

Current Report No. 26/2005 of July 27th 2005

Executive Board's Position on Press Publication about Activities of Impel SA and Its Subsidiaries

With reference to the article entitled "Impelium" by Małgorzata Pietras-Bogusz published in the *Polityka* weekly (Issue No. 27 of July 9th 2005), the Executive Board of Impel SA hereby explains that the article contains a number of inaccuracies, misstatements and untrue information on Impel SA and other companies of the Impel Group.

In particular, the Executive Board of Impel SA states that:

1. Impel SA has never exerted any "behind-the-scenes pressure" nor has it used any "political connections" to unethically lobby for maintaining the current subsidies for employers of the disabled.
2. It is not true that in the issue prospectus the heads of Impel SA informed that "in 2004 the state subsidies will amount to nearly PLN 107m". Impel SA did not publish any information on forecast state subsidies in 2004 in its issue prospectus.
3. It must be explicitly stated that amendments of laws on state subsidies for employers of the disabled could by no means result in a "bust" of Impel SA as the company's financial standing in 2004 was stable regardless of the lower state subsidies.
4. Reduction of state subsidies for Impel SA by PLN 40m followed directly from the company's restructuring plan.
5. Impel SA was in no position to foresee the amendment of laws on subsidies for employers of the disabled announced by the government on May 18th 2004. Only half year earlier, representatives of the government and state institutions declared that there was no will or need (also in the context of Poland's accession to the European Union) to make such amendments. Impel SA provided the author of the article with detailed explanations in this respect. It is not true then that information on the planned amendments "was all over the market for months".
6. The author of the article failed to mention that Impel SA did not conceal unfavourable information in the issue prospectus, thus it was not in breach of the provisions of the Polish Securities Act. A statement of the Polish Securities and Exchange Commission unequivocally recognised that there were no grounds to claim that Impel SA violated the laws on disclosure requirements. A similar opinion was issued by the Ministry of Finance. It is worth noting that the Regional Public Prosecutor's Office of Warsaw, which also recognised lack of grounds to accuse Impel SA of law violation, refused to investigate the case.
7. It is not true that the management of Impel SA "informed that the regulation of the government takes away workplaces from the disabled and the company will have to fire over 3.5 thousand disabled employees." The headcount reductions by 2,500 persons followed from the company's restructuring plan and were not "communicated" to the public beforehand.

8. Impel SA has been licensed to conduct security agency business since 1991. In 1999, due to transformations at the company, it obtained another licence No. ZK-I-L-0003/99. The number merely indicates that it was a third licence issued in 1999, whereas until that year several thousand licences had been granted. The company did not need any assistance to obtain the licence – the fact that it has been licensed since 1991 is the best prove of its compliance with the relevant requirements.
9. All employees of Impel Security Polska Sp. z o.o. hold relevant licences and qualifications to perform their tasks; the recruitment process is objective and selection of the employees definitely does not follow any “code”, as the article suggests. Furthermore, disability cannot automatically disqualify any candidate, including security staff. A rejection of a candidate holding a valid licence only because of his disability would be a gross discrimination against the disabled. The fact that the employees of Impel Security Polska Sp. z o.o. hold required licences proves their ability to perform the security tasks, as licences are issued exclusively on the basis of medical certificates.
10. No material faults on the part of Impel Security Polska Sp. z o.o. with respect to security of facilities, including the Szczecin Power Plant and the Pomorzany Power Plant, were identified during the inspections carried out at the company. In particular, it is not true that “the police notified the Regional Public Prosecutor’s Office of Warsaw of an offence by Impel Security”.
11. No company of the Impel Group (or the management thereof) has been involved in the practice of wangling disability certificates for their employees. The employees or candidates are only informed about the procedure of obtaining the certificate if its issuance is justified.

In view of the above, given the lack of diligence and due professional care on the part of the author of the article with respect to both collection and use of the materials, the Executive Board of Impel SA requested that the untrue information presented in the article be corrected, the response to the information that might threaten the interest of Impel SA and its subsidiaries be published, and apologies made.

Legal basis:

Art. 97.2.4a) of the Polish Securities Act