

EXTRACT FROM THE PROSPECTUS

This is promotional material. The sole legally binding document containing information on the offering of shares of eCard S.A. is the published Issue Prospectus of Shares of eCard S.A., available in electronic form at <http://www.ecard.pl>, <http://www.pkobp.pl/bdm> and <http://www.dmcp.com.pl> (published in the Polish language)

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B. STATISTICS OF THE OFFERING AND PLANNED TIMETABLE

1. Statistics of the Offering

The Public Offering covered by this Prospectus provides for subscription of 1 (say: one) up to 4,000,000 (say: four million) Series K Shares of eCARD S.A. without pre-emption rights and sale of 3,000,000 (say: three million) of Existing Shares by the Sponsors.

The offered Shares are divided into:

- Institutional Investors Tranche,
- Individual Investors Tranche.

All Series K Shares and 1,500,000 of Existing Shares will be offered in the Institutional Investors Tranche.

1,500,000 Existing Shares will be offered in the Individual Investors Tranche. Subscriptions for Shares offered in the Individual Investors Tranche will be accepted at the POK of the Bank Brokerage House of PKO BP S.A. and via the Brokerage House Capital Partners S.A.

Subscriptions for Shares offered in both Tranches will be accepted at the Issue Price. The Issue Price will be determined by the Issuer's Management Board on the basis of recommendations made by the Offering and Co-Offering Parties with reference to results of the Book Building process and shall be announced before opening of subscriptions pursuant to art. 54.3 of the Act on Public Offering.

The issue price of the offered Shares shall not be higher than PLN 3.50.

2. Timetable

Dates related to the offering

ACTION	DATE
Publication of the Prospectus	21 June 2006
Book Building process	21 – 26 June 2006
Announcement of the Issue Price	26 June 2006
Opening of the Public Offering	26 June 2006

Acceptance of subscriptions in the Individual Investors Tranche	27 – 30 June 2006
Acceptance of subscriptions in the Institutional Investors Tranche	27 – 30 June 2006
Allocation of Series K Shares	4 July 2006
Closing of the Public Offering	4 July 2006

The Issuer may take decision on abandoning the Public Offering on the above dates or on changing the dates. Information on decision on abandoning of the Public Offering on the above dates or on changing of any date will be announced pursuant to art. 56 of the Act on Public Offering.

C. KEY INFORMATION ON SELECTED FINANCIAL DATA

1. Selected financial information

Herebelow there are selected financial data of the Issuer, prepared on the basis of financial statements for 2003-2005 transformed for the needs of this Prospectus and examined by auditors.

Selected financial data of the issuer for 2002-2005

Selected financial data (PLN '000)	Q1 2006 *	Q1 2005	2005	2004	2003
Sales income	1 442	1 243	5 890	7 131	2 452
Profit (loss) on operations	- 781	-423	2 144	-6 282	-4 423
Gross profit (loss)	-783	-514	1 939	-6 594	-4 662
Net profit (loss)	-783	-526	1 393	-5 811	-4 641
Total assets	2 343	3 823	1 705	2 297	2 478
Liabilities and provisions	2 184	11 439	1 252	9 387	4 707
Long-term liabilities	54	4 336	62	4 118	3 702
Short-term liabilities	1 786	3 163	845	1 262	816
Equity (net assets)	159	-7 616	453	-7 090	-2 229
Share capital	20 000	13 361	18 696	13 361	12 411
Number of shares (pcs.)	200 000**	133 610	186 960	133 610	124 110
Profit (loss) per ordinary share (PLN)	-3.92	-3.93	5.92	-43.49	-37.39

Source: Issuer

* financial data for Q1 2006 have not been audited.

** In Q1 2006 the shares were split 1:10. Nominal value of the shares was decreased from PLN 100 to PLN 10. In order to compare both periods, the number of shares is shown before the split. On 28 April 2006 the Shareholders decided to make another split of shares 1:10. After the operation, the nominal value of the shares is PLN 1.

2. Capitalisation and liabilities (PLN '000)

As of the date of approval of the Prospectus, the Company had sufficient capital resources to fund its current operations.

Capitalisation and debt of the Company as of 31 March 2006

I. Capitalisation and debt	31.03.2006 [PLN '000]
Total short-term debt	1 785.99
- guaranteed (description of types of guarantees)	0.00
- secured (description of security and relevant assets)	30.81
- non-guaranteed / not-secured	1 755.18
Total long-term debt (net of short-term portion of long-term debt)	53.54
- guaranteed (description of types of guarantees)	0.00
- secured (description of security and relevant assets)	53.54
- non-guaranteed / not-secured	0.00
Equity	159.56
Share capital	20 000.00
Reserve capital	2 749.60
Other reserves	0.00
Total	1 999.09
II. Net short- and medium term debt	31.03.2006 [PLN '000]
A. Cash	128.43
B. Cash equivalents (specification)	0.00
C. Trading securities	0.00
D. Liquidity (A) + (B) + (C)	128.43
E. Current financial receivables	909,14
F. Short-term bank debt	0.00
G. Short-term portion of long-term debt	0.00
H. Other short-term financial debt	30.81
I. Short-term financial debt (F) + (G) + (H)	30.81
J. Net short-term financial debt (I) – (E) – (D)	-1 006.76
K. Short-term bank loans and credits	0.00
L. Issued bonds	0.00
M. Other long-term bank loans and credits	0.00
N. Net long-term financial debt (K) + (L) + (M)	0.00
O. Net financial debt (J) + (N)	-1 006.76

3. Reasons for the offering and application of proceeds:

At present the Company is not in a position to precisely determine the proceeds from the issue of Series K Shares since the Issue Price of the Shares is unknown. The Issuer estimates that net proceeds from the issue will be between PLN 8 million and PLN 12 million assuming all Series K Shares will be sold and paid for. The Issuer plans to allocate the acquired funds in the following order:

Development of product offer – PLN 4 – 6 million

The Issuer's strategy provides for the expansion of the product offer by a continued intensive development of newly implemented products as well as of products that are now in the implementation or development phase.

The acquired funds the Company intends to first and foremost use on the development of the newly implemented product ePrzelew (ePayment) and development of products that are now in the implementation or development phase.

The Issuer's plans are based on an assumption of making effective use of the existing market potential as well as on the search for new markets for the Company's products.

Acquisition of selected companies in the industry – minimum PLN 4 million

The Issuer's strategic plans provide for the further development of the company through organic growth as well as through the acquisition of selected entities that may contribute to acceleration of implementation or development of eCARD's product offer. The strategy also provides for the acquisition of companies that will consolidate the position of eCARD in innovative market segments.

In the case that proceeds from the issue of Series K Shares are not used for the aforementioned goals in the short term, until they will be used for capital investments, they will be made use of as working capital.

The Issuer reserves the right to change the goals of the issue if achievement of the above goals proves impossible.

D. INFORMATION ON THE ISSUER

1. History and Development of the Issuer

20 March 2000	establishment of eCARD S.A. by PFR BRE Sp. z o.o. (100% subsidiary of BRE Bank S.A.) and Computerland S.A.
October 2000	production start of authorising Visa and MasterCard transactions
November 2000	Bank Zachodni WBK S.A. becomes shareholder of eCARD S.A.
May 2001	co-operation agreement with the authorisation-settlement centre of Bank Zachodni WBK S.A.
July 2001	production start of Mikropłatności service
May 2003	implementation of 3D Secure standard for Visa by eCARD as a clearing agent
August 2003	Implementation of 3D Secure standard for MasterCard cards by eCARD as a clearing agent
September 2003	co-operation agreement with Xtrade
March 2004	“Rock Award 2003” to eCARD S.A. from MasterCard
December 2004	production start of authorisation services of American Express cards
June 2005	production start of ePrzelew service
September 2005	acquisition of 100% of shares of the Company by Capital Partners S.A. and PerMobile Sp. z o.o.
September 2005	start of restructuring process of the Company
December 2005	eCARD awarded a prize for 1 st position in Poland and 2 nd position in Central and Eastern Europe by Deloitte in the “Technology Fast 50-Rising Stars” ranking
December 2005	signing of licence agreement with Arcot Int. For implementation of software 3 D Secure for banks – card issuers
December 2005	Smart Capital Sp. z o.o. as well as Konrad Korobowicz – President of the Management Board and Radosław Sosnowski – Deputy President of the Management Board become shareholders of the Company
February 2006	co-operation agreement with Bank PKO BP S.A. and the authorisation – clearing centre eService S.A.
May 2006	change of seat of the Company, start of the main and stand-by Data Centre for Clearing services and 3DS.

2. General outline of business

eCARD S.A. is an entity operating on the market of clearing of financial transactions between economic entities and natural persons. The strategy has placed the Company in a leading position in the safe **processing of payment card transactions** (since 2000) performed in a CNP environment (“Card-Not-Present”). Such operations are increasingly popular on the Internet. Understanding how small on-line stores using standard solutions operate and also large corporations which expect settlement services specially tailored to their individual needs has allowed the company to expand its range of services.

In connection with the rise of internet banking, comprising a different market for banks than cards, customers have started to make use of their bank accounts for Internet payments. eCARD's new product – immediate direct transfers – was named **ePrzelew** (ePayments) (since 2005).

E. RESULTS OF THE COMPANY, FINANCIAL STANDING AND PROSPECTS

1. Results of operations

Financial results are provided under C1. Above.

2. Liquidity and capital resources

Liquidity analysis of the Issuer

Liquidity analysis	Q1 2006	Q1 2005	2005	2004	2003
Current liquidity ratio *	0.65	0.81	1.27	0.77	2
Fast liquidity ratio **	0.65	0.81	1.27	0.77	2
Acid test ***	0.15	0.06	0.41	0.27	0.78

* working assets / short-term liabilities

** (working assets – stocks) / short-term liabilities

*** (working assets – stocks - receivables) / short-term liabilities

Capitalisation is presented under C.2 above.

3. R&D, patents and licences, etc.

As of the date of approval of this Prospectus the Company held no patents.

The Issuer holds standard licences to the generally available and commonly used software packages Microsoft Windows and Microsoft Office.

In connection with the high degree of IT technology used in the Company and the used software, the Issuer makes use of many licences for dedicated software, operational systems, databases and standard software supporting office operations to support its business. The Company also uses Open-Source software.

Pursuant to the agreement with ARCOT, the Company is authorised to provide licences to banks for 3DS. installation.

