

A large, stylized globe graphic, similar to the one in the logo, is positioned in the background on the right side of the page. It is rendered in shades of blue and white, with a soft glow effect. The globe is partially obscured by a light blue horizontal band.

SELENA FM S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY THROUGH 30 JUNE 2012 WITH
INDEPENDENT AUDITOR'S REPORT

Wroclaw, 23 August 2012

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INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

Figures in PLN thousand	Note	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Continued operations					
Revenue from the sale of goods and materials		137 749	131 371	90 638	85 291
Revenue from the sale of services		10 963	10 500	6 995	6 439
Revenue from sales		148 712	141 871	97 633	91 730
Cost of goods sold		132 984	135 877	86 680	88 243
Gross profit (loss)		15 728	5 994	10 953	3 487
Other operating income		194	104	164	51
Selling and marketing costs		9 397	9 363	4 770	4 928
General and administrative expenses		7 141	5 266	3 258	2 275
Other operating costs	7	6 236	51	831	42
Operating profit (loss)		-6 852	-8 582	2 258	-3 707
Financial revenues	8.1	25 579	37 335	24 444	34 371
Financial expenses	8.2	36 358	1 181	32 631	948
Profit (loss) before tax		-17 631	27 572	-5 929	29 716
Income tax		-371	-827	723	-478
Net profit (loss) on continued operations		-17 260	28 399	-6 652	30 194
Discontinued operations					
Profit (loss) on discontinued operations		-	-	-	-
Net profit (loss) for the previous year		-17 260	28 399	-6 652	30 194
Earnings per share (continued operations)					
(PLN/share):	9				
- basic		-0,76	1,25	-0,29	1,33
- diluted		-0,76	1,25	-0,29	1,33

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Profit after tax	-17 260	28 399	-6 652	30 194
Total other net comprehensive income	0	0	0	0
Total comprehensive income	-17 260	28 399	-6 652	30 194

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Figures in PLN thousand	Nota	30 June 2012 (unaudited)	31 grudnia 2011
Non-current assets		222 759	223 629
Property, plant and equipment		3 367	3 532
Intangible fixed assets		4 970	5 363
Shares in subsidiaries	10	197 047	193 203
Other long-term receivables	13	6 824	0
Long-term portion of loans granted	11	7 450	18 801
Other long term financial assets	11	2 304	2 304
Deferred tax assets		797	426
Current assets		232 244	236 409
Inventories		4 510	3 176
Trade debtors	12	143 251	129 304
Other short-term receivables	13	22 232	19 878
Short-term portion of loans granted	11	25 431	36 823
Other short-term financial assets	11	21 209	27 850
Cash and cash equivalents		15 611	19 378
TOTAL ASSETS		455 003	460 038
Equity		268 973	286 123
Registered capital	14	1 142	1 136
Supplementary capital		265 928	236 561
Other reserves	14	19 163	11 163
Retained profit / loss carried forward		-17 260	37 263
- retained profit / loss carried forward from previous years		0	0
- profit (loss) after tax		-17 260	37 263
Non-current liabilities		711	788
Other financial liabilities		711	788
Current liabilities		185 319	173 127
Trade creditors		107 832	95 408
Short-term portion of bank and other loans	15	74 300	73 064
Other financial liabilities		617	491
Income tax payable		0	505
Other short-term liabilities		2 570	3 659
Total liabilities		186 030	173 915
TOTAL EQUITY AND LIABILITIES		455 003	460 038

INTERIM CONDENSED STATEMENT OF CASH FLOWS

Figures in PLN thousand	Nota	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
Cash flows from operating activities			
Profit / loss before tax on continued operations		-17 631	27 572
<i>Profit / loss before tax on discontinued operations</i>		-	-
Adjusted by:			
Depreciation		835	514
FX (gains) / losses		44	-361
Interest and dividends		-24 055	-33 637
Profit / loss on investing activities		32 773	194
Changes in the balance of receivables		-25 019	-130 691
Change in the balance of inventories		-1 334	-1 888
Change in the balance of obligations		36 649	95 450
CIT paid		-505	0
Other – management options programme		0	1 105
Net cash flows from operating activities		1 757	-41 742
Cash flows from investing activities			
Inflows from sale of tangible fixed assets		55	0
Acquisition of tangible and intangible fixed assets		-783	-1 761
Purchase of other financial assets		0	-6 000
Dividends and interest received		312	2 247
Loans granted		-15 434	-12 526
Repayments of loans granted		2 992	2 635
Bond repayments		6 620	13 697
Net cash flows from investing activities		-6 238	-1 708
Cash flows from operating activities			
Profit / loss before tax on continued operations			
<i>Profit / loss before tax on discontinued operations</i>		-281	-160
Adjusted by:		15 885	69 149
Depreciation		-12 858	0
FX (gains) / losses		-1 666	-390
Interest and dividends		1 080	68 599
Profit / loss on investing activities			
Changes in the balance of receivables		-3 401	25 149
Change in the balance of inventories		-3 767	25 793
Change in the balance of obligations		-366	644
CIT paid		19 378	2 056
Other – management options programme		15 611	27 849

