <a href="http://www.softbank.pl">www.softbank.pl</a>	Provision of comprehensive IT solutions primarily to the financial and public administration sectors.	212,983	80,157	219,566	75,883
<b>bezpieczeństwo.pl Sp. z o.o.</b> 100/100	Construction and implementation of IT systems supporting and coordinating the activities of rescue services.	0	0	0	0
<b>Epsilio SA</b> <sup>1)</sup> 0/0	Creation and implementation of IT solutions for the banking sector, including co-operative banking.	n/a	n/a	2,563	n/a
<b>Incenti SA</b> <sup>3)</sup> 100/100 <a href="http://www.incenti.pl">www.incenti.pl</a>	Implementation and offering of e-Learning platforms, implementation of competence management systems, design, construction, management and implementation of BPC and DRP, IT outsourcing.	20,068	6,011	n/a	n/a
<b>Gladstone Consulting Ltd</b> <sup>3)</sup> 51/51	Provision of professional consulting services within IT systems for financial institutions.	17,188	5,867	n/a	n/a
<b>Koma Nord Sp. z o.o.</b> <sup>2)</sup> 100/100 <a href="http://www.komanord.com.pl">www.komanord.com.pl</a>	Supply of hardware, local and distributed network systems, as well as software for supporting business management.	22,639	6,059	6,977	6,977
<b>AWiM Mediabank SA</b> <sup>5)</sup> 0/0 <a href="http://www.mediabank.pl">www.mediabank.pl</a>	Marketing, operation of a radio station (Radio PiN 102 FM).	4,992	1,547	3,915	1,295
<b>NetPower SA</b> 100/100	Provision of corporate IT applications and solutions.	0	0	0	0
<b>ZUI Novum Sp. z o.o.</b> 51/51 <a href="http://www.novum.pl">www.novum.pl</a>	Creation of banking applications and provision of comprehensive IT systems for co-operative banks.	12,545	4,405	9,512	3,564
<b>Sawan Grupa Softbank SA</b> 100/100	Provision of IT solutions for management (i.e. data warehouses, reporting systems, CRM systems).	136	0	6,072	0
<b>Softbank Serwis Sp. z o.o.</b> 100/100 <a href="http://www.softbankserwis.pl">www.softbankserwis.pl</a>	Maintenance of software and hardware supplied by the Group, services based on outsourcing of IT systems.	80,232	40,641	38,163	16,090

<sup>\*)</sup> Data before consolidation eliminations. The stakes of shares held are disclosed as at 30 September 2006.

<sup>1)</sup> In Q1 2005, Softbank SA sold 100% of shares in Epsilio SA to Asseco Poland SA. The Epsilio's results were consolidated until 28 February 2005.

<sup>2)</sup> In Q3 2005 Softbank SA acquired 100% of shares in Koma SA, and also indirectly 99.9% of shares in Koma Nord Sp. z o.o., a subsidiary of Koma SA. The results of Koma SA and Koma Nord Sp. z o.o. have been consolidated since 1 July 2005.

<sup>3)</sup> In Q4 2005 Softbank SA acquired 100% of shares in Incenti SA and 51% of shares in Gladstone Consulting Limited. The results of those companies have been consolidated since 1 October 2005.

<sup>4)</sup> In 2006 the companies Softbank Serwis Sp. z o.o. and Koma SA merged.

<sup>5)</sup> In 2006 the company Mediabank SA has been classified as held for disposal, which is further described in item 5 of the Explanatory Notes.

The companies *bezpieczeństwo.pl Sp. z o.o.* and *NetPower SA* do not conduct any operating activities.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 13. Related companies (continued)

Below are presented the key financial data of companies subject to consolidation in the Q3 2006 financial statements\*

