We feed millions of Europeans
Presentation for Press and Investors
Financial results for I Q 2007

May 2007
PKM Duda consolidated revenues

Consolidated quarterly revenues of PKM Duda in period of 2003 – I Q 2007 (in PLN m)

- Increase in number of slaughters caused by increased livestock supply
- Livestock price decrease
- Realization of the tender offers for the purchase of pigs in scope of increasing the economic reserves, by the Material Reserves Agency
- Effective usage of livestock low prices
- Stabilization of the export revenues
- Further dynamic sales increase in beef export
- Sales of crop at attractive prices
- Process optimization and business integration of Makton Group and Stół Polski
- One-off factor in 2007 – Easter in April

I Q 2007 PKM Duda S.A. recorded for the next time in a row record revenues

Source: PKM Duda
### PKM Duda consolidated revenues

<table>
<thead>
<tr>
<th></th>
<th>I Q 2005</th>
<th>I Q 2006</th>
<th>I Q 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (in PLN m)</td>
<td>10.7</td>
<td>15.4</td>
<td>22.9</td>
</tr>
<tr>
<td>EBIT (in PLN m)</td>
<td>7.5</td>
<td>10.7</td>
<td>17.5</td>
</tr>
<tr>
<td>Net profit* (in PLN m)</td>
<td>6.7</td>
<td>11.1</td>
<td>15.5</td>
</tr>
</tbody>
</table>

Source: PKM Duda  
* Net profit attributable to the shareholders of PKM Duda

- Significant profit increase of business line – distribution of meat and meat dissection
- Further share increase in supplies from own grown livestock to Grąbkowo – gaining control over another margin source in value chain created by PKM Duda
- Increase in meat in elements in the sales structure
- Improvement of margins on meat dissection as a result of livestock lower prices and export contracts
- Profit increase from sales of previous year crop – business line agricultural production
- Reaching an attractive margin by business lines – beef and game
- Costs related to start of activity on Ukrainian market and integration of Makton and Stół Polski
- Costs of management stock option program should be borne, even if the program will not be executed (ca. PLN 6m p.a.)
- Costs of acquisition and integration of acquired companies with the PKM Duda capital group

I Q 2007 was the most successful period in the history of PKM Duda S.A. capital group regarding the achieved net profit
Segment results of PKM Duda Group

Total segment revenues of PKM Duda (in PLNm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>I Q 2005</th>
<th>I Q 2006</th>
<th>I Q 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>232</td>
<td>284</td>
<td>322</td>
</tr>
<tr>
<td>Distribution and service</td>
<td>106</td>
<td>149</td>
<td>145</td>
</tr>
<tr>
<td>Agricultural</td>
<td>120</td>
<td>126</td>
<td>169</td>
</tr>
</tbody>
</table>

Source: PKM Duda

Total segment EBITDA of PKM Duda (in PLNm)*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>I Q 2005</th>
<th>I Q 2006</th>
<th>I Q 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>12.1</td>
<td>16.8</td>
<td>24.4</td>
</tr>
<tr>
<td>Distribution and service</td>
<td>1.4</td>
<td>4.7</td>
<td>7.0</td>
</tr>
<tr>
<td>Agricultural</td>
<td>7.2</td>
<td>11.8</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Source: PKM Duda

Total segment net profit of PKM Duda (in PLNm)*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>I Q 2005</th>
<th>I Q 2006</th>
<th>I Q 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>8.2</td>
<td>12.4</td>
<td>17.0</td>
</tr>
<tr>
<td>Distribution and service</td>
<td>0.5</td>
<td>2.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Agricultural</td>
<td>5.2</td>
<td>10.3</td>
<td>10.2</td>
</tr>
</tbody>
</table>

Source: PKM Duda

* In order to compare with 2005 data, 2006 and 2007 EBITDA as well as the net profit were adjusted upwards (by PLN 1,444 thous.) by the amount of the costs of management stock option program

Segment’s line-up

- **Production**
  - PKM DUDA
  - Polska Wołowina
  - Borys Ukraina
  - Hunter Wild

- **Distribution-service**
  - Makton
  - Fedrus
  - Stół Polski
  - EurosmaK
  - NetBrokers
  - Euro-Duda
  - PKM Duda Distribution
  - Meat Service