F. INFORMATION ON DIRECTORS, TOP MANAGEMENT AND EMPLOYEES

1. Directors and top management

1. Konrad Korobowicz - President of the Management Board
2. Radosław Sosnowski - Deputy President of the Management Board
3. Małgorzata Ciszicka - Member of the Management Board

- 4. Ireneusz Kucharski - Member of the Management Board
- 5. Sebastian Ramatowski - Commercial Director
- 6. Wojciech Barwański - IT Director
- 7. Konrad Roziewski - Deputy IT Director for analyses and products
- 8. Magdalena Lenard - manager of Clearing Department

2. Employees

As of the date of approval of the Prospectus the Company employed 44 persons, of which 37 are employed under labour contracts. Each labour contract provides for a full-time job. 50% of persons working for and co-operating with the Issuer have university level education. With respect to employment structure by sections, almost 2/3 of the employees are employed in commercial and IT departments.

G. MAJOR SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

1. Major shareholders

Shareholder	Number of shares	Total nominal value (PLN)	Share in share capital (%)	Share in total number of votes (%)
Capital Partners S.A.	9,027,100	9,027,100	45.14	45.14
Smart Capital	7,425,200	7,425,200	37.13	37.13
PerMobile Sp. z o.o.	1,601,900	1,601,900	8.01	8.01

2. Transactions with related parties

The Issuer is party to the following transactions with related parties that have material impact on its business:

In 2005 there were the following transactions with related parties:

BRE Bank S.A.

- repayment of a loan along with interest by swap of receivables for series H shares. At the beginning of 2005 BRE Bank S.A. held 53.35% of votes at the Issuer's General Meeting and at the end of the year held no shares of the Issuer.

Computerland S.A.

- repayment of a loan along with interest by swap of receivables for series H shares,
 - valid agreement on sub-rental of office space to the Issuer – the total costs for eCARD in 2004 was PLN 230,438.30.

At the beginning of 2005 Computerland S.A. held 17.71% of votes at the Issuer's General Meeting and at the end of the year held no shares of the Issuer.

BZ WBK S.A.

- pursuant to a c-operation agreement with eCARD, the bank cleared payment card transactions,
 - repayment of a loan along with interest by swap of receivables for series H shares.

The total value of series H shares acquired by the shareholders was PLN 4,225,300.

All agreements with the shareholders were concluded on market terms. In accordance with the Company's by-laws, each time the Management Board was planning to sign a contract with a shareholder or a party related thereto, it was obliged to obtain consent of the Supervisory Board.

At the beginning of 2005 BZ WBK S.A. held 28.95% of votes at the Issuer's General Meeting and at the end of the year held no shares of the Issuer.

Capital Partners

After acquiring shares of the Issuer by Capital Partners in September 2005, the shareholder redeemed its receivables from the company for PLN 2,719,000.

At the beginning of 2005 Capital Partners S.A. did not hold any shares of the Issuer and at the end of the year it held 44.80% of votes at the Issuer's General Meeting.

In 2006 the Issuer made no transactions with related entities.

H. DETAILS OF THE OFFERING AND ADMISSION TO TRADING

1. Offering and admission to trading

The Public Offering covers:

- a new issue of 1 to 4,000,000 Series K Shares without pre-emption right for the existing shareholders,
- 3,000,000 of Existing Shares.

The application for admission to trading in a regulated market covers 20,000,000 Existing Shares and from 1 to 4,000,000 Series K Shares as well as from 1 to 4,000,000 marketable Rights to Series K Shares.

2. Distribution plan

1,500,000 Existing Shares will be offered in the Individual Investors Tranche. Subscriptions for Shares offered in the Individual Investors Tranche will be accepted at the Customer Service Office of the Brokerage House Bankowy Dom Maklerski PKO BP S.A. and via the Brokerage House Dom Maklerski Capital Partners S.A.

All Series K Shares (4,000,00) and 1,500,000 of Existing Shares will be offered in the Institutional Investors Tranche. Subscriptions for Shares offered in the Institutional Investors Tranche will be accepted at the Customer Service Office of the Bank Brokerage House of PKO BP S.A

3. Selling shareholders

The entities offering shares for sale (Sponsors) are:

- Capital Partners S.A., Warsaw, ul. Nowogrodzka 50, a shareholder of the Company, as of the date of approval of this Prospectus holding 45.1% votes at GSM, offering 1,500,000 Existing Shares,
- PerMobile Sp z o.o., Warsaw, Al. KEN 19/180, a shareholder of the Company, as of the date of approval of this Prospectus holding 8% votes at GSM, offering 1,500,000 Existing Shares.

4. Dilution

After completion of the offering of Series K Shares and in case all the offered Series K Shares are acquired, the existing shares (jointly A to J series) will account for 5/6 or 83.33% of all shares of the Issuer.

5. Costs of the issue

The total costs of the issue will be about PLN 630,000, which accounts for 5.9% of estimated proceeds from the issue of Series K Shares.

I. ADDITIONAL INFORMATION

1. Share capital

As of the date of approval of this Prospectus, the Issuer's share capital was PLN 20,000,000 and was split into 20,000,000 ordinary bearer shares with nominal value PLN 1 each.

2. Company's by-laws, documents for review

During the validity period of this Issue prospectus, the following documents can be reviewed at the Issuer's offices in Warsaw at ul. Królewska 16:

1. Issuer's by-laws,
2. historical financial information,
3. Regulations of the General Meeting of Shareholders,
4. Regulations of the Supervisory Board.

IV. INFORMATION ON THE ISSUER AND THE OFFERING

A. INFORMATION ON THE ISSUER¹

1. RESPONSIBLE PERSONS

1.1. Persons responsible for information provided in the Issue Prospectus

- 1.1.1. eCARD Spółka Akcyjna, Warsaw, ul. Królewska 16, is responsible for all information provided in this Issue Prospectus of eCARD Spółka Akcyjna, represented by: Konrad Korobowicz - President of the Management Board, Radosław Sosnowski - Deputy President of the Management Board, Małgorzata Ciszicka - Member of the Management Board, Ireneusz Kucharski - Member of the Management Board.
- 1.1.2. Brokerage House Bankowy Dom Maklerski PKO BP S.A., Warsaw, ul. Puławska 15 – is responsible for information provided in Chapter IV B.5-7 and Enclosure No. 1 to this Issue Prospectus. Bank Brokerage House PKO BP S.A. is represented by: Jan Kuźma – Managing Director and Artur Pietrzak – Deputy Director.
- 1.1.3. Brokerage House Dom Maklerski Capital Partners Spółka Akcyjna, Warsaw, ul. Królewska 16 – is responsible for information provided in Chapter IV B.5-7 and Enclosure No. 1 to this Issue Prospectus. Brokerage House Capital Partners Spółka Akcyjna is represented by: Andrzej Przewoźnik – President of the Management Board and Paweł Bala – Deputy President of the Management Board.
- 1.1.4. Capital Partners Spółka Akcyjna, Warsaw, ul. Królewska 16 – is responsible for information provided in Chapter IV B.5. Capital Partners Spółka Akcyjna is represented by: Paweł Bala – President of the Management Board and Konrad Korobowicz – Deputy President of the Management Board.
- 1.1.5. PerMobile Spółka z o.o., Warsaw, Al. KEN 19/180 – is responsible for information provided in Chapter IV B.7. PerMobile Spółka z o.o. is represented by Radosław Sosnowski – President of the Management Board.

¹ The content of Chapter IV title A of the Issue Prospectus is presented in accordance with the template provided in Enclosure No. 1 “Minimum scope of information with reference of a share registration document” to decree of the (EC) Commission of 29 April 2004 in implementing directive 2003/71/EC of the European Parliament and Council of Europe on information to be provided in issue prospectuses as well as the form, incorporation by reference and publication of such prospectuses and distribution of advertising (EU O.J. L 149/1 of 30.04.2004).

1.2. Declarations of persons responsible for information provided in the Issue Prospectus

1.2.1. As a person responsible for information provided in this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in this Issue Prospectus is true, reliable and conform to facts and that the Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Konrad Korobowicz
President of the Management Board
ECARD Spółka Akcyjna

1.2.2. As a person responsible for information provided in this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in this Issue Prospectus is true, reliable and conform to facts and that the Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Radosław Sosnowski
Deputy President of the Management Board
ECARD Spółka Akcyjna

1.2.3. As a person responsible for information provided in this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in this Issue Prospectus is true, reliable and conform to facts and that the Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Małgorzata Ciszeka
Member of the Management Board
ECARD Spółka Akcyjna

1.2.4. As a person responsible for information provided in this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in this Issue Prospectus is true, reliable and conform to facts and that the Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Ireneusz Kucharski
Member of the Management Board
ECARD Spółka Akcyjna

1.2.5. As a person responsible for information provided in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to Issue Prospectus do not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Jan Kuźma
Managing Director
Bankowy Dom Maklerski PKO BP S.A.

1.2.6. As a person responsible for information provided in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to Issue Prospectus do not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Katarzyna Iwaniuk-Michalczak
Deputy Director
Bankowy Dom Maklerski PKO BP S.A.

1.2.7. As a person responsible for information provided in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to Issue Prospectus do not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Andrzej Przewoźnik
President of the Management Board
Dom Maklerski CAPITAL PARTNERS Spółka Akcyjna

1.2.8. As a person responsible for information provided in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.5-7 of this Issue Prospectus and in Enclosure No. 1 to Issue Prospectus do not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Paweł Bala
President of the Management Board
Dom Maklerski CAPITAL PARTNERS Spółka Akcyjna

1.2.9. As a person responsible for information provided in Chapter IV B.7 of this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.7 of this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.7 of this Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Paweł Bala
President of the Management Board
CAPITAL PARTNERS Spółka Akcyjna

1.2.10. As a person responsible for information provided in Chapter IV B.7 of this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.7 of this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.7 of this Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Konrad Korobowicz
Deputy President of the Management Board
CAPITAL PARTNERS Spółka Akcyjna

1.2.11. As a person responsible for information provided in Chapter IV B.7 of this Issue Prospectus, I declare herewith that in accordance with my best knowledge and with due diligence to assure that, the information contained in Chapter IV B.7 of this Issue Prospectus is true, reliable and conform to facts and that Chapter IV B.7 of this Issue Prospectus does not omit anything that could affect the meaning thereof.

Warsaw, 19 June 2006.

.....
Radosław Sosnowski
President of the Management Board
PerMobile Spółka z o.o.