Name of company % of share capital/total votes	Core business	Net profit (loss)			
		9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
<b>Softbank SA</b> Parent Company <a href="http://www.softbank.pl">www.softbank.pl</a>	Provision of comprehensive IT solutions primarily to the financial and public administration sectors.	29,428	17,341	46,384	22,199
<b>bezpieczeństwo.pl Sp. z o.o.</b> 100/100	Construction and implementation of IT systems supporting and coordinating the activities of rescue services.	( 12 )	( 4 )	( 18 )	( 5 )
<b>Epsilio SA</b> <sup>1)</sup> 0/0	Creation and implementation of IT solutions for the banking sector, including co-operative banking.	n/a	n/a	( 236 )	n/a
<b>Incenti SA</b> <sup>3)</sup> 100/100 <a href="http://www.incenti.pl">www.incenti.pl</a>	Implementation and offering of e-Learning platforms, implementation of competence management systems, design, construction, management and implementation of BPC and DRP, IT outsourcing.	1,733	895	n/a	n/a
<b>Gladstone Consulting Ltd</b> <sup>3)</sup> 51/51	Provision of professional consulting services within IT systems for financial institutions.	7,109	2,319	n/a	n/a
<b>Koma Nord Sp. z o.o.</b> <sup>2)</sup> 100/100 <a href="http://www.komanord.com.pl">www.komanord.com.pl</a>	Supply of hardware, local and distributed network systems, as well as software for supporting business management.	557	298	263	263
<b>AWiM Mediabank SA</b> <sup>5)</sup> 0/0 <a href="http://www.mediabank.pl">www.mediabank.pl</a>	Marketing, operation of a radio station (Radio PiN 102 FM).	( 1,445 )	( 288 )	( 2,016 )	( 829 )
<b>NetPower SA</b> 100/100	Provision of corporate IT applications and solutions.	( 34 )	( 8 )	( 56 )	( 9 )
<b>ZUI Novum Sp. z o.o.</b> 51/51 <a href="http://www.novum.pl">www.novum.pl</a>	Creation of banking applications and provision of comprehensive IT systems for co-operative banks.	1,351	565	809	299
<b>Sawan Grupa Softbank SA</b> 100/100	Provision of IT solutions for management (i.e. data warehouses, reporting systems, CRM systems).	( 114 )	( 9 )	5,191	4,915
<b>Softbank Serwis Sp. z o.o.</b> 100/100 <a href="http://www.softbankserwis.pl">www.softbankserwis.pl</a>	Maintenance of software and hardware supplied by the Group, services based on outsourcing of IT systems.	( 10,084 )	( 7,968 )	( 4,949 )	( 2,075 )

<sup>3)</sup> Data before consolidation eliminations. The stakes of shares held are disclosed as at 30 September 2006.

<sup>1)</sup> In Q1 2005, Softbank SA sold 100% of shares in Epsilio SA to Asseco Poland SA. The Epsilio's results were consolidated until 28 February 2005.

<sup>2)</sup> In Q3 2005 Softbank SA acquired 100% of shares in Koma SA, and also indirectly 99.9% of shares in Koma Nord Sp. z o.o., a subsidiary of Koma SA. The results of Koma SA and Koma Nord Sp. z o.o. have been consolidated since 1 July 2005.

<sup>3)</sup> In Q4 2005 Softbank SA acquired 100% of shares in Incenti SA and 51% of shares in Gladstone Consulting Limited. The results of those companies have been consolidated since 1 October 2005.

<sup>4)</sup> In 2006 the companies Softbank Serwis Sp. z o.o. and Koma SA merged.

<sup>5)</sup> In 2006 the company Mediabank SA has been classified as held for disposal, which is further described in item 5 of the Explanatory Notes.

The companies bezpieczeństwo.pl Sp. z o.o. and NetPower SA do not conduct any operating activities.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 13. Related companies (continued)

#### Softbank SA

Softbank SA generated the bulk of the Group's consolidated sales revenues (approx. 57% – before consolidation eliminations) in Q3 2006. The Softbank SA share in the Group's total sales declined sharply (from 75% in Q3 2005) due to consolidation of acquired companies, Incenti SA and Gladstone Consulting Ltd. in the 4<sup>th</sup> quarter 2005.

In Q3 2006, Softbank SA posted revenues of PLN 80,157 thousand which rose by 6% as against Q3 2005. Sales of products expanded by 58% y/y mainly as a result of higher revenues from the execution of ZSI contract for the bank PKO BP SA. On the other hand, in Q3 2006 sales of merchandise shrank by 88% y/y due to the lack of contracts for supply of computer hardware as was the case in the 3<sup>rd</sup> quarter of the previous year.

	<b>9 months ended 30 Sept. 2006</b>	<b>3 months ended 30 Sept. 2006</b>	<b>9 months ended 30 Sept. 2005</b>	<b>3 months ended 30 Sept. 2005</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
<b>Non-consolidated financial results of Softbank SA</b>				
Sales revenues, of which:	212,983	80,157	219,566	75,883
banking and finance	160,560	113,164	122,462	52,945
public administration	44,756	31,943	19,238	10,534
Gross profit on sales	63,563	32,051	66,794	34,727
Operating profit	33,609	21,637	55,697	26,915
<b>Net profit</b>	<b>29,428</b>	<b>17,341</b>	<b>46,384</b>	<b>22,199</b>

In Q3 2006 the Softbank SA gross profit on sales decreased by 8% in comparison with the corresponding period of the previous year as the gross margin dropped from 46% to 40%. In Q3 2006 the net profit decreased by 7% year on year. In the period reported selling expenses and general administrative costs were reduced by PLN 762 thousand.