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 30 JUNE 2012

Figures in PLN thousand	Registered capital	Supplementary capital	Other reserves	Retained profit (loss carried forward)		Total equity
				from previous years	from the current period	
As at 1 January 2012	1 136	236 561	11 163	37 263	0	286 123
Net profit (loss) for the financial year	0	0	0	0	-17 260	-17 260
Total comprehensive income	0	0	0	0	-17 260	-17 260
Profit allocated to supplementary capital	0	37 263	0	-37 263	0	0
Reserve capital for share purchase (Note 14)	0	-8 000	8 000	0	0	0
Issue of shares under the incentive programme (Note 14)	6	104	0	0	0	110
As at 30 June 2012	1 142	265 928	19 163	0	-17 260	268 973

FOR THE 6 MONTHS ENDED 30 JUNE 2011

Figures in PLN thousand	Kapitał podstawowy	Kapitał zapasowy	Pozostałe kapitały rezerwowe	Zyski zatrzymane/ (niepokryte straty) z:		Kapitał własny ogółem
				lat ubiegłych	bieżącego okresu	
As at 1 January 2011	1 136	191 626	9 968	52 207	0	254 937
Net profit (loss) for the financial year	0	0	0	0	28 399	28 399
Total comprehensive income	0	0	0	0	28 399	28 399
Profit allocated to supplementary capital (Note 14)	0	44 935	0	-44 935	0	0
Allocation of rights to warrants as part of the incentive programme	0	0	1 105	0	0	1 105
Payment of dividend	0	0	0	-7 272	0	-7 272
As at 30 June 2011	1 136	236 561	11 073	0	28 399	277 169

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

1. Information on the Company

Selena FM S.A. was established and registered in 1993 as a limited liability company under the name Przedsiębiorstwo Budownictwa Mieszkaniowego. In 2006, the Extraordinary General Meeting of Shareholders approved the name change to Selena FM. In 2007, the Company was transformed into a joint stock company. On 18 April 2008, Selena FM S.A. debuted on the Warsaw Stock Exchange.

The Company's duration is indefinite.

The Company's registered office address is ul. Strzegomska 2-4, 53-611 Wrocław, Poland. The Company operates in Poland.

The Company is entered in the business register of the National Court Register kept by the District Court for Wrocław-Fabryczna, IX Commercial Division of the National Court Register, after transformation, under KRS no. 0000292032 (previous KRS no. 0000129819). The Company was assigned the statistical number REGON 890226440.

The business of the Company as the holding entity in the Group is provision of advice on strategic management, finance management, sales strategy as well as maintenance of accounting books for customers. In 2011, the Company also

acquired from its subsidiary Selena Co. S.A. the role of distribution of products to foreign markets and the role of ownership supervision over foreign subsidiaries.

Selena FM S.A. and its subsidiaries are controlled by Krzysztof Domarecki.

2. Information on the financial statements

2.1 Identification of the consolidated financial statements

These interim condensed financial statements are non-consolidated accounts of the Company. For a full understanding of the financial position and trading performance of the Company as a parent of Selena FM Group these financial statements should be read together with the condensed consolidated financial statements of the Group for the period ended 30 June 2012, published on 23 August 2012.

2.2 Interim data

These interim condensed financial statements were reviewed by a statutory auditor.

The interim condensed financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the Company's financial statements for the year ended 31 December 2011 published on 26 April 2012. The interim financial result may not fully reflect the financial result achievable for the whole financial year.

The profit and loss account and notes to the profit and loss account cover the data for the 3 months ended 30 June 2012, and the comparative data for the 3 months ended 30 June 2011, which were not reviewed or audited by a statutory auditor.