B. AUDITORS

2.1. Names and addresses of auditors of the Issuer in the period covered by historical financial information (along with details of their membership in professional organisations)

2.1.1. Examination of financial statements for 2003

The Issuer's financial statements for 2003 were examined by auditor Mr. Roman Kamiński – Auditor Evidence Number 1545/2393 from KAMIŃSKI I WSPÓLNICY Biegli Rewidenci i Konsultanci Podatkowi Sp. z o.o., 00-113 Warszawa, ul. Emilii Plater 53, an entity licensed to audit financial statements, entered in the list of entities licensed to perform audits under number 661, maintained by the National Chamber of Auditors.

2.1.2. Examination of financial statements for 2004

The Issuer's financial statements for 2004 were examined by auditor Mr. Roman Kamiński – Auditor Evidence Number 1545/2393 from KAMIŃSKI I WSPÓLNICY Biegli Rewidenci i Konsultanci Podatkowi Sp. z o.o., 00-113 Warszawa, ul. Emilii Plater 53, an entity licensed to audit financial statements, entered in the list of entities licensed to perform audits under number 661, maintained by the National Chamber of Auditors.

2.1.3. Examination of financial statements for 2005

The Issuer's financial statements for 2005 were examined by auditor Ms. Barbara Gałuszka – Auditor Evidence Number 10499/7688 from BDO Polska Sp. z o.o., ul. Postępu 12, 02-676 Warszawa, an entity licensed to audit financial statements, entered in the list of entities licensed to perform audits under number 523, maintained by the National Chamber of Auditors.

2.1.4. Examination of historical financial information for 2003, 2004 and 2005 for the needs of this Issue Prospectus

Examination of historical financial information for 2003, 2004 and 2005 including examination of transformed statutory financial statements of the issuer for the needs of this issue prospectus was performed by Ms. Barbara Gałuszka identification number 10499/7688 from BDO Polska Sp. z o.o., ul. Postępu 12, 02-676 Warszawa, Branch in Katowice, Al. Korfantego 2, 40-004 Katowice, an entity licensed to audit financial statements, entered in the list of entities licensed to perform audits under number 523, maintained by the National Chamber of Auditors.

2.2. Information on change of auditor

In the period 2003-2005 there were no instances of resignation or dismissal of the auditor retained by the Issuer to examine financial statements. Each time the Issuer concluded agreement for the examination of one year's annual financial statements.

3. SELECTED FINANCIAL INFORMATION

3.1. Selected financial information of the Issuer

The selected financial information of the Issuer presented below was prepared on the basis of historical financial information for 2003-2005, transformed for the needs of this Issue Prospectus, examined by auditors.

Selected financial information of the Issuer for 2003-2005 and Q1 2006

Selected financial data (PLN '000)	Q1 2006 *	Q1 2005	2005	2004	2003
Sales income	1 442	1 243	5 890	7 131	2 452
Profit (loss) on operations	- 781	-423	2 144	-6 282	-4 423
Gross profit (loss)	-783	-514	1 939	-6 594	-4 662
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Total assets	2 343	3 823	1 705	2 297	2 478
Liabilities and provisions	2 184	11 439	1 252	9 387	4 707
Long-term liabilities	54	4 336	62	4 118	3 702
Short-term liabilities	1 786	3 163	845	1 262	816
Equity (net assets)	159	-7 616	453	-7 090	-2 229
Share capital	20 000	13 361	18 696	13 361	12 411
Number of shares (pcs.)	200 000**	133 610	186 960	133 610	124 110
Profit (loss) per ordinary share (PLN)	-3.92	-3.93	5.92	-43.49	-37.39

Source: Issuer

* financial data for Q1 2006 have not been audited.

** In Q1 2006 the shares were split 1:10. Nominal value of the shares was decreased from PLN 100 to PLN 10. In order to compare both periods, the number of shares is shown before the split.

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5.2. INVESTMENTS

5.2.1. Description (including amounts) of the Issuer's key investments for each financial year in the period covered by historical financial information until the date of this Issue Prospectus

Specification of the issuer's key investments

Specification of key investments (PLN '000)	Q1 2006 *	Q1 2005	2005	2004	2003
Intangible assets	9	0	17	7	131
Tangible fixed assets	707	1	116	4	464
Long-term financial assets	0	0	0	0	0
- in related entities	0	0	0	0	0
- in other entities	0	0	0	0	0
Short-term financial assets	0	0	0	0	0
- in related entities	0	0	0	0	0
- in other entities	0	0	0	0	0

* the financial data are generated from the Issuer's quarterly financial statements for Q1 2006 and until approval of this Issue Prospectus have not been audited.

In 2003 the Company invested in intangible assets an amount of PLN 131,000, including:

- software licences PLN 50,000,
- computer software PLN 81,000,

in tangible fixed assets an amount of PLN 464,000, of which:

- office modernisation PLN 121,000,
- plant and machinery (computers, air conditioning) PLN 73,000
- motor vehicles PLN 233,000
- other fixed assets (office furniture) PLN 37,000

In 2004 the Company invested in intangible assets an amount of PLN 7,000 (purchase of computer software) and PLN 4,000 for the purchase of technical plant and machinery (computer).

In 2005 the Company invested PLN 17,000 in intangible assets (computer software) and PLN 116, 000 in tangible fixed assets, of which:

- plant and machinery (computers) PLN 12,000
- fixed assets under construction (servers) PLN 104,000

In Q1 2005 the Company invested in tangible fixed assets an amount of PLN 1,000 to purchase technical plant and machinery (computer).

In Q1 2006 the Company invested in intangible assets an amount of PLN 131,000 including:

- software licences PLN 3,000
- design on web page PLN 6,000

and PLN 707,000 in tangible fixed assets, of which:

- plant and machinery (computer, equipment for payment system) PLN 30,000
- other fixed assets (fax) PLN 1,000

- fixed assets under construction (computers, servers) PLN 676,000

5.2.2. Description of implemented investments by the Issuer, including geographic split of the investments (domestic or abroad) and methods of funding (internal or external).

As of the day of approval of this Issue Prospectus, the Issuer was implementing the following investment projects. All investment projects are located in Poland with a possibility to provide services abroad.

3D Secure is an investment in computer hardware and in licences to offer to banks – card issuers – a service of cardholder identification with a special password, entered by the cardholder during each transaction with payment card over the Internet.

The value of the IT equipment will be about PLN 750,000.

The value of acquired licences to offer the service to banks in 2006-2007 depends on the number of clients serviced. The Issuer estimates the value of licence fees at approximately PLN 906,000.

Pursuant to the licence agreement with Arcot, the Issuer holds exclusive rights in Poland to offer the services licensed by Arcot. Additionally, the licence provides for offering the service to banks – card issuers – in the neighbouring countries.

In Q4 2005 the Company started the modernisation of IT equipment used to provide payment card services and ePrzelew. The value of purchased hardware after modernisation and the cost of software development is to total PLN 141,000.

The Card-Not-Present payment card authorisation service is offered mainly to entities in Poland; nevertheless, the Issuer has been negotiating with large entities abroad which may use the eCARD service both in Poland and abroad.

In Q1 2006 eCARD S.A. started transfer of payment card authorisation services and ePrzelew from its own Data Center to external centres that will also be used to provide newly implemented services. The project covers set up of a disaster recovery Data Center to assure continuity of operation and service provision in emergency situations, such as defects of key equipment, unforeseeable events or catastrophes that will prevent operation of the standard data center. Value of the investment will be about PLN 261,000.

Office modernisation, office equipment, office servers as well as development of CRM software and software to support present and new services. Value of the investment PLN 485,000.

Works are under way on implementation of the POLPAY.NET system in eCARD's IT environment. The system will expand the offer by e.g. coupons and top-up of pre-paid cards phone cards, VoIP, games and other mobile telephony services, iVouchers for payment to access to Internet services as well as a micro payments system, payments for classified ads, etc. The services will be provided via services for Internet portals, services available in ATMs and a networks of dedicated terminals. Value of the investment PLN 420,000 net.

The issuer's Management Board plans to fund the above investments with proceeds from the public issue.

5.2.3. Information on main investments by the Issuer in the future on which the managing bodies have taken binding commitments

As of the date of approval of this Issue Prospectus there are investments described in point 5.2.2 in respect to which the Issuer's management bodies have taken binding commitments.

Total value of the investments will be PLN 2,963,000.

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GENERAL OUTLINE OF OPERATIONS

5.3 Core activity

5.3.1 Description and main factors characterizing the core areas of activity as well as the type of operating activity carried out by the Issuer together with an indication of the main categories of products sold or services provided for each business year of the period covered by historical financial information

eCARD S.A. is an entity operating on the market of clearing of financial transactions between economic entities and natural persons. The strategy has placed the Company in a leading position in the safe **processing of payment card transactions** (since 2000) performed in a CNP environment (“Card-Not-Present”). Such operations are increasingly popular on the Internet. Understanding how small on-line stores using standard solutions operate and also large corporations which expect settlement services specially tailored to their individual needs has allowed the company to expand its range of services.

In connection with the rise of internet banking, comprising a different market for banks than cards, customers have started to make use of their bank accounts for Internet payments. eCARD’s new product – immediate direct transfers – was named **ePrzelew** (ePayments) (since 2005).

The growing number of small transactions as well as the interest from various types of businesses in taking advantage of these types of payments for their goods and services brought about the development and implementation of the **Micropayment system** (since 2001).

Cash flow problems have forced businesses to look for additional means of payment as well as ways of simplifying the collection of payments. In order to meet these needs, eCARD introduced **card payments via a Call Center** as well as making use of **IVR** (Interactive Voice Response) technology. A natural development of this was to offer this service to customers who conduct sales or vindication via telephone.

The next development in the company’s product range is – comparable to direct debit on bank accounts – **direct debit for payment cards**. This allows businesses that charge for their services on a recurring basis to offer their customers the option of direct debit payments by credit card.

Concern for security resulted in the introduction of the authorisation technique developed by Visa and MasterCard based on the **3DS** system (Three Domain Secure), known as “Verified by Visa” and “MasterCard SecureCode”. Payment companies are placing more and more stress on transaction security and they can raise the level of security through the application of this type of system. The development of the e-Commerce market and the growing need for secure solutions influenced eCARD’s decision in 2005 to cooperate with Arcot Inc., the largest global supplier of these types of systems. For domestic banks that are simultaneously card issuers a special service was prepared making it possible to offer customers the option of allowing all payment cards (including ATM cards) to be accepted on the internet. This service does not require banks to

make significant expenditures and transactions are handled entirely by eCARD. The service follows the outsourcing / hosting model.