The operating profit of Softbank SA declined by 20% over a year due to establishing a restructuring reserve in the amount of PLN 2,984 thousand. Such reserve is related to termination of work contracts following the planned merger with Asseco Poland SA. The Q3 net profit of Softbank SA amounted to PLN 17,341 thousand and it deteriorated by 22% year over year.

#### Softbank Serwis Sp. z o.o.

During the first three quarters of 2006, after the company Koma SA had been taken over by Softbank Serwis, the merged undertaking continued its operations within provision of technical maintenance services, construction of networks and sale of hardware. The company supplemented its offer with provision of technological solutions for mobile and e-HR software.

In effect of the integration and conducted restructuring process, which included rearrangement of the responsibilities and business structure, the company recognized a number of expenses which resulted in a high net loss for the three quarters of 2006. Another factor behind such loss was the decreased margin achieved on one of the large contracts executed by Softbank Serwis Sp. z o.o.

### 13. Related companies (continued)

#### Incenti SA

All figures in PLN thousands

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP**

During the period of three quarters of 2006, Incenti SA provided comprehensive services of infrastructural outsourcing and leasing of e-Learning platforms. The company executed contracts for provision of trainings, "hosting" services and administration of data processing centres for the clients of miscellaneous sectors of economy. The largest clients included TP SA and PZU SA (work subcontracted by Prokom Software SA). The company's net profit margin is improved systematically and in Q3 2006 it equalled 15%.

### **Gladstone Consulting Ltd.**

In the three quarters of 2006, Gladstone Consulting Ltd., based in Nicosia, Cyprus, continued to execute its main contract for Bank Pekao SA by providing high quality consulting services and by working on development and modification of the bank's central IT system. The company's financial results improved as compared with the last year ones, and its net profit margin reached 39% in Q3 2006.

### **ZUI Novum Sp. z o.o.**

In the first three quarters of 2006, Novum Sp. z o.o. continued its operations by providing proprietary solutions for the co-operative banking sector. The company consistently provides its clients with newer and newer IT solutions taking into account their current requirements and standards for the bank clients. In Q3 2006 the company's net profit margin increased to the level of 13%.

### **AWiM Mediabank SA**

On 28 April 2006 Softbank SA concluded the agreement for sale of its 100% equity stake in AWiM Mediabank SA. The transaction was effected on 28 September 2006, after obtaining all the necessary permissions, from the Office of Competition and Consumers Protection and the National Broadcasting Council, for acquisition of the company Mediabank SA by Prokom Investments SA.

### **Sawan Grupa Softbank SA**

Having sold its plant to Softbank SA in 2005, the company does not conduct any business activities on a scale comparable with that from before the said sale. However, concluding contracts for IT consulting services is not precluded.

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

These two companies do not conduct any operating activities, and their operations are limited to fulfilling the statutory requirements.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 13. Related companies (continued)

#### Off-balance-sheet liabilities concerning related companies

As at 30 September 2006 Softbank SA did not have any liabilities due to guarantees and sureties extended to secure credits contracted by its related companies.

Whereas, as at 31 December 2005 guarantees and sureties issued by Softbank SA as security for credits contracted by its related companies were as follows:

- Surety for AWiM Mediabank's liabilities due to an investment credit of PLN 1,200 thousand. As at 31 December 2005 the outstanding amount of the investment credit was PLN 25 thousand.

Sureties issued by Softbank SA to secure other liabilities as at 30 September 2006 were as follows:

- Surety for liabilities under an agreement for construction of a structural network concluded between Softbank Serwis Sp. z o.o. and Tyco Sp. z o. o. on 26 February 2004. The surety value as at 30 September 2006 was estimated at PLN 7,170 thousand.

Sureties issued by Softbank SA to secure other liabilities as at 31 December 2005 were as follows:

- Surety for liabilities under an agreement for construction of a structural network concluded between Softbank Serwis Sp. z o.o. and Tyco Sp. z o. o. on 26 February 2004. The surety value as at 31 December 2005 was estimated at PLN 6,948 thousand.

### 14. Off-balance-sheet liabilities to other companies

Within its commercial activities, Softbank SA uses bank guarantees and letters of credit as well as contract performance guarantees and tender deposits as forms of securing its business transactions with various organisations, companies, and administration entities. As at 30 September 2006, the related contingent liabilities equalled PLN 11,519 thousand, while as at 31 December 2005 they amounted to PLN 16,100 thousand.