The interim financial result may not fully reflect the financial result achievable for the whole financial year.

2.3 Approval of the financial statements

These condensed financial statements were approved for publication on 23 August 2012.

2.4 Statement of compliance

These interim condensed financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") and the IFRS approved by the EU, particularly, International Accounting Standard 24. At the date of approval of these financial statements for publication, taking account of the ongoing EU process of implementing the IFRSs and the activity carried on by the Company with respect to the accounting standards applied, there are no differences between the IFRSs that have become effective and the IFRSs approved by the EU.

2.5 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for financial instruments measured at fair value: .

2.6 Measurement and reporting currency

The currency used for measurement and presentation of financials in this report is Polish zloty, and all figures have been presented in PLN thousand, unless specified otherwise.

2.7 Going concern

These financial statements have been prepared on the assumption that the Company will continue in operation in the foreseeable future. At the date of approval of these financial statements, no circumstances occurred that would point to a risk to continuity of operations by the Company.

3. Accounting policy

The accounting policies that were used in preparation of these financial statements are consistent with the policies used in preparation of the financial statements of the Company for the year ended on 31 December 2011, except for the changes resulting from implementation of new IAS and IFRS regulations outlined in Note 4 of the consolidated financial statements of the Group for the 6 months ended 30 June 2012. They have no material impact on the data presented in these unconsolidated financial statements.

4. Significant values based on professional judgement and estimates

Accounting estimates and the professional judgement of the Company's management were of key importance in the process of application of the accounting policies to the areas outlined below:

- Classification of leases as operating or financial leases;
- Impairment of long-term investments;
- Ability to use the deferred tax assets;
- Fair value of financial instruments;
- The expected dates and values of cash flows in respect of loans granted and amounts receivable.

In 2012, no significant changes were made to the assumption areas and methods. The business and macroeconomic assumptions underlying the estimates are updated on an ongoing basis depending on changes in the entity's environment and business projections. The selected assumptions used for asset impairment tests were described in Note 6 to this report.

5. Operating segments

The Management Board treats the Company's activity as a single operating segment. See Note 1 of this report for a description of the Company's activities.

The Company's trading performance is assessed based on the management data prepared in accordance with IAS/IFRS.

Related parties account for more than 93% of the Company's sales (93% in 2011).

6. Impairment of assets

6.1 Risk of impairment on account of the low stock exchange capitalisation of Selena FM

The low capitalisation of the company in 2012 might be a potential indication of impairment of the Company's fixed assets. Based on the projected stand-alone performance of the Company, and the Group for which the Company is the parent entity,

it was found that the risk was not material in the context of the Company's total fixed assets. In effect, the Management Board has decided that the low capitalisation is not a sufficient indication of impairment. For this reason, no impairment test was carried out for the Company's fixed assets.

However, certain fixed assets indicated in the Company's balance sheet were reviewed in terms of possible impairment. With regard to some shares in other entities a need was identified to post impairment charges (as described in section 6.2 – 6.4), while for the purpose of verification of the entity's operating assets (tangible and intangible fixed assets), a model of discounted future cash flows was created. However, the use of the model did not reveal any need to post impairment charges for these assets.

6.2 Shares in Selena Malzemeleri Yapi

Due to the performance of Selena Malzemeleri Yapi and revision of its business plans, the Management Board carried out an impairment test for the assets invested in the entity. Based on projected future cash flows generated by the company, an impairment of these assets was identified, and as at 30 June 2012, the following impairment charges were posted:

- for the company's shares – PLN 12,642k;
- for the loans granted – PLN 9,618k.

The impairment charges were presented in the profit and loss account under "financial expenses###" (Note 8.2).

The test used a 5-year cash flow projection. For the purpose of the test, WACC before tax was taken at 14.4% and the residual growth rate at 2.5%. An increase in WACC by 1 p.p. would cause an extra charge of PLN 682k, while a reduction of the residual growth by 1 p.p. –would result in an additional charge of PLN 188k.

The test described above had a limited impact on the consolidated financial statements of Selena FM Group: an impairment charge of PLN 304k was posted for tangible fixed assets (Note 7.2 of the interim consolidated report of the Group as at 30 June 2012).