The opening up of the Polish internet market to the world has awakened the interest of domestic businesses that accept payments in currencies other than the Polish zloty. At the same time, foreign companies are beginning to take notice of Polish consumers and are interested in making it possible for them to pay in zlotys (particularly airlines). In April 2006, eCARD finished work on the implementation of these kinds of services and offered them to its customers.

A new, special product line has been prepared with mobile telephone users in mind. The new range of products allows **pre-paid top-up** of mobile phone accounts as well as the **purchase of games** and other mobile content. A special service for safe access to websites has been prepared with the use of authorizations using SMS Premium Rate.

Since September 2003, eCARD, in cooperation with Xtrade, has been offering its customers Xtrade services such as:

- **Electronic auctions and tenders**
- **eProcurement**, organisation of the supply process in a business or the organisation of distribution management,
- **electronic data interchange (EDI)** – sending documents between organisations in electronic form.

Adopted strategy

The basic strategy adopted by the company is to maintain its leading position in the Polish market for secure cashless financial transactions.

The diversification of sources of income, by using the company's internal technological potential, is leading the company towards servicing ATMs, servicing the issue of payment cards and the distribution of products for mobile telephony and m-Commerce.

The achievement of these strategic goals as well as the further dynamic growth of the company will be possible thanks to the expansion of existing and the introduction of new solutions and products to the eCARD, and also to activation of selected entities in innovative segments of the markets. It is the management board's view that the strategy will allow the company's image to be strengthened as the leader in the market for secure internet transactions, as well as a credible business partner in other payment projects.

Authorisation and settlement of payment transactions

eCARD S.A. provides a modern, cashless servicing of payments (acceptance of transactions) for companies conducting or intending to conduct sales on the internet, as well as selling goods and services through a Call Centre. The company plays the role of settlement agent between the seller and card issuers as well as payment organisations. eCARD's activities include: looking for and connecting customers to the system, taking part in the payment authorization process, transferring transactions for settlement as well as maintaining ongoing cooperation with shops. Financial

settlements are made by banks and settlement centres cooperating with the company and operating as part of international payment card organisations.

The company's range of services includes the acceptance of payments with the help of the following forms:

- payment cards when the card is not present (without the use of POS terminals) the owner of the card is directed to a safe eCARD authorisation page during shopping in the internet. After completing an authorisation form the cardholder accepts payment. The acceptance initiates the authorization process and eCARD passes the information about the status of the authorization to the shop's system and to the cardholder.

eCARD cooperates with the following international payment organisations: VISA, MasterCard and American Express.

- ePayments (payments directly from internet bank accounts)
Internet users who make purchases in online stores, after choosing this form of payment, are directed to the shopper's bank's website where after logging on the shopper confirms the payment to the store. The shop receives immediate information about the receipt of the payment. This form of payment is available with the following banks: mBank, Inteligo, MultiBank, BZ WBK, BPH, Nordea, PKO BP S.A.
- MicroPayments
The MicroPayments system is designed for stores that want to offer customers who do not possess payment cards or electronic bank accounts an alternative electronic payment method. MicroPayments are the realization of the idea of a pre-paid internet card that hold balances intended to be spent in online stores. Transactions are settled with the help of the user's Microaccount. This is loaded with individual payments, the amount of which are decided by the owner.

In order to administer transactions and settlements, eCARD provides its customers with a dedicated, modern and functional system that ensures safe and simple management of forms of payment.

In the field of cashless transactions, eCARD allows its customers to accept payments through the following communication channels:

1. transactions through online stores' websites
the company offers shoppers the option of paying for goods or services via the website of an online store with the help of convenient payment forms (payments cards or ePayments). Authorisation is made in real time. The store's system as well as the shopper receive information about the status of the transaction the moment it is made.
2. transactions made by telephone
The company provides services allowing the acceptance of payment by telephone in two systems:

- *Call Centre* – a system for accepting card payments when the payee is connected to an operator who identifies the payer in the system. A script allows the Call Centre employee to enter the customer’s data and, for example, to select an invoice for payment, entering the amount of the authorization and the card data of the payer. The script allows the card data as well as the amount of the authorization to be sent to eCARD.
- *IVR* – a store or the issuer of an invoice provides the payer with an infoline number through which he can automatically make the payment for the service. The system asks him to enter his card number through the keys of a touch-tone telephone and then sends this data to eCARD for authorisation.

In order to use the IVR and Call Centre services, the payer does not need to have internet access, only a telephone.

3. servicing transactions made using direct debit from a payment card

For people who do not want to use the internet or telephone to settle transactions, the company offers the service of direct debits from payment cards. A store, via dedicated software, generates a file containing information about the amount, card data and frequency of transactions. The file is sent in coded form to eCARD where the transaction details from the file are processed.

An integral part of the services offered by the issuer is the monitoring of transactions in order to prevent fraud. This is an important part of the system as it allows the company’s customers to accept payments and, therefore, carry out business safely in the internet environment, mineralizing the risk of that purchases will be made by people using someone else’s card. The system is also very easy to configure and flexible in terms of qualifying customers to certain risk groups.

The application of the anti-fraud monitoring system as well as effective cooperation with stores means that there is a very low level of card fraud in the eCARD system. The level is one of the lowest in the world (counted per mille in comparison to the world average estimated at 1-2%) and is falling year by year.

Table. Proportion of card fraud among the issuers customers 2002 – 2005

Detailed list	2002	2003	2004	2005
Proportion of the number of fraud transactions in the total number of transactions	0.16%	0.2%	0.13%	0.08%
Proportion of the value of fraud transactions	0.18%	0.17%	0.10%	0.07%

Source: eCARD

Xtrade services

Another area of the company’s activity is the management of Xtrade products and services. As part of the agreement with Xtrade, the company offers the following range of products:

EDI – Electronic Data Interchange,
eProcurement – system aided organisation of supply or distribution
Auction and tender service

EDI – Electronic Data Interchange

Electronic data interchange is a way of exchanging information between partners characterised by:

Sending documents exclusively in electronic format (non-paper),

Exchange of documents fulfilling previously established standards (definition of half of the document and its contents)

Exchange of data directly between the IT systems of trading partners.

Data that are the subject of electronic exchange are the equivalents of traditional business documents such as: invoices, orders, delivery notification, production schedules etc. A key aspect of EDI is the standardization of the information sent as well as communication security.

eProcurement

eProcurement can be defined as the new organisation of supply or distribution, which is aided by system solutions allowing effective cooperation between a company and its suppliers and customers. The circulation of documents is automated and takes place electronically. Employees in all organisational units have access to a unified purchase or sales system.

The system makes it possible to copy the existing organisational structure as well as modeling the routes for accepting the requirements of groups of customers depending on their level of authorization, scope of competencies as well as for the central coordination of planning, budgeting and monitoring of purchasing processes (or sales).

Auction and tender service

The auction and tender service is a solution allowing tender processes for the purchase or sale of goods and services to be conducted. The application of this solution significantly improves the effectiveness of the tender and also ensures that better purchase or sale conditions are achieved than in traditional negotiations. Apart from the natural growth in the use of this type of solution in the commercial market, its use can also be expected in public administration.

6.2.2 Review of all vital new products and services that have been introduced and also the scope in which information about the development of new products has been made public and the status of such projects.

Over the next year, the issuer plans to extend its product range and introduce completely new products in areas not previously contemplated by the company.

1. Development of ePayments

In the near future, eCARD plans to increase the number of banks that are serviced by ePayments and also implement these services with the majority of its clients that accept payment cards. Currently, ePayments functions in 5 banks. Discussions are underway with more banks interested in adding ePayments to their range of services.

2. Development of products currently in the implementation phase
 - a. introduction of multi-currency functionality in the authorization of payment cards
 - b. 3DSecure for card issuers
 - c. payment package for small entities,
 - d. access service based on Premium Rate SMS/WAP,
 - e. pre-paid charging of mobile telephones,
 - f. content distribution to mobile telephones.

- a. Introduction of multi-currency functionality in the authorization of payment cards

The issuer, as the first Polish settlement authorization centre for payment cards without their physical presence, with the cooperation of PKO BP and eService offers its customers acceptance of transactions in multiple currencies.

Multi-currency settlement is particularly important for customers who offer their services abroad. These settlements allows better currency risk management as well as the elimination of customer complaints regarding situations when a customer's card has been charged an amount different to the price of the goods or services bought. Stores operating within the multi-currency system will be able to charge their customers in currencies other than Polish zloty and also make settlements with the company in a currency chosen by the store.

- b. 3DSecure

This service is based on technology introduced by international payment organisations Visa and MasterCard raising the safety level of payment card transactions.

In December 2005, the Issuer signed an agreement with Arcot Systems International which authorizes the company to be its exclusive representative in Poland offering it's customers 3DS Hosted Services. eCARD is at the same time the distributor of Arcot software for the 3DSecure protocol. These services allow banks to raise internet transaction security quickly and at low cost. The technology significantly strengthens the security not only of customers but also of banks. The company has started talks with banks about implementing 3DS services for their transactions in 2006.

- c. Payment package for small entities

eCARD is preparing a product which will enable small customers (internet stores based on open source software) to take advantage of payments offered by the company in an integrated form.

An internet store employee will be able to quickly and independently install the software and start accepting payments. All settlement tasks will be automated (generating invoices, change of telephone and address data, adding new stores etc.)

- d. Access services based on Premium Rate SMS/WAP

Access services based on Premium Rate SMS/WAP is a product offered to the issuers customers as a further way of supporting the attractiveness of customers' offers and adding to their internet services. Premium Rate telecommunication services allows controlled access to content managed in a secure way and for the moderate cost of a few zlotys. Currently, the first customers to use the service are at the technical initiation stage. In the current year, the company plans to offer this service to current and new customers.

e. Top-up of pre-paid mobile telephones

A further area in which eCARD plans to start operating is the top-up of pre-paid mobile telephone accounts. Currently, work is underway to adapt this service to the issuer's settlement systems as well as to allow it to offer the service in two distribution channels: virtual (websites) and real (ATMs, PolPay.Net system terminals). The service will be available to customers by the end of Q2 2006. These services will be available to customers within the framework of signed agreements.

f. Distribution of content to mobile telephones

The growing penetration of the mobile telephony market along with the necessity to offer customers added value should guarantee the success of the sale of multimedia services in terrestrial terminals. These solutions make it possible to sell via the terminal network games and other applications for new generation telephones. The Issuer has already concluded its first distribution agreement.