Additionally, as at 30 September 2006 and 31 December 2005, the Group was a party to a number of leasing and tenancy contracts or other contracts of similar nature, providing for the following future liabilities:

Liabilities under lease of space	30 September 2006 PLN '000	31 December 2005 PLN '000
Up to 1 year	4,544	5,880
From 1 to 5 years	10,905	10,227
Over 5 years	1,420	1,915
<b>Total</b>	<b>16,869</b>	<b>18,022</b>

Liabilities under operating lease of property, plant and equipment	30 September 2006 PLN '000	31 December 2005 PLN '000
Up to 1 year	625	921
From 1 to 5 years	1,063	1,241
Over 5 years	0	0
<b>Total</b>	<b>1,688</b>	<b>2,162</b>

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 14. Off-balance-sheet liabilities to other companies (continued)

In connection with the termination of employment by some employees from the Department of Risk Management Systems of Softbank SA, as informed in public by the regulatory filing of 2 March 2006, the former employees took legal action for compensation. In the opinion of the Management Board of Softbank SA the above claims will be dismissed entirely.

### Information on pending proceedings concerning liabilities or debts of Softbank SA or its subsidiary companies

During the period reported, 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 companies, whose aggregate value would equal or exceed 10% of the Company's equity.

### 15. Employment.

Average Group workforce in the period reported:	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005
Management Board of the Parent Company	5	5
Management Boards of the Group companies	9	13
Production departments	593	545
Maintenance departments	233	166
Sales departments	72	73
Administration departments	145	151
<b>Total</b>	<b>1,057</b>	<b>953</b>

  

The Softbank Group workforce as at	30 September 2006	31 December 2005
Management Board of the Parent Company	5	5
Management Boards of the Group companies	7	9
Production departments	599	614
Maintenance departments	239	204
Sales departments	78	75
Administration departments	136	148
<b>Total</b>	<b>1,064</b>	<b>1,055</b>

  

Number of employees in the Group companies as at	30 September 2006	31 December 2005
Softbank SA	652	620
bezpieczeństwo.pl Sp. z o.o.	0	0
Gladstone Consulting Limited	0	0
Incenti SA	72	65
Koma Nord Sp. z o.o.	10	10
AWiM Mediabank S.A. <sup>(2)</sup>	0	19
NetPower SA	0	0
ZUI Novum Sp. z o.o.	37	36
Sawan Grupa Softbank SA	3	3
Softbank Serwis Sp. z o.o. <sup>(1)</sup>	290	302
<b>Total</b>	<b>1,064</b>	<b>1,055</b>

<sup>(1)</sup>In 2006 the companies Softbank Serwis Sp. z o.o. and Koma SA merged and thereafter they have operated under the name of Softbank Serwis Sp. z o.o. Their 2005 data have been presented in aggregate.

<sup>(2)</sup>On 28 September 2006 Softbank SA effected the transaction of sale of 100% equity stake in the company Mediabank SA.

As at 30 September 2006, the Softbank Group employed 1,064 persons.

The Group's employment rose by 9 persons as compared with its size as at the end of 2005, which resulted from increasing of employment by Softbank SA (by 32 persons) and Incenti SA (by 7 persons), with concurrent decreasing of employment by Softbank Serwis Sp. z o.o. (by 12 persons) and disposal of the company Mediabank SA (19 persons).

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 16. Remuneration Paid or Due to the Members of the Management Boards and Supervisory Boards of the Parent Company and the Group's Related Companies.

	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005
	PLN '000	PLN '000
Management Board	5,036	6,210
Supervisory Board	208	167
Management Boards – subsidiary companies	3,391	3,414
Supervisory Boards – subsidiary companies	61	111
<b>Total</b>	<b>8,696</b>	<b>9,902</b>

The remuneration paid to members of the Supervisory Board of Softbank SA, who were also members of the Management Board of Prokom Software SA, amounted to PLN 52 thousand for the three quarters of 2006, whereas for the three quarters of 2005 they amounted to PLN 85 thousand.

### 17. Capital Expenditures.

During the three quarters of 2006, the Group incurred capital expenditures of PLN 7,089 thousand, of which PLN 7,016 thousand were spent for non-financial fixed assets.

The capital expenditures planned for the year 2006 shall aggregate at PLN 81 million.

At present the Company is engaged in negotiations for acquisition of majority stakes of shares in IT companies operating on the markets of South Eastern Europe (the Balkans). The potential amount of investments, which shall be financed from the Group's own funds, shall reach approximately PLN 80 million.

During the three quarters of 2005, the capital expenditures totalled PLN 5,915 thousand, of which PLN 4,634 thousand were spent for non-financial fixed assets.