6.3 Shares in Selena Iberia

Due to the deteriorating macroeconomic situation in the Spanish market, the Management Board looked at the need to create impairment charges for the assets invested in the subsidiary Selena Iberia. Based on projected future cash flows generated by the company, an impairment of the shares was identified, and an impairment charge of PLN 7,608k was posted. The impairment charge was presented in the profit and loss account under "financial expenses###" (Note 8.2).

The test used a 5-year cash flow projection. For the purpose of the test, WACC before tax was taken at 13.1% and the residual growth rate at 2.5%. An increase in WACC by 1 p.p. would cause an extra charge of PLN 8,387k, while a reduction of the residual growth by 1 p.p. –would result in an additional charge of PLN 5,846k.

The test described above did not reveal any need to create an impairment charge for the value of fixed assets in the Group's consolidated report (for details, see Note 7.3 of the interim condensed consolidated financial statements as at 30 June 2012).

6.4 Shares in other companies

Due to the deteriorating macroeconomic situation in the European Union, the value of the shares in other companies trading in the EU were also reviewed, with a focus on the companies' performance and their ability to generate profits in the future. Based on this review, impairment charges were posted for the shares in: Selena Italia – PLN 1,884k, Selena Hungaria – PLN 679k and Finselena – PLN 318k.

7. Other operating costs

Figures in PLN thousand	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Loss on disposal of non-financial fixed assets	24	12	14	12
Impairment charge for receivables	5 808	0	656	0
Other	404	39	161	30
Other total operating costs	6 236	51	831	42

Out of the value of impairment charges for trade debtors, PLN 5,733k relates to the impairment charges for the amounts due from subsidiaries.

8. Financial revenues and expenses

8.1 Financial revenues

Figures in PLN thousand	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Dividends and share in profits	23 733	31 466	23 733	31 466
Interest, including:	1 842	5 869	711	2 905
<i>on bonds and loans granted</i>	1 816	2 561	697	1 228
<i>interest on deposits and bank accounts</i>	26	69	14	45
<i>reversal of discount of financial assets</i>	0	3 239	0	1 632
Other financial revenues	4	0	0	0
Total	25 579	37 335	24 444	34 371

On 19 June 2012, the General Meeting of Orion Sp. z o.o. (a subsidiary) adopted a resolution on a dividend payment of PLN 23,745k. Out of this amount, Selena FM S.A. was entitled to receive PLN 23,733k, as per its share in the company's capital. On 30 June 2012 an offsetting agreement was signed, whereby the dividend payable was set off against the trade creditors due to Orion sp. z o.o.

8.2 Financial expenses

Figures in PLN thousand	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Interest, including:	1 494	494	771	415
<i>on loans and advances received</i>	1 447	471	747	399
<i>on finance lease liabilities</i>	46	22	23	15
Impairment charge for shares	23 131	0	23 131	0
Impairment charge for loans	9 618	0	9 618	0
FX differences	2 065	338	-939	184
Other financial costs	50	349	50	349
Total	36 358	1 181	32 631	948

As at 30 June 2012, the value of some financial assets invested in subsidiaries was subject to impairment. The impairment charges were posted for:

- shares of PLN 23,131k (Selena Malzemeleri Yapi Sanayi Tic. Ltd.: PLN 12,642k, Selena Iberia slu: PLN 7,608k, Selena Italia: PLN 1,884k, Selena Hungaria: PLN 679k and Finselena Oy: PLN 318k)
- Loans of PLN 9,618k granted to the subsidiary Selena Malzemeleri Yapi Sanayi Tic.

The charges are connected with the current and projected financial performance of the foregoing entities, and the deteriorating macroeconomic situation in the euro zone. Details of the conducted impairment tests were described in Note 6 to this report.

9. Profit per share

The basic profit per share is calculated by dividing the net profit for the period attributable to the ordinary shareholders by the weighted average number of outstanding ordinary shares during the period.

As part of execution of the management options programme, 110,000 new series D ordinary shares were issued. The request for admission of the new shares to trading was filed on 7 February 2012. On 16 March 2012, the shares were introduced to public trading. On 12 April 2012, the share capital increase was registered by the court.

The table below shows a calculation of the profit(loss) per share in the reporting period.