1. Development of products currently in design stage

- a. creation and development of the company's own ATM network,
- b. production and personalisation of payment cards.

These products make it possible for the Issuer to diversify the risk connected with the potential slowdown in the payment card market as well as to gain more profitable contracts.

a. Management of the company's own ATM network and outsourced networks

This service will be based on delivering solutions connected with the creation and servicing of a network of ATM machines as well as settling ATM transactions. In the near future, eCARD intends to develop its own network and also to continue with discussions regarding the management of existing cash dispenser networks. Basic functions will be the paying out of cash and the top-up of pre-paid mobile telephones. In the future, ATMs will make it possible to pay bills that have barcodes (issued en masse by entities such as energy companies or telecommunication companies). The network will include ATMs given to the company to manage as well as its own network.

The commencement of project work was influenced by the following factors:

- the continued trend towards the outsourcing by banks of areas of activity that are not their core business, but rather the technical realisation of processes that are connected to banks' products (in EU15 countries at the end of 2004 half of all ATMs were serviced through outsourcing)
- the density of ATMs in Poland lagging far behind the European average. The number of ATMs per million inhabitants at the end of 2005 was approx. 220, while the average in Europe was approx. 700.
- about 65% of all transaction made by payment cards in 2005 in Poland were ATM transactions. This is over 80% of the value of all card transactions.

b. Personalisation of payment cards

eCARD will provide a comprehensive service starting with the graphic design of a card, personalisation, packaging as well as sending it to the owner of the card. Additional services will include the secure printing of PIN envelopes. The project is being carried out in cooperation with a well recognised European partner who can provide access to high quality production materials, know-how and technology. All services will be offered in compliance with safety requirements set by Visa International and MasterCard International.

This new service will be offered to banks and other institutions that issue plastic cards. Apart from typical bank cards, eCARD will also offer discount cards, club cards, ID cards, parking cards, travel cards, disposable code cards etc. The service will include magnetic cards, chip (memory and processor, including EMV) as well as sensor cards (RFID).

4. Development of product range through the acquisition of other entities

The Issuers strategic plan foresees the further development of the company through the acquisition of entities that can significantly speed up the implementation or development of eCARD's product range. The company's strategy also envisages that acquisition of entities that will allow eCARD to expand its product range in the area of the supply and personalisation of payment cards and also the management of its own and others' network of ATMs.

Potential targets of acquisition are:

1. A company that is a supplier of magnetic and electronic plastic cards and can personalise them. The company also produces and distributes personal identification numbers (PIN). The main recipients of these services are banks and financial institutions operating in Poland. Recipients are also companies operating outside the financial sector but using plastic cards as loyalty or discount cards. There are an increasing number of ways of using plastic cards appearing in many different sectors (retail, services, ID confirmation, access control). Technologies applied by the company allow the varying needs of different groups of customers to be serviced. The company possesses its own card personalisation center based in Poland and possesses VISA International and MasterCard International certificates and is authorized by Diners Club. ECARD has signed a letter of intent with the company regarding the eventual purchase by eCARD of 100% of the company's shares.
In order to secure access to know how as well as new technologies essential to be able to make use of the target company and strengthen its position in the market for the supply and personalisation of payment cards, eCARD has signed a letter of intent with the German company PPC Card System GmbH regarding cooperation between the two companies on the Polish market.
2. A separate part of a Polish company, the operations of which include the management of its own network of ATMs under its own brand. eCARD is in the process of agreeing with the owner of the network the contents of a letter of intent regarding the eventual purchase of the separate part of the company that manages a network of ATMs or the creation on the basis of this network a joint undertaking between the company and eCARD. The aim of the acquisition or creation of a joint-venture would be the creation of the foundation for eCARD to achieve a significant position in the market for the management of its own network of ATMs and that of other entities.
eCARD is conducting talks with NCR Polska Sp. z o.o. NCR is one of the largest producers of ATMs and other self-service devices used in banks. Cooperation with the company would concern the delivery of new devices to the company's own network as well eCARD taking

advantage of some of the partner's services that are essential for monitoring and maintaining the network in an appropriate operational and technical order.

The effect of the Issuers intentions as regards the company's development through acquisition and cooperation with sector partners will be an expansion of eCARD's range of products and services as follows:

- personalisation of plastic cards including payment cards with magnetic strips and microprocessors,
- personalisation of plastic and paper cards that service the authorisation of transactions in internet banking services i.e TAN codes (Transaction Authorisation Number),
- personalisation of identification cards speeding up access to accounts in bank branches,
- printing of personalised banking correspondence including the production and sending of personal identification numbers (PIN),
- packaging of cards and print outs, preparing distribution to individual recipients,
- production, personalisation, packaging and distribution of all other plastic cards and personalised print outs for advertising, identification, loyalty and discount purposes,
- management of the company's own network of ATMs with initial functionality limited to paying out cash and presenting advertising content on screens and transaction confirmation print outs and within half a year expanding the service to charging pre-paid GSM mobile telephone accounts,
- managing networks of other companies' ATMs

9. REVIEW OF THE OPERATIONAL AND FINANCIAL CONDITION

9.1. The Issuer's financial condition

The review of the Issuer's operational and financial condition was made on the basis of historical information for year 2003-2005 and mid-year financial information for the first quarter of 2006, that was not examined by a chartered auditor.

Issuer's selected financial data for years 2003-2005 and 1Q2006 [thousand PLN]

	1Q2006	1Q2005	2005	2004	2003
Sales revenues	1 442	1 243	5 890	7 131	2 452
Profit on sales	179	266	1 503	1 753	153
EBIDTA	-749	-370	2 323	-6 005	-4 005
Operating profit	-781	-423	2 144	-6 282	-4 423
Gross profit	-783	-514	1 939	-6 594	-4 662
Net profit	-783	-526	1 393	-5 811	-4 641

In 2005 the Company made operating profit in the amount of PLN 2 144 thousand mainly in result of an amortization of liabilities redeemed by a shareholder Capital Partners in the amount of

PLN 2 719 thousand and dissolving a reserve for compensations related to the termination of services by Air Polonia.

Smaller revenues in 2005 as compared to 2004 resulted from a suspension of services of the Issuer's biggest customer, Air Polonia.

9.1.1. Profitability assessment

Issuer's profitability assessment

	01.01.2006- 31.03.2006	01.01.2005- 31.03.2005	01.01.2005- 31.12.2005	01.01.2004- 31.12.2004	01.01.2003- 31.12.2003
(Gross) sales profitability	12.41%	21.40%	25.52%	24.58%	6.24%
EBIDTA profitability	-51.94%	-29.77%	39.44%	-84.21%	-163.34%
Operating revenue profitability	-54.16%	-34.03%	36.40%	-88.09%	-180.38%
Gross profitability	-54.30%	-41.35%	32.92%	-92.47%	-190.13%
Net profitability	-54.30%	-42.32%	23.65%	-81.49%	-189.27%

The way of index calculation:

- the index of sales profitability on operating activities = operating profit/ revenues from sales of products, services, goods and materials;

- the index of gross sales profitability = gross profit/ revenues from sales of products, services, goods and materials;
- the index of net sales profitability = net profit/ revenues from sales of products, services, goods and materials;
- the return on assets (ROA) = net profit/ total assets;
- the return on equity (ROE) = net profit/ total equity.

As of the end of 2005 the Company presented positive profitability caused by one-off events that occurred in the 2nd half of 2005. The result of the first quarter points out to a decrease of profitability from 25.5% to 12.4% in case of sales profitability. The remaining values are negative, the company suffered a loss. The loss in such amount resulted mainly from an insufficient level of cards authorisation without their physical presence as well as rising costs of the company functioning related to the underwent restructuring and work on new projects.

9.1.2. Volume and structure of the Issuer's circulating assets

The Issuer's circulating assets

Circulating assets (thousand PLN)	1Q2006*	1Q2005	2005	2004	2003
Inventories	0	0	0	0	0
Short-term receivables	909	2381	735	638	1002
Short-term investments	128	140	274	266	549
Short-term prepayments	131	52	69	77	87
Total	1168	2573	1078	981	1638

* financial data for 1Q 2006 were not examined by a chartered auditor

Structure of the Issuer's circulating assets

Structure of circulating assets	1Q2006*	1Q2005	2005	2004	2003
Inventories	0%	0%	0%	0%	0%
Short-term receivables	78%	93%	68%	65%	61%
Short-term investments	11%	5%	25%	27%	34%
Short-term prepayments	11%	2%	6%	8%	5%
Total	100%	100%	100%	100%	100%

The nature of the Issuer's activity does not require inventories. The above table shows that the structure of assets in years 2003-2005 remained on a similar level.

9.1.3. Indexes of the Issuer's management efficiency

Indexes of the Issuer's management efficiency

Indexes of the management efficiency	1Q2006*	1Q2005	2005	2004	2003
Inventories rotation time (in days)	0	0	0	0	0
Time of debt collection (in days)	51.80	141.70	41.87	30.09	91.03
Time of liabilities payment (in days)	98.55	266.32	55.88	74.84	100.69

The way of index calculation:

3. Inventories rotation time - inventories * 360 (180) days / costs of sold products, goods and materials,
4. Time of debt collection - commercial receivables * 360 (180) days / sales revenues,
5. Time of liabilities payment - commercial liabilities * 360 (180) days / costs of sold products, goods and materials.

The debt collection cycle in the analysed period remains on the level from 30 to 141 days, which gives 52 days as of the end of 1 quarter of 2006. This value is close to the minimum value.

The liabilities payment cycle in the analysed period remained on the level 56-266 days. Such a long cycle of 266 days in 1 quarter 2005 was a result of, for instance, financing the company's current activity through a prolongation of the period of commercial liabilities payment to the Issuer's current shareholders. By the day of approval of this Prospectus the liabilities have been paid. At present the liabilities payment cycle remains on the level of 56-99 days.

9.2. Operating result

9.2.1. Information on essential factors that have a major impact on the results of operating activities

The operating loss suffered by the Company in 2003 was a result of generating higher operating costs than sales revenues.

In 2004 the allowance for overdue receivables and reserve in the total amount of PLN 4 000 thousand established by the Company for a possible risk related to the termination of activities of its customer Air Polonia, had an essential impact on the operating results.

In 2005 the Company made operating profit in the amount of PLN 2 144 thousand mainly in result of an amortization of liabilities redeemed by a shareholder Capital Partners in the amount of

PLN 2 719 thousand and dissolving a reserve for compensations related to the termination of services rendered by Air Polonia.