### 18. Opinion on feasibility of meeting the 2006 financial forecasts published by the Management Board

In 2004 the Management Board of Softbank SA presented the Company's strategy for the years 2004-2006 that assumed focusing on provision of IT services for the financial market, with special regard to banking, as well as for public administration sector.

The Group's financial objectives for 2006 as indicated by the Management Board in the Strategy are as follows:

- sales to the banking and financial sector of at least PLN 360 million with a 28% gross margin,
- sales to the public administration sector of at least PLN 150 million with a 10% gross margin,
- total net sales revenues of the Group in the amount of PLN 550 million,
- EBITDA margin at the level of 12%.

Based on the financial results for Q3 2006 and considering the present orders portfolio for 2006, contracts being negotiated and the budgeted costs, the Management Board of Softbank SA sustains meeting the above specified objectives for 2006.

All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 19. Factors which in the Management Board's opinion may affect the Group's performance till the end of this financial year

In the opinion of the Management Board of Softbank SA the Group's current financial standing, its production potential and market position pose no threats to continued growth of the Group in 2006. However, there are numerous factors, both internal and external, which will directly or indirectly affect the Group's financial 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 fluctuations (principally of the US dollar and Euro).

The external factors with a bearing on the future performance of the Softbank Group include: the progress of execution of the concluded contracts, outcome of contract tenders and negotiations in the IT sector, organisation and development of own teams working on creation of new IT solutions, inclusive of the consulting team, as well as restructuring processes carried out at the Group companies.

The table below presents the current order portfolio, understood as concluded agreements providing for specific amounts and to be executed over determined periods, of the Softbank Group as at the date of this report, assuming that the current schedules for performance of long-term contracts are not changed.

	9 months ended 30 Sept. 2006	3 months ended 31 December 2006 (estimate)	Next years
	PLN millions	PLN millions	PLN millions
The Group's orders portfolio	356.2	72.6	673.0

### 20. Significant events in the reporting period

#### Operating activities

##### *Merger with Asseco Poland SA*

In 2006 the Management Boards of Softbank SA and Asseco Poland SA made the decision on merger. The most important events and facts concerning the planned merger have been described in item "Planned merger with Asseco Poland SA and issuance of shares" in these interim condensed consolidated financial statements.

#### Investing activities

- On 19 September 2006, the Management Board of Softbank SA informed that there were issued all the necessary permissions in order to transfer the ownership of 100% of shares in the company AWiM Mediabank SA (owner of the radio station PiN 102 FM) to the buyer – Prokom Investment SA based in Gdynia. On 23 August 2006, the Office of Competition and Consumers Protection gave its consent (decision of the President of OCCP no. DOK-96/06) to conduct concentration by way of taking the control over AWiM Mediabank SA by Prokom Investment SA. On 18 September 2006, the Company received a letter from the National Broadcasting Council notifying that, at its meeting on 12 September 2006, the Council passed a resolution (no. 507/2006) changing the list of shareholders included in the concession of Radio PiN 102FM by entering Prokom Investment SA.

(see: Current Report No. 19/2006 of Softbank SA dated 1 August 2006)



All figures in PLN thousands

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP

### 20. Significant events in the reporting period (continued)

#### Financing activities

- On 31 July 2006 the Company signed an annex to the credit agreement with the bank PKO BP SA seated in Warsaw (the "Bank"). The Bank granted to Softbank SA a credit facility in the current account up to the amount of PLN 70 million. The credit was granted for the period from 1 August 2006 till 31 July 2007. The credit interest rate equals: 1M WIBOR rate plus the Bank margin.  
(see: Current Report No. 19/2006 of Softbank SA dated 1 August 2006)

### 21. Significant Events Subsequent to the Balance-Sheet Date.

#### Operating activities

- On 24 October 2006, the Company signed with Mr. Adam Góral the agreement for conditional termination of the option agreement concluded on 10 October 2005 (the "Option Agreement"). The Option Agreement was partially executed. Adam Góral sold to Softbank SA all his 1,455,000 pre-emptive rights to new issue series C shares of Asseco Poland SA. Softbank SA submitted a notice on accepting the offer for sale of pre-emptive rights and paid the total price of those pre-emptive rights. Softbank SA, by exercising all its pre-emptive rights as well as the pre-emptive rights acquired from Adam Góral to the new issue series C shares, increased its holding in the share capital of Asseco Poland SA to 21.92% and the Company has owned such stake of shares until nowadays. Taking into account that on 31 August 2006 the Plan of Merger with Asseco Poland SA was signed, the Company terminated the Option Agreement within the scope of acquisition of 268,000 shares of Asseco Poland SA from Adam Góral. The Agreement shall be terminated on condition the court registers the merger of companies Asseco Poland SA and Softbank SA.  
(see: Current Report No. 25/2006 of Softbank SA dated 24 October 2006)