- **Agricultural**
  - Agro Duda
  - Agroprof
  - PZZ Dystrybucja
  - Rolpol
  - Wizental
  - Bioenergia
  - Agrohop
  - Agronet
  - ZORIA
  - PBI

Source: PKM Duda
Production segment

I Q 2007 feedback

- Growth of slaughtered pieces and significant decrease in livestock purchase prices
- Effective usage of livestock low prices
- Great demand for meat
- Increase in meat in elements in the sales structure
- Fulfilling of meat supply contracts to South Korea, China, Belarus, Kazakhstan as well as other markets
- Growth in supplies to EU market (beef, pork, game meat)
- Activities of Red Meat Controlling Authorities in order to reduce „black economy” and unfair competition
- Decrease in competitors’ market share in livestock purchases decrease
- Hunter Wild – full consolidation of results
- Polska Wołowina – further dynamic increase in scale of operations and production, results improvement and capacity development

Segment data

Prices of pork half-carcasses class R in PLN /kg *

Number of slaughtered pieces in Grąbkowo plant (in ’000 pieces)

Source: PKM Duda
**Service and distribution segment**

### I Q 2007 feedback

- Integration and process optimization in Makton Group and Stół Polski
- Profitability increase due to utilization of synergy effects after taking over of Stół Polski
- Shares increase in actually operating markets
- Opening new branch of Makton in Katowice
- Utilization of strong negotiation position towards suppliers and buyers
- Development of deliveries for HORECA segment
- Increase of product portfolio towards perspective products with high margin of profit
- Receipt of SAPARD funds
- Intensification of trade operations of NetBrokers–import of selected meat products and supplementation of the offer of PKM Duda
- PKM Duda Distribution –acquisition of distribution channels and game sales intensification in EU market
- Costs of acquisition and integration of newly acquired companies
Agricultural segment

I Q 2007 feedback

- Further increase in supplies from own grown livestock to Grąbkowo plant – improvement of quality and efficiency of livestock and further margin take over in value chain created by PKM Duda S.A.
- Gaining incremental independence from range of livestock on free market – elimination of purchase of dissatisfying quality of livestock or significant cut in prices
- Sales of crop from previous year at attractive prices
- Productivity improvement in agriculture affiliates
- Modernization of newly acquired farm
- Introduction of central fodder purchase and equipment for farmers cooperating with PKM Duda as well as implementation FARMER OF THE YEAR program

Segment data

- Prices of pork livestock
- Prices of cattle livestock
- Prices of rye
- Prices of wheat

Source: Agricultural Market Agency, April 2007
Significant events in environment of PKM Duda since 31st March 2007

- AGRO-DUDA Sp. z o.o. signed agreements amounting to PLN 17.3 m in the subject matter of purchase and assembly of the machine for cereal storage in Chóścina, the commune of Skoroszyce, as well as of fundaments and construction work completion for placing the machines. The signed agreements are the following steps forward in building own grown livestock for agricultural production. Completion of this investment is an integration of PKM Duda activities in agricultural sector due to maximization of margins by usage of synergy effects.

- Effective from the May 1st, 2007, the Company’s address changed from Taśmowa 3, 02-677 Warsaw to the new address: Kłobucka 25, 02-699 Warsaw.

- PKM Duda Sp. z o.o. signed the agreement for purchase of 100% shares in Rosan Agro Sp. z o.o. in amount of USD 16 m. Rosan Agro Sp. z o.o. operates in pig farming and breeding segment for a large scale. Rosan Agro’s subsidiaries: ROSANA MPC – slaughtering and meat processing plant, Rosan Trade – a company trading with means for agricultural production, Rogatyn Feedmill – feed mixing plant. Aquisitions of 100% shares of Rosan Agro is PKM Duda’s next step to build a strong meat group in the Ukraine.

- Closing of the subscription of PKM Duda G-series shares amounting to PLN 144.6 m and registration of a capital increase.