		6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)
Profit (loss) after tax	PLN	-17 260 155	28 398 521	-6 651 927	30 194 626
Weighted average number of ordinary shares	shares	22 788 066	22 724 000	22 834 000	22 724 000
Profit/(loss) per ordinary share	PLN/share	-0,76	1,25	-0,29	1,33
Number of shares, including possible dilution	share	22 834 000	22 749 698	22 834 000	22 752 207
Diluted profit per share	PLN / share	-0,76	1,25	-0,29	1,33

10. Shares in subsidiaries

Value of the shares in subsidiaries are presented in the table below.

Figures in PLN thousand	30 June 2012 (unaudited)			31 grudnia 2011		
	Gross	Write-down	Net	Gross	Write-down	Net
Selena S.A.	62 362	0	62 362	62 362	0	62 362
Carina Silicones Sp. z o.o.	2 070	0	2 070	2 070	0	2 070
Research Centre of Construction Technology Sp. z o.o.	1 400	0	1 400	1 400	0	1 400
Orion Sp. z o.o.	8 175	0	8 175	8 175	0	8 175
Libra Sp. z o.o.	5 589	0	5 589	5 589	0	5 589
Tytan EOS Sp. z o.o.	4 007	0	4 007	4 007	0	4 007
PMI "IZOLACJA - MATIZOL" S.A.	18 500	0	18 500	18 500	0	18 500
Selena Deutschland GmbH	4	0	4	4	0	4
Selena Italia srl	1 884	1 884	0	0	0	0
Selena Iberia sls	42 728	7 608	35 120	42 728	0	42 728
Selena USA Inc.	0	0	0	0	0	0 *
Selena Sulamericana Ltda	3 714	0	3 714	3 714	0	3 714
Selena USA Real Estate Corp.	2 418	0	2 418	2 418	0	2 418
Selena Romania SRL	11 944	0	11 944	174	0	174
Selena Bohemia s.r.o	0	0	0	0	0	0 *
Selena Hungária Kft.	679	679	0	0	0	0
FinSelena Oy	318	318	0	318	0	318
Selena Bulgaria Ltd.	0	0	0	0	0	0 *
Selena Slovakia s.r.o.	0	0	0	0	0	0 *
Selena Ukraine Ltd.	0	0	0	0	0	0 *
Selena CA L.L.P.	0	0	0	0	0	0 *
Selena Shanghai Trading Co., Ltd.	0	0	0	0	0	0 *
Selena Nantong Building Materials Co., Ltd.	33 910	0	33 910	33 910	0	33 910
Selena Vostok	7 834	0	7 834	7 834	0	7 834
OOO Kvadro	0	0	0	0	0	0 *
Selena Malzemeleri Yapı Sanayi Tic. Ltd.	12 662	12 662	0	20	20	0

Value of shares	220 198	23 151	197 047	193 223	20	193 203
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* value of shares below PLN 400

The increase in the gross value of shares in Selena Romania and Selena Malzemeleri Yapi results from conversion into equity of the shares granted to these entities (see Note 11). In the case of Selena Malzemeleri Yapi, the conversion caused an increase in the value of the shareholding of Selena FM S.A. in the company's share capital from 1% to 86.39% (the other shares are still owned by Carina Silicones sp. z o.o.).

The increase in the value of shares in Selena Hungaria results from the cover of the company's losses by conversion of the company's receivables of EUR 154k into its equity as at 30 January 2012.

The increase in the value of shares of Selena Italia results from conversion of the trade debtors of EUR 450k due from the company into its equity. The transaction was completed on 20 April 2012.

In the reporting period, impairment charges were posted for the value of the shares in: Selena Malzemeleri Yapi (PLN 12,642k), Selena Iberia sls (PLN 7,608k) Selena Italia (PLN 1,884k), Selena Hungaria (PLN 679k) and Finselena (PLN 318k), as stated in Note 6 to this report.

11. Loans granted and other financial assets

Changes in the balance of the loans granted and other financial assets are presented in the table below.

Connection type	Data in PLN thousand	31 December 2011	Principal		Interest		Valuation Paid	Write- down	30 June 2012 (unaudited)
			Increase	Decrease	Accrued				
Subsidiaries	Bonds	26 234		-6 620	753	-697			19 670
	Loans	55 246	15 433	-27 651	1 027	-328	-1 228	-9 618	32 881
	Contributions to capital	2 304							2 304
Other connected entities (Syrius Investments)	Bonds	1 616			29	-50	-56		1 539
Third parties	Loan	378		-358	7	-7	-20		0
Total		85 778	15 433	-34 629	1 816	-1 082	-1 304	-9 618	56 394
<i>including long-term:</i>		<i>21 105</i>							<i>9 754</i>

Settlement dates of the individual assets as at 31 March 2012 are shown in the tables below.