- On 27 October 2006, between Softbank SA and Prokom Software SA, based in Warsaw, there was signed an agreement for acquisition of shares and making a non-cash contribution. Under this agreement Prokom Software SA is obliged to acquire 3,210,000 ordinary bearer shares of series B (after a change of their denotation planned in connection with the merger of Softbank SA and Asseco Poland SA) with a par value of PLN 1 each and at the issuance price of PLN 37.70 per share, instead for making the following non-cash contribution of:

- 1,313 shares in PVT a.s. based in Prague, the Czech Republic, with a par value of CZK (the Czech koruna) 100,000.00 per share, which constitute 100% of the share capital of PVT (the "PVT Contribution"); and
- a group of assets comprising an organized part of the Prokom's enterprise, which operates as the Building Automation Department ("DAB") (the "DAB Contribution").

Transferring the PVT Contribution and the DAB Contribution to Softbank SA shall take effect from 1 January 2007 under a share acquisition agreement, which the Parties agreed to execute by 30 November 2006. Concurrently, on 1 January 2007 Softbank SA will collectively enter, in the capacity of a debtor, into the commercial contracts executed as part of the operations of the Building Automation Department following the execution of the Agreement, and into the contracts the parties to which do not agree for transferring the rights and obligations thereunder to Softbank, or such transfer is absolutely not admissible under the regulations of law in force (the "Commercial Contracts"). Since the moment of entering into debt, Softbank SA will perform all the obligations of Prokom under the Commercial Contracts, whereas Prokom will transfer to Softbank the entire remuneration and any other benefits obtained as a result of performing the obligations under the Commercial Contracts.

(see: Current Report No. 26/2006 of Softbank SA dated 27 October 2006)

All figures in PLN thousands

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SOFTBANK GROUP**

### **22. Significant events related to prior years**

Until the date of preparing these condensed consolidated financial statements for Q3 2006, this is until 6 November 2006, there occurred no significant events related to prior years, which would not but should be included in the accounting books.



**SOFTBANK SPÓŁKA AKCYJNA**

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

**FOR THE 3<sup>RD</sup> QUARTER OF 2006**

**KEY FINANCIAL DATA FROM THE NON-CONSOLIDATED  
FINANCIAL STATEMENTS OF SOFTBANK SA**

## KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS SOFTBANK SPÓŁKA AKCYJNA

### FINANCIAL HIGHLIGHTS

	PLN '000		EUR '000	
	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005	9 months ended 30 Sept. 2006	9 months ended 30 Sept. 2005
I. Sales revenues	212,983	219,566	54,373	54,103
II. Operating profit	33,609	55,697	8,580	13,724
III. Pre-tax profit	29,524	46,538	7,537	11,467
IV. Profit for the period reported	<b>29,428</b>	<b>46,384</b>	<b>7,513</b>	<b>11,429</b>
V. Net cash provided by (used in) operating activities	19,753	( 5,816)	5,043	( 1,433)
VI. Net cash provided by (used in) investing activities	13,124	( 1,679)	3,350	( 414)
VII. Net cash provided by (used in) financing activities	( 34,150)	( 14,049)	( 8,718)	( 3,462)
VIII. Cash and cash equivalents at the end of period	21,242	13,561	5,332	3,462
IX. Earnings per ordinary share (in PLN/EUR)	1.17	2.21	0.30	0.54
X. Diluted earnings per ordinary share (in PLN/EUR)	1.17	1.84	0.30	0.45

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

- the profit and loss account and cash flow statement items were translated into Euro at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month in a given quarter. The rates were as follows:
  - for the period from 1 January to 30 September 2006: EUR 1 = PLN 3.9171
  - for the period from 1 January to 30 September 2005: EUR 1 = PLN 4.0583
- the Company's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland on 30 September 2006 and 30 September 2005. The rates were as follows:
  - exchange rate effective on 30 September 2006: EUR 1 = PLN 3.9835
  - exchange rate effective on 30 September 2005: EUR 1 = PLN 3.9166

