

**INTERIM CONSOLIDATED REPORT OF THE
CAPITAL GROUP OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA
FOR A 6-MONTH PERIOD
ENDED 30 JUNE 2012**



Warsaw, August 2012

Interim consolidated report of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012 contains:

1. Selected items from financial statements contains:
 - Selected items from consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the International Financial Reporting Standards);
 - Selected items from financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards);
 - Selected items from financial statements of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards).
2. Report on the activities of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012.
3. Interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012 (prepared in accordance with the International Financial Reporting Standards).
4. Deloitte Audyt Sp. z o.o. (entity authorised to audit the financial statements) report on the review of the interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012.
5. Interim financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012 (prepared in accordance with the Polish Accounting Standards).
6. Deloitte Audyt Sp. z o.o. (entity authorised to audit the financial statements) report on the review of the interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2012.

SELECTED ITEMS FROM FINANCIAL STATEMENTS

1. Selected items from the consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the International Financial Reporting Standards)

Items from consolidated statement of financial position	PLN '000 30 June 2012	PLN '000 31 December 2011	PLN '000 30 June 2011	EUR '000 30 June 2012	EUR '000 31 December 2011	EUR '000 30 June 2011
Assets	54 267 604	52 129 282	57 301 278	12 734 988	11 802 500	14 373 471
Share capital	86 352	86 352	86 352	20 264	19 551	21 661
Equity and provisions attributable to equity holders of the parent entity	12 660 569	12 783 162	12 146 354	2 971 058	2 894 213	3 046 795
Non-controlling interests	80 015	86 343	84 344	18 777	19 549	21 157
Total equity	12 740 584	12 869 505	12 230 698	2 989 835	2 913 762	3 067 952
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	146,62	148,03	140,66	34,41	33,52	35,28

Items from consolidated income statement	PLN '000 1 January - 30 June 2012	PLN '000 1 January - 30 June 2011	EUR '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2011
Gross written premiums	8 246 274	7 673 262	1 951 966	1 932 860
Net earned premiums	7 866 736	7 269 699	1 862 126	1 831 205
Revenue from commissions and fees	116 359	156 227	27 543	39 353
Net profit or loss on investment activities	1 523 904	1 079 059	360 721	271 810
Net insurance claims	(5 514 635)	(5 018 297)	(1 305 363)	(1 264 087)
Gross profit (loss)	2 122 751	1 896 588	502 474	477 742
Net profit (loss) attributable to equity holders of the parent entity	1 716 933	1 553 963	406 413	391 436
Net profit (loss) attributable to non-controlling interests	(484)	(1 559)	(115)	(393)
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	19,88	18,00	4,71	4,53

Items from consolidated statements of cash flows	PLN '000 1 January - 30 June 2012	PLN '000 1 January - 30 June 2011	EUR '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2011
Net cash flows generated by operating activities	1 227 568	942 722	290 576	237 467
Net cash used in/generated by investment activities	(460 561)	(3 095 288)	(109 019)	(779 689)
Net cash used in financing activities	(833 048)	2 050 667	(197 190)	516 554
Total net cash flows	(66 041)	(101 899)	(15 632)	(25 668)

2. Selected items from financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards)

Items from consolidated statement of financial position	PLN '000 30 June 2012	PLN '000 31 December 2011	PLN '000 30 June 2011	EUR '000 30 June 2012	EUR '000 31 December 2011	EUR '000 30 June 2011
Assets	29 601 640	27 397 857	29 931 036	6 946 622	6 203 101	7 507 911
Share capital	86 352	86 352	86 352	20 264	19 551	21 661
Total equity	11 628 993	11 745 410	11 191 406	2 728 978	2 659 258	2 807 256
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	134,67	136,02	129,60	31,60	30,80	32,51

Items from technical account – property and personal insurance and general profit and loss account	PLN '000 1 January - 30 June 2012	PLN '000 1 January - 30 June 2011	EUR '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2011
Gross written premiums	4 436 623	4 213 519	1 050 188	1 061 367
Technical result on property and personal insurance	418 648	287 487	99 098	72 417
Net profit or loss on investment activities (*)	1 788 772	2 430 129	424 372	612 139
Net profit (loss)	1 895 361	2 464 064	448 649	620 687
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	21,95	28,54	5,20	7,19

* Include: „Share in net profits (losses) of controlled entities measured using the equity method”.

3. Selected items from financial statements of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards)

Items from statement of financial position	PLN '000 30 June 2012	PLN '000 31 December 2011	PLN '000 30 June 2011	EUR '000 30 June 2012	EUR '000 31 December 2011	EUR '000 30 June 2011
Assets	30 402 362	29 407 202	33 576 758	7 134 527	6 658 033	8 422 405
Total equity	5 837 112	5 960 002	5 459 284	1 369 796	1 349 394	1 369 409

Items from technical account – life insurance and general profit and loss account	PLN '000 1 January - 30 June 2012	PLN '000 1 January - 30 June 2011	EUR '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2011
Gross written premiums	5 191 451	5 268 554	1 228 862	1 327 125
Technical result on life insurance	992 864	1 062 949	235 020	267 752
Net profit or loss on investment activities	1 041 102	762 524	246 438	192 076
Net profit (loss)	1 029 385	990 304	243 664	249 453

The following exchange rates have been applied to translate data of foreign controlled entities and to present selected financial data in the interim consolidated financial statements:

Currency	1 January - 30 June 2012	30 June 2012	31 March 2012	1 January - 31 December 2011	31 December 2011	1 January - 30 June 2011	30 June 2011
LTL	1,2235	1,2341	1,2053	1,1990	1,2792	1,1498	1,1546
UAH	0,4044	0,4221	0,3889	0,3716	0,4255	0,3512	0,3444
EUR	4,2246	4,2613	4,1616	4,1401	4,4168	3,9699	3,9866

The rates are:

- average rates of the National Bank of Poland ruling as of the balance sheet date – for the statement of financial position;
- rates determined as the arithmetic mean of the rates published by the National Bank of Poland, ruling as of the last day of each month of a given period - for the income statement, statement of comprehensive income and statement of cash flows.