Maturity (years)	<1	1-2	No maturity date	Total
Subsidiaries	Bonds	19 670		19 670
	Loans	25 431	7 450	32 881
	Contributions to capital			2 304
Other connected entities (Syrius Investments)	Bonds	1 539		1 539
Total	46 640	7 450	2 304	56 394

In 2012, Selena FM S.A. granted its subsidiary Selena Yapi Malzemeleri loans for a total amount of EUR 468k and USD 200k; the loans were granted for 2 years (on commercial terms).

On 22 March 2012, the subsidiary Selena Iberia received a loan of EUR 521k (including EUR 327k, which was offset against the amounts due to the company).

On 15 February 2012, the loans of TRY 7.03m granted to the Turkish subsidiary Selena Yapi Malzemeleri were converted into the company's equity. On 28 February 2012, the loans of EUR 2.81m granted to the subsidiary Selena Romania were converted into the company's equity.

On 27 April 2012, Selena S.A. repurchased bonds of PLN 6,620k. On 27 April 2012, Selena FM S.A. provided a loan of PLN 3,190k to Selena S.A. On 15 May 2012, another loan of PLN 3,430k was provided to Selena S.A. Both loans were granted for 1 year (fixed, market rate).

On 28 May 2012, Selena FM S.A. granted a loan of PLN 1m to PMI-Izolacja Matizol. The loan was granted for 1 year (fixed, market rate). Furthermore, on 25 June 2012, the maturity date for the loan of PLN 2m granted on 25 May 2011 was extended to 31 December 2012.

In 2012, Selena FM S.A. provided the following loans to its subsidiary Selena Romania: 25 April – EUR 300k, 25 May – EUR 100k; the loans mature at the end of 2012 (on market rates).

A part of the loan granted to the subsidiary Tytan EOS (PLN 609k) was cleared by way of a set-off against the amounts due to the company.

As at 30 June 2012, an impairment charge was posted for the value of the loans granted to Selena Yapi Malzemeleri, as per Note 6.2.

12. Trade debtors

The age structure of trade debtors (not subject to impairment charges) as at the balance sheet date is presented in the table below.

Figures in PLN thousand		Total	Up-to- date	Overdue, not written down in full (days in arrears):				
				< 30	30 – 60	60 – 90	90 – 180	>180
30 June 2012 (unaudited)	From connected companies	137 245	83 719	10 500	3 622	5 478	27 172	6 754
	From third parties	6 006	4 263	162	463	359	657	102
31 December 2011	From connected companies	123 720	61 257	24 064	12 934	10 035	12 490	2 940
	From third parties	5 584	4 120	159	468	508	329	0

In the case of the receivables overdue for more than 180 days (not written down), presented as at 30 June 2012, the Management Board is of the opinion that recovery of these amounts is not at risk.

13. Other receivables

The table below presents the key items of other short-term receivables.

	Figures in PLN thousand	30 June 2012 (unaudited)	31 grudnia 2011
VAT claimed		19 668	18 522
Prepayments for deliveries		1 676	136
Other		888	1 220
Total other receivables		22 232	19 878

Other long-term receivables of PLN 6,824k are associated with funding the activities of the Romanian operations (Selena Romania and EURO MGA sarl). These receivables are expected to be settled in more than 12 months.

14. Equity

As a result of execution of the share-based incentive programme, in 2012 110,000 new series D ordinary shares were issued. The shares were admitted to trading on 16 March 2012. A nominal value of a share is PLN 0.05.

Furthermore, in accordance with the resolution of the Extraordinary General Meeting of 31 January 2012, the Management Board of Selena FM S.A. was authorised to acquire treasury shares in the maximum amount of 2 million shares, for a unit price not higher than PLN 8 per share. The shares may be purchased by 30 June 2014. For the purpose of the EGM resolution, on 31 January 2012 a reserve capital of PLN 8m was set up (from the supplementary capital).

On 19 June 2012, the General Meeting of Selena FM S.A. decided that the company's net income of PLN 37,262,907.49 earned in 2011 would be fully allocated to the supplementary capital.

15. Loans received

The table below shows the debt in respect of borrowings.