In 1 quarter 2006 the company underwent a global restructuring of equipment and it launches or is going to launch a few new services described in this Prospectus. The Issuer raised the costs mainly through hiring new employees.

9.2.2. Discussing the reasons of major changes in the Issuer's net sales or net revenues

Two events, that is signing a cooperation agreement with Xtrade in September 2003 and beginning of cooperation with Air Polonia, had an essential impact on an almost threefold increase of revenues in 2004 as compared to 2003.

A fall of revenues by 17.5% in 2005 in relation to 2004 resulted, to a great extent, from the suspension of operating activities by the biggest customer, Air Polonia.

Revenues in 1 quarter 2006 were higher by 16% than in the corresponding period of 2005. The growth of sales resulted from a cooperation with new customers, development of e-commerce and increase in the number of cards enabling payments in the Internet.

9.2.3. Elements of the governmental, economic, fiscal, political and monetary policies and other factors influencing the Issuer's operating activities.

The eCARD operating activities may experience an impact of all the changes in the economic policy that concern the majority of economic entities (mainly fiscal, employee, obligatory loading). Their importance may be specified as the same to other economic entities.

A stricter supervisory policy of the entities that violate the law with their activities, that is the ones that do not meet the requirements of the law on electronic payment instruments and still conduct activity of a clearing agent, will have a positive impact on the Issuer's competitive position.

10. CAPITAL RESOURCES

10.1. Capital sources of the Issuer and the Capital Group

Issuer financing sources [thousand PLN]

Financing sources	1Q2006*	1Q2005	2005	2004	2003
Own capital	159	-7 616	453	-7 090	-2 229
Shareholder capital	20 000	13 361	18 696	13 361	12 411
Reserve capital	2 750	2 750	3 565	2 750	2 750
Retained result	-23 201	-17 390	-23 201	-17 390	-12 749
Net result	610	-6 337	1 393	-5 811	-4 641
Liabilities and reserves for liabilities	2 184	11 439	1 252	9 387	4 707
Reserves for liabilities	338	3 933	338	3 999	183
Long-term liabilities	54	4 336	62	4 118	3 702
including credits and loans	0	4 336	0	4 041	3 592
Short-term liabilities	1786	3 163	845	1 262	816
including credits and loans	0	0	0	0	0

accruals and deferred income	6	7	7	8	6
Total liabilities	2 343	3 823	1 705	2 297	2 478

* financial data for 1Q 2006 were not examined by a chartered auditor

In 2003-2005 the Company financed its activities by shareholder capital increases or loans granted by the shareholders. These loans were mainly loans convertible to shares and on set dates or on the creditor's demand the company converted the debt into capital. Negative own capitals occurs again as of 1 quarter 2006. At the moment the Issuer finances its activities with circulating capital and received bank loan.

10.1. Assessment of the Issuer's capital and debt structure

Assessment of the Issuer's structure and debt

Debt analysis	1Q2006	1Q2005	2005	2004	2003
Debt index	93.21%	299.22%	88.23%	408.66%	189.95%
Long-term debt index	4 044.44%	263.81%	2 019.35%	227.95%	127.15%
Short-term debt index	122.28%	361.65%	148.17%	743.82%	576.84%
Own capital debt index	1 374.58%	-150.20%	749.70%	-132.40%	-211.17%
Interest liabilities coverage index	-39 050.00%	-464.84%	1 027.75%	-1 954.21%	-1 721.09%

The way of index calculation:

7 Debt index= total liabilities/total assets;

8 Long-term debt index = total liabilities/long-term liabilities;

9 Short-term debt index = total liabilities/short-term liabilities;

10 Own capital debt index = total liabilities/ own capitals;

11 Interests liabilities coverage index = (gross result + costs of interests)/ costs of interests.

Total liabilities do not include reserves.

As of the end of 2005 and in 1 quarter 2006 the debt index and short-term debt index decreased in relation to the previous years. It is due mainly to repayment of the Issuer's loans through their conversion into Issuer's shareholder capital and to the capital increase through issuance of I and J shares.

As of the end of 2005 and in 1 quarter 2006 the Issuer has no considerable long-term liabilities, so these indexes are so high.

The own capital debt index is on such high level due to the coverage of the retained net loss with own capitals.

10.1.2. Assessment of the Issuer's liquidity

Analysis of the Issuer's liquidity

Liquidity analysis	30.0.2006	1Q2006	1Q2005	2005	2004	2003
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Current ratio	0.41	0.65	0.81	1.27	0.77	2.00
Quick ratio	0.41	0.65	0.81	1.27	0.77	2.00
Increased liquidity ratio	0.11	0.15	0.06	0.41	0.27	0.78

The way of index calculation:

- g. Current ratio= circulating assets/ short-term liabilities;
- h. Quick ratio= (circulating assets-reserves)/ short-term liabilities;
- i. Increased liquidity ratio= (circulating assets - reserves - short-term receivables)/ short-term liabilities.

The liquidity ratios show that the liquidity is on the level ensuring the Issuer's normal functioning. Since there are no financial data on the industry of the Issuer, it is impossible to compare the Issuer's liquidity ratios to entities characterising with a similar profile of operations in similar economic environment.

10.2. Sources, amounts and description of the Issuer's cash flow

Sources, amounts and description of the Issuer's cash flow

Cash flow (thousand PLN)	1Q2006*	1Q2005	2005	2004	2003
Cash flow from operating activities	-33	-316	-2 201	-1 596	-4 259
Cash flow from investing activities	-592	-1	-101	-11	-573
Cash flow from financial activities	479	191	2 310	1 324	4 853
Total net cash flow	-146	-126	8	-283	21
Cash at the beginning of the period	274	266	266	549	528
Cash at the end of the period	128	140	274	266	549

* financial data for 1Q 2006 were not examined by a chartered auditor

The above table shows that the company has negative cash from operating activities but with a decreasing tendency. For instance, the negative flows fell ninefold in comparison of first quarters of 2005-2006.

The cash flows from investing activities show that the company bore investment burdens, mainly in 2003 and 1 quarter 2006.

In all analysed periods positive cash flows from financial activities are observed. The sources of the positive cash flows from financial activities are loans and issuance of new capital.

No essential changes concerning financial income and expenditure were observed in April 2006.

10.3. Information on the Issuer's credit needs and financing structure

As of the day of approval of this Prospectus the Issuer has a credit on its current bank account in the amount of PLN 1,000,000 and has no other crediting needs.

The table below presents the detailed information on the Issuer's financing in 2003-2005 and in 1 quarter 2006.

Issuer's financing structure in 2003-2005 and in 1 quarter 2006

Financing structure in thousand PLN	1Q2006	1Q2005	2005	2004	2003
<i>Own capital</i>	<i>159</i>	<i>(7 616)</i>	<i>453</i>	<i>(7090)</i>	<i>(2 229)</i>
Shareholder capital	20 000	13 361	18 696	13 361	12 411
Reserve capital	2 750	2 750	3 565	2 750	2 750
<i>Long-term liabilities</i>	<i>54</i>	<i>4 336</i>	<i>62</i>	<i>4 118</i>	<i>3 702</i>
<i>owned to related entities</i>	0	4 238	0	3 873	3 574
<i>-loans and credits</i>	0	4 238	0	3 873	3 574
<i>Short-term liabilities</i>	<i>1 786</i>	<i>3 163</i>	<i>845</i>	<i>1 262</i>	<i>816</i>
<i>owned to related entities</i>	0	609	0	344	105
<i>-for deliveries and services</i>	0	609	0	344	105

10.4. Information on any restrictions in using capital resources, that had or could have a direct or indirect essential impact on the Issuer's operating activities

In the Issuer's opinion there are no restrictions in using capital resources, that had or could have a direct or indirect essential impact on the Issuer's operating activities.

10.5. Information on the predicted sources of funds necessary to cover liabilities presented in items 5.2.3 and 8.1

The Issuer's Management Board plans to get the funds necessary to fulfil all investment plans through a public issue of K shares. The demand for funds fluctuates on a level of PLN 8-12 million.

13.1.1. Key assumptions concerning financial projections for 2006

Information on assumptions as to factors beyond the influence of members of the supervising and management bodies

When preparing financial projections for 2006, the Issuer's Management Board has made the following assumptions:

1. Market, legal and tax environment will be similar to the previous year's,
2. Economic environment will be similar to the previous year's,
3. Regular growth of eCommerce business (new Internet shops and their expanding offer);
4. There will be no extraordinary events that may impact the issuer's financial standing.

Information on assumptions as to factors that may be influenced by members of the supervising and management bodies

1. start in Q2 2006 of payment card authorisation service in various currencies and attraction of one client from aviation industry,
2. growth of the market share of payment card authorisation service by 63% (of which 40% without the new aviation industry client),
3. attraction of two aviation industry clients for the ePrzelew service and start of the services in Q2/Q3,
4. co-operation agreement with Xtrade S.A. will continue to be binding throughout 2006,
5. start of 3 D Secure service and attraction of 4 clients in H2 2006,
6. start of SMS Premium services, Pre-paid Online in Q3 2006 and attraction of 60 and 32 clients respectively by the end of the year,
7. start of sale of loading of pre-paid telephones and value added services for telephones and creation of a network of 60 points by the end of 2006.

13.2. Result projections with application of rules providing for comparability with historical financial information

Table. Projected results [PLN '000]

Item	2003	2004	2005	2006 forecast	2007 forecast
Net sales revenues	2 452	7 131	5 890	9 220	26 069
EBITDA	(4 005)	(6 005)	2 323	(327)	2 529
Net profit (loss)	(4 641)	(5 811)	1 393	(873)	1 504

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14. ADMINISTRATIVE, MANAGING AND SUPERVISING BODIES AND TOP MANAGEMENT

14.1. Information on persons who are members of administrative and supervising bodies and other top managers

The Management Board is the managing body and the Supervisory Board is the supervising body. The Issuer has no administrative bodies.

14.1.1. Management Board

The Issuer's Management Board is composed as follows:

- Konrad Korobowicz - President of the Management Board
- Radosław Sosnowski - Deputy President of the Management Board
- Małgorzata Ciszeka - Member of the Management Board
- Ireneusz Kucharski - Member of the Management Board

Konrad Korobowicz - President of the Management Board

Mr. Konrad Korobowicz is graduate from the Maria Skłodowska-Curie University in Lublin (Law faculty, diploma in 1993). Legal counsellor since 1996.