**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS  
SOFTBANK SPÓŁKA AKCYJNA**

**CONDENSED PROFIT AND LOSS ACCOUNT  
SOFTBANK SPÓŁKA AKCYJNA**

	9 months ended 30 Sept. 2006 PLN '000	3 months ended 30 Sept. 2006 PLN '000	9 months ended 30 Sept. 2005 PLN '000	3 months ended 30 Sept. 2005 PLN '000
<i>Operating activities</i>				
<b>Sales revenues</b>	<b>212,983</b>	<b>80,157</b>	<b>219,566</b>	<b>75,883</b>
Sales of products and services	185,040	76,909	131,026	48,578
Sales of merchandise and materials	27,943	3,248	88,540	27,305
<b>Cost of sales</b>	<b>( 149,420)</b>	<b>( 48,106)</b>	<b>( 152,772)</b>	<b>( 41,156)</b>
Cost of products and services sold (-)	( 124,838)	( 45,379)	( 74,053)	( 19,822)
Cost of merchandise and materials sold (-)	( 24,582)	( 2,727)	( 78,719)	( 21,334)
<b>Gross profit on sales</b>	<b>63,563</b>	<b>32,051</b>	<b>66,794</b>	<b>34,727</b>
Selling expenses (-)	( 4,724)	( 1,281)	( 4,742)	( 1,763)
General administrative expenses (-)	( 22,168)	( 6,097)	( 18,323)	( 6,377)
<b>Net profit on sales</b>	<b>36,671</b>	<b>24,673</b>	<b>43,729</b>	<b>26,587</b>
Other operating income	484	89	12,277	333
Other operating expenses (-)	( 3,546)	( 3,125)	( 309)	( 5)
<b>Operating profit</b>	<b>33,609</b>	<b>21,637</b>	<b>55,697</b>	<b>26,915</b>
<i>Other activities</i>				
Financial income	36,788	11,692	44,002	19,244
Financial expenses (-)	( 40,873)	( 15,988)	( 53,161)	( 23,960)
<b>Pre-tax profit</b>	<b>29,524</b>	<b>17,341</b>	<b>46,538</b>	<b>22,199</b>
Corporate income tax (current and deferred portions)	( 96)	0	( 154)	0
<b>Profit for the period reported</b>	<b>29,428</b>	<b>17,341</b>	<b>46,384</b>	<b>22,199</b>
<b>Earnings per share (in PLN)</b>				
basic EPS from net profit for the period reported (in PLN)	1.17	0.69	2.21	1.06
diluted EPS from net profit for the period reported (in PLN)	1.17	0.69	1.84	0.88

**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS  
SOFTBANK SPÓŁKA AKCYJNA**

**CONDENSED BALANCE SHEET  
SOFTBANK SPÓŁKA AKCYJNA**

	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>PLN '000</b>	<b>PLN '000</b>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>320,281</b>	<b>337,037</b>
Property, plant and equipment	19,362	16,135
Intangible assets	19,413	21,771
Investments in subsidiary and associated companies	190,694	204,258
Financial fixed assets valued at fair value through profit or loss	71	2,830
Financial fixed assets available for sale	0	0
Long-term loans granted	12,000	8,000
Long-term receivables	57,365	57,408
Long-term deferred income tax assets	19,008	19,008
Long-term deferred expenses	2,368	7,627
<b>Current assets</b>	<b>231,142</b>	<b>255,773</b>
Inventories	13,892	17,200
Deferred expenses	16,225	19,699
Trade accounts receivable	52,886	79,146
Receivables from the State budget	2,682	0
Other receivables	60,497	46,999
Financial assets held to maturity	7,849	7,250
Loans granted	2,272	11,285
Financial assets valued at fair value through profit or loss	53,597	51,679
Cash and short-term deposits	21,242	22,515
<b>TOTAL ASSETS</b>	<b>551,423</b>	<b>592,810</b>

**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS  
SOFTBANK SPÓŁKA AKCYJNA**

**CONDENSED BALANCE SHEET  
SOFTBANK SA (continued)**

	<b>30 September 2006 PLN '000</b>	<b>31 December 2005 PLN '000</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	25,175	25,175
Share premium	253,151	253,151
Unrealized net profit	0	0
Other reserve capitals	1,409	801
Retained earnings	31,087	17,770
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>310,822</b>	<b>296,897</b>
<b>Long-term liabilities</b>	<b>79,574</b>	<b>92,362</b>
Long-term reserves	172	250
Long-term financial liabilities	0	75,930
Long-term deferred income	74,566	11,280
Other long-term liabilities	4,836	4,902
<b>Current liabilities</b>	<b>161,027</b>	<b>203,551</b>
Interest-bearing bank credits, loans and debt securities	24,120	42,159
Trade accounts payable	31,310	62,011
Corporate income tax payable	0	838
Liabilities to the State budget	1,645	4,139
Financial liabilities	24,088	18,556
Other liabilities	53,097	46,828
Reserves	2,984	67
Accrued expenses	11,871	17,973
Deferred income	11,912	10,980
<b>TOTAL LIABILITIES</b>	<b>240,601</b>	<b>295,913</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>551,423</b>	<b>592,810</b>

