

**INTERIM CONSOLIDATED REPORT OF THE
CAPITAL GROUP OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA
FOR A 6-MONTH PERIOD
ENDED 30 JUNE 2010**



Warsaw, August 2010

Interim consolidated report of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2010 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 2010
3. Interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2010 (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 condensed interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2010.
5. Interim financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2010 (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 condensed interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a 6-month period ended 30 June 2010.

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 2010	PLN '000 31 December 2009	PLN '000 30 June 2009	EUR '000 30 June 2010	EUR '000 31 December 2009	EUR '000 30 June 2009
Assets	47 474 306	53 176 209	58 950 458	11 451 181	12 943 919	13 189 202
Share capital	86 352	86 352	86 352	20 829	21 019	19 320
Equity and provisions attributable to equity holders of the parent entity	11 338 653	11 266 746	22 355 817	2 734 973	2 742 502	5 001 749
Minority interest	128	133	164	31	32	37
Total equity	11 338 781	11 266 879	22 355 981	2 735 004	2 742 534	5 001 786
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)	131,31	130,47	258,89	31,67	31,76	57,92

Items from consolidated income statement	PLN '000 1 January – 30 June 2010	PLN '000 1 January – 30 June 2009	EUR '000 1 January – 30 June 2010	EUR '000 1 January – 30 June 2009
Gross written premiums	7 393 705	7 486 843	1 846 487	1 656 968
Net earned premiums	7 002 918	7 229 338	1 748 893	1 599 977
Revenue from commissions and fees	130 090	159 110	32 488	35 214
Net profit or loss on investment activities	1 265 042	1 503 576	315 929	332 767
Net insurance claims	(5 089 412)	(4 015 678)	(1 271 018)	(888 739)
Gross profit (loss)	1 441 441	2 871 148	359 982	635 435
Net profit (loss) attributable to equity holders of the parent entity	1 169 839	2 308 849	292 153	510 988
Minority profit (loss)	(5)	(16)	(1)	(4)
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)	13,55	26,74	3,38	5,92

Items from consolidated statements of cash flows	PLN '000 1 January – 30 June 2010	PLN '000 1 January – 30 June 2009	EUR '000 1 January – 30 June 2010	EUR '000 1 January – 30 June 2009
Net cash flows generated by operating activities	(1 752 344)	(1 883 851)	(437 627)	(416 929)
Net cash used in/generated by investment activities	6 599 621	1 739 072	1 648 175	384 887
Net cash used in financing activities	(4 810 398)	1	(1 201 338)	-
Total net cash flows	36 879	(144 778)	9 210	(32 042)

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

Items from statement of financial position	PLN '000 30 June 2010	PLN '000 31 December 2009	PLN '000 30 June 2009	EUR '000 30 June 2010	EUR '000 31 December 2009	EUR '000 30 June 2009
Assets	25 394 564	28 936 978	35 287 548	6 125 371	7 043 712	7 895 013
Total equity	10 489 877	10 411 542	21 530 338	2 530 242	2 534 332	4 817 061
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)	121,48	120,57	249,33	29,30	29,35	55,78

Items from technical account – property and personal insurance and general profit and loss account	PLN '000 1 January – 30 June 2010	PLN '000 1 January – 30 June 2009	EUR '000 1 January – 30 June 2010	EUR '000 1 January – 30 June 2009
Gross written premiums	4 043 702	4 230 882	1 009 865	936 367
Technical result on property and personal insurance	(216 670)	402 876	(54 111)	89 163
Net profit or loss on investment activities	3 731 837	2 107 395	931 981	466 403
Net profit (loss)	3 276 407	2 189 458	818 243	484 565
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)	37,94	25,35	9,48	5,61

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 2010	PLN '000 31 December 2009	PLN '000 30 June 2009	EUR '000 30 June 2010	EUR '000 31 December 2009	EUR '000 30 June 2009
Assets	26 172 498	30 467 809	30 085 002	6 313 015	7 416 340	6 731 028
Total equity	5 270 748	7 375 769	6 164 709	1 271 346	1 795 377	1 379 253

Items from technical account – life insurance and general profit and loss account	PLN '000 1 January – 30 June 2010	PLN '000 1 January – 30 June 2009	EUR '000 1 January – 30 June 2010	EUR '000 1 January – 30 June 2009
Gross written premiums	3 722 309	3 918 585	929 601	867 251
Technical result on life insurance	1 123 276	1 832 645	280 524	405 596
Net profit or loss on investment activities	764 852	898 299	191 012	198 809
Net profit (loss)	1 050 798	1 621 486	262 424	358 863

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 2010	30 June 2010	1 January – 31 December 2009	31 December 2009	1 January – 30 June 2009	30 June 2009
LTL	1,1597	1,2007	1,2571	1,1898	1,3086	1,2945
UAH	0,3850	0,4293	0,3897	0,3558	0,4263	0,4144
EUR	4,0042	4,1458	4,3406	4,1082	4,5184	4,4696

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.