Mr. Konrad Korobowicz's career was as follows:

1995-1997	Bank Depozytowo-Kredytowy Grupa Pekao S.A., Deputy Director of Retail Department
1997-1998	Polska Trust Sp. z o.o. and mermaid Overseas Limited – Director
1998-2000	HEROS LIFE S.A., Director, Member of the Management Board
2000-2005	Inteligo Financial Services - President of the Management Board
2002-	Grupa Inwestycyjna MIDAS Sp. z o.o. - President of the Management Board
2002-	Capital Partners S.A. – Deputy President of the Management Board
2005 -	eCARD S.A. - President of the Management Board.

Additionally, Mr. Konrad Korobowicz has been Chairman of the Supervisory Board of Brokerage House Capital Partners S.A. since 2005 and Member of the Supervisory Board of Bankowy Dom Brokerski S.A. since 2002.

Since November 2002 Mr. Konrad Korobowicz has been operating his own business called B&C Doradztwo Ekonomiczno-Gospodarcze Konrad Korobowicz. Mr. Konrad Korobowicz holds 90% shares in Grupa Inwestycyjna MIDAS Sp. z o.o. and 40% shares in GASTROMED W.Daniłkiewicz i Wspólnicy Spółka Komandytowa.

In accordance with his declaration, Mr. Konrad Korobowicz has not been sentenced by a court verdict. In particular, Mr. Konrad Korobowicz has never been punished for fraud. Over the last five years there were no instances of bankruptcy, receivership or liquidation in relation to entities in which Mr. Konrad Korobowicz performed functions in administrative, managing and supervisory bodies or in which he was a top manager. Over the last five years there were no instances of official public accusations or sanctions in relation to Mr. Konrad Korobowicz by statutory or regulatory bodies (including recognised professional organisations). Additionally, Mr. Konrad Korobowicz over the last five years has not been banned to act or participate in the management of any public company.

There are no family ties between Mr. Konrad Korobowicz and other members of the Management Board and members of the Supervisory Board and other top managers.

Radosław Sosnowski – Deputy President of the Management Board

Mr. Radosław Sosnowski graduated from the Economic Academy in Wrocław in 1991 and holds MBA from the European University in Montreaux, Switzerland.

Professional experience:

1992-1993	Bank Staropolski (Branch in Zielona Góra) – specialist for organisation, management and marketing,
1993-1999	General Inspectorate of Banking Supervision, National Bank of Poland – senior specialist,
1999-2000	Polcard S.A.- internal auditor,
2000-2002	Elektrim S.A. - internal auditor,
2001-2003	CT Creative Team – President of the Management Board,
2002-	Elektrim Online Sp. z o.o. - President of the Management Board,
2003-	Permobile Sp. z o.o. - President of the Management Board,
2005-	eCARD S.A. – Deputy President of the Management Board.

Mr. Radosław Sosnowski has been operating his own business since 21 October 2005. The business is in no conflict with his obligations to the Issuer.

Mr. Radosław Sosnowski holds two shares in PerMobile Sp. z o.o., one share in Solitom Partners Sp. z o.o. and two shares in Smart Capital Sp. z o.o.

In accordance with his declaration, Mr. Radosław Sosnowski has not been sentenced by a court verdict. In particular, Mr. Radosław Sosnowski has never been punished for fraud. Over the last five years there were no instances of bankruptcy, receivership or liquidation in relation to entities in which Mr. Radosław Sosnowski performed functions in administrative, managing and supervisory bodies or in which he was a top manager. Over the last five years there were no instances of official public accusations or sanctions in relation to Mr. Radosław Sosnowski by statutory or regulatory bodies (including recognised professional organisations). Additionally, Mr. Radosław Sosnowski over the last five years has not been banned to act or participate in the management of any public company.

There are no family ties between Mr. Radosław Sosnowski and other members of the Management Board and members of the Supervisory Board and other top managers.

Małgorzata Ciszeka – Member of the Management Board

Małgorzata Ciszeka graduated from the Faculty of Finance and Statistics at SGH, Warsaw in 1990.

Professional experience:

1991-2000 PolCard S.A., among other functions she was Deputy Director of Bank Department,
2000- eCARD – Operations Director and since 2004 also as a Member of the Management Board

In accordance with his declaration, Ms. Małgorzata Ciszeka has not been sentenced by a court verdict. In particular, Ms. Małgorzata Ciszeka has never been punished for fraud. Over the last five years there were no instances of bankruptcy, receivership or liquidation in relation to entities in which Ms. Małgorzata Ciszeka performed functions in administrative, managing and supervisory bodies or in which he was a top manager. Over the last five years there were no instances of official public accusations or sanctions in relation to Ms. Małgorzata Ciszeka by statutory or regulatory bodies (including recognised professional organisations). Additionally, Ms. Małgorzata Ciszeka over the last five years has not been banned to act or participate in the management of any public company.

There are no family ties between Ms. Małgorzata Ciszeka and other members of the Management Board and members of the Supervisory Board and other top managers.

Ireneusz Kucharski - Member of the Management Board

Mr. Ireneusz Kucharski graduated from the Economic Academy in Kraków in 1995.

Professional experience:

1994-1998 General Inspectorate of Banking Supervision, National Bank of Poland – banking assistant and specialist,
1998-1999 Bank Przemysłowo – Handlowy S.A. in Kraków, II Branch in Warsaw as Financial Director,
1999-2000 Pażur S.A., Financial Director,
2000- Financial Director at eCARD S.A., since 2002 also member of the Management Board,
2003-2006 Xtrade S.A. – Deputy President of the Management Board.

In accordance with his declaration, Mr. Ireneusz Kucharski has not been sentenced by a court verdict. In particular, Mr. Ireneusz Kucharski has never been punished for fraud. Over the last five years there were no instances of bankruptcy, receivership or liquidation in relation to entities

in which Mr. Ireneusz Kucharski performed functions in administrative, managing and supervisory bodies or in which he was a top manager. Over the last five years there were no instances of official public accusations or sanctions in relation to Mr. Ireneusz Kucharski by statutory or regulatory bodies (including recognised professional organisations). Additionally, Mr. Ireneusz Kucharski over the last five years has not been banned to act or participate in the management of any public company.

There are no family ties between Mr. Ireneusz Kucharski and other members of the Management Board and members of the Supervisory Board and other top managers.

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17. EMPLOYMENT

17.1. Number of employees

As of the date of approval of the Prospectus the Company employed 44 persons, of which 37 are employed under labour contracts. Each labour contract provides for a full-time job. 50% of persons working for and co-operating with the Issuer have university level education. With respect to employment structure by sections, almost 2/3 of the employees are employed in commercial and IT departments.

Employment at eCARD S.A.

	Date of approval of the Prospectus	31.12.2005	31.12.2004	31.12.2003
Labour contracts (persons)	37	32	27	31
Labour contracts (full-time jobs)	37	32	27	31
Contracts for orders	1	2	0	2
Contracts for special tasks	1	3	1	2
Co-operation agreements	3	2	1	1
Management contracts	2	2	0	0

Source: eCARD S.A.

Structure by education

EDUCATION	Date of approval of the Prospectus	31.12.2005	31.12.2004	31.12.2003
University level	22	18	17	20
Secondary	14	13	9	10
Vocational	1	1	1	1
Primary	0	0	0	0

Source: eCARD S.A.

Structure of employment split by function, including labour contracts, contracts for orders, special tasks and management and co-operation agreements.

Item	Date of approval of the Prospectus	31.12.2005	31.12.2004	31.12.2003
Management Board	4	4	3	2
Administration	3	4	2	3
Accounting and personnel; legal counsels	5	4	3	4
Operations Department	7	6	5	4
Commercial Department	10	7	8	12
Business Development Department	2	2	-	-
IT Department	13	12	8	11

TOTAL	44	39	29	36
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Source: eCARD S.A.

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SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA	PLN			EURO		
	01.01.2005 31.12.2005	01.01.2004 31.12.2004	01.01.2003 31.12.2003	01.01.2005 31.12.2005	01.01.2004 31.12.2004	01.01.2003 31.12.2003
Turnover year						
I. Net income from sales of finished products, goods for resale and raw materials	5 890	7 131	2 452	1 464	1 578	551
II. Operating profit (loss)	2 144	(62 820)	(4 423)	533	(1 390)	(995)
III. Gross profit (loss)	1 939	(6 594)	(4 662)	482	(1 459)	(1 048)
IV. Net profit (loss)	1 393	(5 811)	4 641	346	(1 286)	(1 044)
V. Net cash flow from operating activities	(2 201)	(1 596)	(4 259)	(547)	(353)	(959)
VI. Net cash flow from investment activities	(101)	(11)	(573)	(25)	(2)	(129)
VII. Net cash flow from financing activities	2 310	1 324	4 853	574	293	1 092
VIII. Total net cash flow	8	(283)	21	2	(63)	5
IX. Total assets	1 705	2 297	2 478	368	563	525
X. Liabilities and provisions for liabilities	1 252	9 387	4 707	324	2 301	998
XI. Long-term liabilities	62	4 118	3 702	16	1 010	785
XII. Short-term liabilities	845	1 262	816	219	309	173
XIII. Shareholders' equity	453	(7 090)	(2 229)	117	(1 738)	(473)
XIV. Share capital	18 696	13 361	12 411	4 844	3 276	2 631
XV. Number of shares	186 960	133 610	124 110	-	-	-

13. The differences in the value of the presented data between financial reports and comparable data, which were developed according to the Polish accounting principles and financial reports, which would be prepared according to the International Accountancy Standards respectively were not indicated as the effect of such transformation on the financial report would be insignificant.