**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS  
SOFTBANK SPÓŁKA AKCYJNA**

**CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY**

**SOFTBANK SA**

for 9 months ended 30 September 2006

and for 12 months ended 31 December 2005

	Share capital PLN '000	Share premium PLN '000	Unrealized net profit on financial assets available for sale PLN '000	Capital from bonds convertible to shares PLN '000	Retained earnings (deficit) and current net profit PLN '000	Total shareholders equity PLN '000
<b>As at 1 January 2006</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>801</b>	<b>17,770</b>	<b>296,897</b>
						<b>0</b>
Motivational program for the employees					29,428	<b>29,428</b>
Net profit for the period from 1 January 2006 to 30 September 2006				608		<b>608</b>
Dividend for the year 2005					( 16,111)	<b>( 16,111)</b>
<b>As at 30 September 2006</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>1,409</b>	<b>31,087</b>	<b>310,822</b>
<b>As at 1 January 2005</b>	<b>20,951</b>	<b>148,525</b>	<b>6,826</b>	<b>801</b>	<b>( 35,880)</b>	<b>141,223</b>
						<b>0</b>
Net profit on financial assets available for sale						<b>0</b>
Reclassification of financial assets from available for sale to investments in associated companies			( 6,826)			<b>( 6,826)</b>
Net profit for the period from 1 January 2005 to 31 December 2005					53,650	<b>53,650</b>
Issuance of shares	4,224	104,626				<b>108,850</b>
<b>As at 31 December 2005</b>	<b>25,175</b>	<b>253,151</b>	<b>0</b>	<b>801</b>	<b>17,770</b>	<b>296,897</b>



**KEY FINANCIAL DATA FROM THE FINANCIAL STATEMENTS  
SOFTBANK SPÓŁKA AKCYJNA**

**CONDENSED STATEMENT OF CASH FLOWS  
SOFTBANK SA**

	<b>9 months ended 30 Sept. 2006 PLN '000</b>	<b>9 months ended 30 Sept. 2005 PLN '000</b>
<b>Cash flows – operating activities</b>		
Pre-tax profit	29,524	46,538
<b>Total adjustments:</b>	<b>( 7,145)</b>	<b>( 47,604)</b>
Depreciation and amortisation	4,686	4,049
Change in inventories	3,308	( 1,481)
Change in receivables	17,367	4,423
Change in liabilities	( 26,252)	( 64,882)
Change in deferred and accrued expenses	( 2,881)	2,427
Change in reserves	2,839	( 4,503)
Interest income and expense	1,245	4,079
Gain (loss) on foreign exchange differences	( 11,972)	5,126
Gain (loss) on investing activities	4,518	2,461
Other	( 3)	697
<b>Net cash generated from operating activities</b>	<b>22,379</b>	<b>( 1,066)</b>
Interest paid	( 1,995)	( 4,750)
Income tax paid	( 631)	0
<b>Net cash provided by (used in) operating activities</b>	<b>19,753</b>	<b>( 5,816)</b>
<b>Cash flows – investing activities</b>		
Disposal of tangible fixed assets	95	105
Proceeds from redemption of financial assets held to maturity	571	5,968
Disposal of financial assets valued at fair value through profit or loss	547	0
Acquisition of tangible fixed assets	( 5,377)	( 2,353)
Acquisition of intangible assets	( 6,075)	( 4,495)
Acquisition of subsidiary and associated companies	( 82)	( 1,981)
Disposal of shares in subsidiary companies	0	0
Acquisition of financial assets held to maturity	( 848)	( 239)
Acquisition of financial assets valued at fair value through profit or loss	0	( 15,300)
Loans collected	5,000	800
Loans granted	( 828)	( 1,750)
Interest received	1,188	960
Dividends received	1,244	657
Other items	0	599
Cash provided by forward transactions	17,689	15,350
<b>Net cash provided by (used in) investing activities</b>	<b>13,124</b>	<b>( 1,679)</b>
<b>Cash flows – financing activities</b>		
Issuance of shares	0	30,581
Cash used for repayment of bank credits / loans	( 11,294)	( 17,272)
Dividends paid out to the Shareholders of Softbank SA	( 16,111)	0
Cash provided (used) due to issuance of debt securities	( 6,745)	( 27,358)
<b>Net cash provided by (used in) financing activities</b>	<b>( 34,150)</b>	<b>( 14,049)</b>
Net decrease in cash and cash equivalents	( 1,273)	( 21,544)
Cash and cash equivalents as at 1 January	22,515	35,105
<b>Cash and cash equivalents as at 30 September</b>	<b>21,242</b>	<b>13,561</b>