Ref.	Loan type	Repayment date	30 June 2012 (unaudited)		31 December 2011	
			Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Non-renewable loan	08/2012	0	3 196	0	0
2	Revolving loan	11/2012	0	4 128	0	8 176
3	Non-renewable loan	04/2013	0	9 801	0	0
4	Non-renewable loan	06/2013	0	11 000	3 500 *	13 966
5	Working capital loan	02/2014	5 715 *	0	5 424 *	0
6	Working capital loan	03/2014	14 979 *	0	12 091 *	0
7	Working capital loan	06/2014	6 266 *	0	7 554 *	0
8	Non-renewable	07/2014	14 571 *	4 602	17 488 *	4 770
9	Other	na żądanie	0	42	0	95
TOTAL			41 531	32 769	46 057	27 007

* amounts of long-term obligations presented as short-term

As part of the loan agreements, the Parent Company undertook to maintain certain financial ratios at the levels agreed with banks. As at 30 June 2011, the contractual financial covenants were breached. In effect the loans became due and payable as at the balance sheet date. The IAS require that such obligations be presented as short-term, even if their contractual maturity dates (as shown in the table above) suggest a long-term liability.

On 9 May 2012, Selena FM S.A. and the subsidiary Orion sp. z o.o. signed a multi-purpose PLN 20m credit line agreement effective from 30 April 2013 (facility 3 in the table above). The loan carries a variable rate (EURIBOR/LIBOR/WIBOR, depending on the currency). The loan is secured on properties and blank bill of exchange of the borrowers. The credit agreement provides for reduction of the credit limit to PLN 10m by 14 December 2012.

16. Related party transactions

The table below shows transactions with related parties (subsidiaries, associates, members of the Parent's governing bodies) over the 6 months ended 30 June 2012 and 30 June 2011, respectively.

Figures in PLN thousand		Period	Sales	Purchase of goods and services	Other income	Other costs
Subsidiaries		2012	137 527	115 434	25 659	474
		2011	130 170	118 971	37 190	291
Associates		2012	807	0	0	0
		2011	1 175	0	0	0
Owners	Syrius Investment (Krzysztof Domarecki)	2012	0	0	29	0
		2011	0	0	26	0
Supervisory Board Members	Andrzej Kozłowski** (RUBID)	2012	1	1	0	0
		2011	0	14	0	0
	Grzegorz Forczek**	2012	0	1	0	0
		2011	0	1	0	0

* the amount for 2012 includes e.g. the dividend obtained (PLN 23,733k) and interest (PLN 5,730k)
the amount for 2011 includes e.g. the dividend obtained (PLN 31,466k) and interest (PLN 1,809k)

** value of sales and purchases up to removal from the Supervisory Board on 19 June 2012

The table below shows the balance of transactions with related parties (subsidiaries, associates, members of the Parent's governing bodies) as at 30 June 2012 and 31 December 2011.

Figures in PLN thousand		Period	Bonds, loans, contributions to capital	Trade debtors	Other receivables	Liabilities
Subsidiaries		2012	64 476	134 883	1 583	99 416
		2011	83 783	123 306	3	91 697
Associates		2012	0	587	0	0
		2011	0	412	0	0
Owners	Syrius Investment (Krzysztof Domarecki)	2012	1 536	0	0	42
		2011	1 615	0	0	95
Supervisory Board Members	Andrzej Kozłowski (RUBID)*	2012	0	0	0	0
		2011	0	1	0	1
	Grzegorz Forczek*	2012	0	0	0	0
		2011	0	0	0	0

* As at 30 June 2012 the person was no longer a member of the Supervisory Board

17. Events occurring after the balance sheet date

After the balance sheet date and until the publication of this report no events took place that would materially affect the financial data presented in this report.

**Person responsible for maintenance
of accounting books**

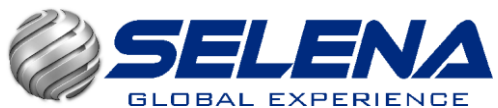
.....
Marlena Łubieszko-Siewruk

**President of the Management
Board**

.....
Jarosław Michniuk

**Vice-President of the Management
Board
Financial Director**

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Selena FM S.A.

Interim condensed financial statements for the period from
1 January through 30 June 2012

Kazimierz Przelomski

**Vice-President of the Management
Board
responsible for Sales and
Marketing**

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Beata Pawłowska