- Receipt of subsidy within the scope of SPO program (EU funds) for Stół Polski Sp. z o.o. for amount of PLN 0.9 m.
PKM Duda – growth factors in the future – production segment

Growth factors

- Acquisitions of companies with similar profile with high potential of growth in Poland and Ukraine
- Development of PKM Duda Group in Ukraine based on Rosan Agro
- Working at maximum capacity in slaughtering and processing plants
- Automation and development of production capacity (PKM Duda, Polska Wołowina, Hunter Wild)
- Entry into meat processing sector, creation of own “premium” brand based on production plant Stół Polski
- Market share increase, at the expense of plants that do not meet EU requirements and companies with poor financial standing
- Growth due to further expansion on foreign markets
- Achieving leading position in the supplies of meat to Far East countries leader position
- Increase in meat sales in elements, in particular during the grilled meat season
- Development of delivery for HoReCa sector
- Game meat – strong development of the business line and market share increase
- Intensification of sales activities of PKM Duda products through German company PKM Duda Distribution GmbH
- Introducing innovative production technologies in order to develop margins
- Increase in livestock supplies from own sources
- Production based on high quality livestock
- Usage of economies of scale
PKM Duda – growth factors in the future – service and distribution segment

Growth factors

- Closing of further acquisitions – companies operating in the largest Polish cities
- Opening new branches in Poznań
- Green field investments in case of lack of attractive M&A targets
- Developing a network of 25 distribution centres
- Strengthening the leading position in the distribution of meat and processed meat
- Increase in market share of currently serviced regions
- Client diversification – focus on most profitable contracts
- Taking advantage of own strong negotiation position towards suppliers and clients
- Strong export expansion of PKM Duda Group based on distribution company PKM Duda Distribution GmbH and cold storage plant in Passau
- Development of storage and distribution centres
- Effective support for introduction of own brand products to market
- NetBrokers – striving for becoming the largest European platform for companies operating on agriculture and food product market in Europe and import of selected meat products and supplement of the offer of PKM Duda
- Achieving a leading position on storage and refrigerating service market
PKM Duda – growth factors in the future
– agricultural segment

Growth factors

- Acquisitions of companies operating in pig farming and breeding segment
- Reaching 40% of livestock supplies from own sources
- Guarantee of high quality livestock supplies
- Minimizing of breeding costs through development of pork fattening
- Decrease in purchasing costs of livestock – logistic costs of purchase
- Gaining independence from supply of livestock from the market – elimination of purchase of low quality of livestock or significant cut in prices
- Taking over the margin from breeding and increasing margin from production thanks to quality optimization of livestock quality
- Introduction of central purchase of fodder and machines for partners cooperating with PKM Duda and FARMER OF THE YEAR program
- Introducing innovative production technology aiming at building herd of sow of the highest quality standards
- Modernization of warehouse capacity
- Taking leading position in development of livestock base in Ukraine
- Effective usage of existing areas of land – sowing optimization for profit maximization in plant sowing - taking significant position in the supply of bio-fuel components
- Increasing existing areas to 10 th. ha in order to increase livestock production thus reduction of unit cost per ha
- Entry in fodder production – taking over next margin in value chain of agricultural production
- Usage of own storage resources of servicing for Agricultural Market Agency
- Effective usage of EU subsidies
Building a strong position of PKM Duda on the Ukrainian market

<table>
<thead>
<tr>
<th>Fattening/Breeding</th>
<th>Production of pork</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Purchase and modernization of 5-6 farms</td>
<td>- Production understood as slaughter, dissection and processing of pork – maximization of margins due to taking over of the whole production chain</td>
</tr>
<tr>
<td>- Target breeding of porkers at about 250 tk units</td>
<td>- Production capacity adjusted to the development of own resource base and purchase of porkers on the market</td>
</tr>
<tr>
<td>- Achieving the leading position in pig production in the Ukraine</td>
<td>- Creation of distribution chain, which will guarantee achieving a competitive advantage</td>
</tr>
<tr>
<td>- Transferring PKM Duda’s know-how and technology to the Ukraine</td>
<td>- Building a few brands in different price and quality segments</td>
</tr>
<tr>
<td>- Achieving leading position in respect of quality of resource</td>
<td></td>
</tr>
<tr>
<td>- Public subsidies to the breeding farms</td>
<td></td>
</tr>
<tr>
<td>- Income tax exemptions</td>
<td></td>
</tr>
<tr>
<td>- Agro segment development – purchase or lease of high quality land plots for production of bio-components and their export to Poland</td>
<td></td>
</tr>
</tbody>
</table>

Purchase of 100% shares of Rosan Agro is a significant step forward, nearing PKM Duda to establishing of group of companies on the Ukrainian market operating in breeding, production, meat processing and meat trading sectors with revenues amounting to PLN 700-800 m
Appendices

Boards of PKM Duda
Financial Data
Contact details
Boards of PKM Duda

Management Board of PKM Duda S.A.

President of the Board
Maciej Duda

Vice-President of the Board
Bogna Duda-Jankowiak

Vice-President of the Board
Roman Miler

Board Member
Financial Director
Rafał Oleszak

Supervisory Board of PKM Duda S.A.

Chairman of the Board: Rafał Abratański
Board Member: Marek Dybalski
Board Member: Grzegorz Leszczyński
Board Member: Tomasz Łuczyński
Board Member: Rafał Tuzimek
Board Member: Maciej Zientara
## Financial results

### Profit and loss statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>870 019</td>
<td>1 041 187</td>
<td>231 294</td>
<td>288 542</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>765 408</td>
<td>908 633</td>
<td>208 876</td>
<td>253 172</td>
</tr>
<tr>
<td>gross margin on sales</td>
<td>12.0%</td>
<td>12.7%</td>
<td>9.7%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Sales costs</td>
<td>33 620</td>
<td>46 485</td>
<td>8 415</td>
<td>14 153</td>
</tr>
<tr>
<td>General and Administrative Expenses</td>
<td>49 083</td>
<td>42 905</td>
<td>9 381</td>
<td>10 947</td>
</tr>
<tr>
<td><strong>Profit on sales</strong></td>
<td>21 908</td>
<td>43 164</td>
<td>4 622</td>
<td>10 270</td>
</tr>
<tr>
<td>margin on sales</td>
<td>2.5%</td>
<td>4.1%</td>
<td>2.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>20 310</td>
<td>24 944</td>
<td>7 205</td>
<td>7 985</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>3 490</td>
<td>4 592</td>
<td>1 078</td>
<td>764</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>38 728</td>
<td>63 516</td>
<td>10 749</td>
<td>17 491</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>4.5%</td>
<td>6.1%</td>
<td>4.6%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Financial income</td>
<td>7 303</td>
<td>6 615</td>
<td>3 972</td>
<td>3 328</td>
</tr>
<tr>
<td>Financial costs</td>
<td>13 558</td>
<td>9 563</td>
<td>2 048</td>
<td>2 879</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>32 477</td>
<td>60 568</td>
<td>12 673</td>
<td>17 940</td>
</tr>
<tr>
<td>Income tax</td>
<td>6 060</td>
<td>9 385</td>
<td>1 702</td>
<td>2 374</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of PKM Duda</td>
<td>27 103</td>
<td>50 430</td>
<td>11 102</td>
<td>15 476</td>
</tr>
<tr>
<td>net margin</td>
<td>3.1%</td>
<td>4.8%</td>
<td>4.8%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Consolidated data. Source: PKM Duda S.A.
## Financial results

### Balance sheet

<table>
<thead>
<tr>
<th>PLN '000</th>
<th>2005</th>
<th>I – IV Q 2006</th>
<th>I Q 2006</th>
<th>I Q 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>466 981</td>
<td>594 782</td>
<td>491 074</td>
<td>694 498</td>
</tr>
<tr>
<td>Non current assets</td>
<td>269 436</td>
<td>355 754</td>
<td>282 107</td>
<td>422 596</td>
</tr>
<tr>
<td>Current assets, incl.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>197 545</td>
<td>239 028</td>
<td>208 967</td>
<td>271 902</td>
</tr>
<tr>
<td>Receivables</td>
<td>58 921</td>
<td>72 831</td>
<td>50 117</td>
<td>84 011</td>
</tr>
<tr>
<td></td>
<td>104 736</td>
<td>118 826</td>
<td>114 706</td>
<td>138 363</td>
</tr>
<tr>
<td><strong>Equity &amp; Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>466 981</td>
<td>594 782</td>
<td>491 074</td>
<td>694 498</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>206 425</td>
<td>268 546</td>
<td>221 005</td>
<td>283 677</td>
</tr>
<tr>
<td>Provisions</td>
<td>1 065</td>
<td>861</td>
<td>1 122</td>
<td>1 044</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>103 028</td>
<td>138 859</td>
<td>109 570</td>
<td>131 512</td>
</tr>
<tr>
<td>Short-term liabilities</td>
<td>139 307</td>
<td>163 934</td>
<td>142 326</td>
<td>255 391</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>17 156</td>
<td>22 582</td>
<td>17 051</td>
<td>22 874</td>
</tr>
</tbody>
</table>

Consolidated data. Source: PKM Duda S.A.