BALANCE SHEET

BALANCE SHEET	Note	31.12.2005	31.12.2004	31.12.2003
Assets				
I. Fixed assets		627	1 316	840
1. Intangible assets	1	19	54	114
- goodwill		0	0	0
2. Tangible fixed assets	2	302	430	636
3. Long-term debtors		0	0	0

3.1. Affiliated entities		0	0	0
3.2 Other entities		0	0	0
4. Long-term investment		0	0	0
4.1 Real property		0	0	0
4.2 Intangible assets		0	0	0
4.3 Long-term financial assets		0	0	0
a) in affiliated entities, including:		0	0	0
- stocks or shares in the affiliated entities valued by equity method		0	0	0
b) in other entities		0	0	0
4.4 Other long-term investments		0	0	0
5. Long-term accruals	3	306	832	90
5.1 Deferred assets		286	832	49
5.2 Other accruals		20	0	41
II. Current assets		1 078	981	1 683
1. Stocks		0	0	0
2. Short-term debtors	4,5,8	735	638	1 002
2.1 Affiliated entities		0	0	0
2.2 Other entities		735	638	1 002
3. Short-term investments		274	266	549
3.1 Short-term financial assets	6	274	266	549
a) in affiliated entities		0	0	0
b) in other entities		0	0	0
c) cash and cash equivalents		274	266	549
3.2 Other short-term investments		0	0	0
4. Short-term accruals	7	69	77	87
Total assets		1 705	2 297	2 478

BALANCE SHEET	Note	31.12.2005	31.12.2004	31.12.2003
Liabilities				
I. Shareholders' equity		453	(7 090)	(2 229)
1. Share capital	9	18 696	13 361	12 411
2. Not paid-in contributions to share capital		0	0	0
3. Own shares (negative amount)		0	0	0
4. Supplementary capital	10	2 750	2 750	2 750
5. Revaluation reserve		0	0	0
6. Other reserves	11	815	0	0
7. Profit (loss) from previous years		(23 201)	(17 390)	(12 749)
8. Net profit (loss)		1 393	(5 811)	(4 641)
9. Appropriation of net profit in the turnover year (negative amount)		0	0	0
II. Liabilities and provisions for liabilities		1 252	9 387	4 707
1. Provisions for liabilities	12	338	3 999	183

1.1 Provision for deferred income tax		0	0	0
1.2 Provision for old-age benefits and other		207	206	172
a) long-term provision		0	0	0
b) short-term provision		207	206	172
1.3 Other provisions		131	3 793	11
a) long-term		0	0	0
b) short-term		131	3 793	11
2. Long-term liabilities	13	62	4 118	3 702
2.1 towards affiliated entities		0	3 873	3 574
2.2 towards other entities		62	245	128
3. Short term liabilities	14	845	1 262	816
3.1 towards affiliated entities		0	344	105
3.2 towards other entities		845	918	710
3.3 Special funds		0	0	1
4. Accruals	15	7	8	6
4.1 Negative goodwill		0	0	0
4.2 Other accruals		7	8	6
a) long-term accruals		0	0	0
b) short-term accruals		7	8	6
Total Liabilities		1 705	2 297	2 478
Book value		453	(7 090)	(2 229)

BALANCE SHEET	Note	31.12.2005	31.12.2004	31.12.2003
Number of shares		186 960	133 608	124 109
Book value per share	16	2,42	(53,07)	(17,96)
Diluted number of shares				
Diluted book value per share (in PLN)	16	2,42	(53,07)	(17,96)

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INCOME STATEMENT

INCOME STATEMENT	Note	31.12.2005	31.12.2004	31.12.2003
I. Net income from sales of finished products, goods for resale and raw materials		5 890	7 131	2 452
- from affiliated entities		0	0	0
1. Net income from product sale		5 890	7 131	2 452
2. Net income from goods and materials sales		0	0	0
II. Costs of products, goods and raw materials sold		4 387	5 378	2 299
- from affiliated entities		0	0	0
1. Cost of finished products sold	18	4 387	5 378	2 299
2. Costs of goods sold for resale and raw materials sold		0	0	0
III. Gross profit (loss) on sales		1 503	1 753	153
IV. Cost of sales	18	1 477	1 815	1 434
V. Costs of general overheads	18	2 283	2 104	3 137
VI. Profit (loss) on sales		(2 257)	(2 166)	(4 418)
VII. Other operating income		4 677	18	22
1. Profit on the sale of non-financial fixed assets		22	0	17
2. Subsidies		0	0	0
3. Other operating revenues	19	4 655	18	5
VIII. Other operating costs		276	4 134	27
1. Loss on the sale of non-financial fixed assets		0	0	0
2. Revaluation of non-financial fixed assets		162	343	21
3. Other operating costs	20	114	3 791	6
IX. Operating profit (loss) (VI+VII-VIII)		2 144	(6 282)	(4 423)
X. Financial income	21	4	9	22
1. Dividends and share in profits, including:		0	0	0
- from affiliated entities		0	0	0
2. Interest, including:		4	9	22
- from affiliated entities		0	0	0
3. Profit on the sale of investments		0	0	0
4. Revaluation of investments		0	0	0
5. Other financial income		0	0	0

XI. Financial costs	22	209	321	261
1. Interest, including:		209	321	256
- for affiliated entities		178	306	242
2. Loss on the sale of investments		0	0	0
3. Revaluation of investments		0	0	0
4. Other financial costs		0	0	0
XII. Profit (loss) on business operations (IX+X-XI)		1 939	(6 594)	(4 662)
XIII. Extraordinary items (XIII.1.-XIII.2.)		0	0	0
1. Extraordinary gains	26	0	0	0
2. Extraordinary losses	27	0	0	0
XIV. Gross profit (loss) (XIII.1 – XIII.2.)		1 939	(6 594)	(4 662)
XV. Corporate income tax	28	546	(783)	(21)
a) current portion		0	0	0
b) deferred portion		546	(783)	(21)
XVI. Other obligatory appropriations of profit (loss)		0	0	0
XVII. Share in net profits (losses) of dependent entities valued by equity method		0	0	0
XVIII. Net profit (loss) (XIV-XV-XVII)		1 393	(5 811)	(4 641)
Annualized net profit (loss)		1 393	(5 811)	(4 641)
Weighted average number of ordinary shares		145 357	125 931	89 838
Profit (loss) per one ordinary share (in PLN)		9,58	(46,14)	(51,66)
Weighted average diluted number of ordinary shares				
Diluted profit (loss) per one ordinary share (in PLN)				

SPECIFICATION OF CHANGES IN EQUITY

SPECIFICATION OF CHANGES IN EQUITY	31.12.2005	31.12. 2004	31.12.2003
I. Equity at opening balance	(7 090)	(2 229)	(1 649)
a) changes in adopted accounting principles (policy)	0	0	0
b) adjustments of basic errors	0	0	0
I.a. Equity at opening balance on the agreement for comparable data	(7 090)	(2 229)	(1 649)
1. Share capital at opening balance	13 361	12 411	8 350
2. Changes in share capital	5 335	950	4 061
a) increase (due to)	5 335	950	4 061
- issue of shares	5 335	950	4 061
b) decrease	0	0	0

1.2. Share capital at closing balance	18 696	13 361	12 411
2. Not paid-in contributions to share capital at opening balance	0	0	0
2.1. Changes in not paid-in contributions	0	0	0
a) increase	0	0	0
b) decrease	0	0	0
2.2. Not paid-in contributions to share capital at closing balance	0	0	0
3. Equity shares at opening balance	0	0	0
3.1. Changes in equity shares	0	0	0
a) increase	0	0	0
b) decrease	0	0	0
3.2. Equity shares at closing balance	0	0	0
4. Supplementary capital at opening balance	2 750	2 750	2 750
4.1. Changes in supplementary capital	0	0	0
a) increase (due to)	0	0	0
- issue of shares over the nominal value	0	0	0
- profit distribution (over the value required by law)	0	0	0
b) decrease	0	0	0
4.2. Supplementary capital at closing balance	2 750	2 750	2 750
5. Revaluation reserve at opening balance	0	0	0
5.1. Changes in revaluation reserve	0	0	0
a) increase	0	0	0
b) decrease	0	0	0
5.2. Revaluation reserve at closing balance	0	0	0
6. Other reserves at opening balance	0	0	0
6.1. Changes in other reserves	0	0	0
a) increase (due to)	815	0	0
- payments for shares (series J)	815	0	0
b) decrease	0	0	0
6.2. Other reserves at closing balance	815	0	0
7. Profit (loss) from previous years at opening balance	(17 390)	(12 749)	(7 301)
7.1. Profit from previous years at opening balance	0	0	0
a) changes in adopted accounting principles (policy)	0	0	0
b) adjustments of basic errors	0	0	0
7.2. Profit from previous years at opening balance on the agreement for comparable data	0	0	0
a) increase	0	0	0
b) decrease (due to)	0	0	0
- dividends paid	0	0	0
- increased share capital (including income tax)	0	0	0
- transfer to reserve	0	0	0
7.3. Profit from previous years at closing balance	0	0	0
7.4. Loss from previous years at opening balance	(17 390)	(12 749)	(7 301)

a) changes in adopted accounting principles (policy)	0	0	0
b) adjustments of basic errors	0	0	0
7.5. Loss from previous years at opening balance on the settlement for comparable data	(17 390)	(12 749)	(7 301)
a) increase	(5 811)	(4 641)	(5 448)
b) decrease	0	0	0
7.6. Loss from previous years at closing balance	(23 201)	(17 390)	(12 749)
7.7. Profit (Loss) from previous years at closing balance	(23 201)	(17 390)	(12 749)
8. Net result	1 393	(5 811)	(4 641)
a) net profit	1 393	0	0
b) net loss	0	(5 811)	(4 641)
c) profit write-offs	0	0	0
II. Equity at closing balance	453	(7 090)	(2 229)
III. Equity on adjustment of the proposed profit distribution (loss coverage)	453	(7 090)	(2 229)

CASH FLOW STATEMENT

CASH FLOW STATEMENT	31.12.2005 current year	31.12.2004 previous year	31.12.2003 previous year
A. Cash flow from operating activities – indirect method			
I. Net profit (loss)	1 393	(5 811)	(4 641)
II. Total adjustments	(3 594)	4 215	382
1. Share in net (profit) loss of entities valued by equity method	0	0	0
2. Depreciation	179	277	418
3. (Profit) Loss from exchange rate differences	0	0	0
4. Interest and shares in profits (dividends)	19	15	14
5. (Profit) Loss from investment activities	(22)	0	(17)
6. Change in reserves	(3 661)	3 816	175
7. Change in stocks	0	0	0
8. Change in debtors	(97)	364	(386)
9. Change in short-term liabilities (except loans and credits)	(420)	473	131
10. Change in differed costs	533	(730)	42
11. Other adjustments	(125)	0	0
III. Net cash flow from investment activities (I+/-II)	(2 201)	(1 596)	(4 259)
B. Net cash flow from investment activities			
I. Receipts	32	0	22
1. Sale of intangible assets and tangible fixed assets	32	0	22
2. Sale of investment in real property and intangible assets	0	0	0

3. From financial assets, including:	0	0	0
a) in affiliated entities	0	0	0
- sale of financial assets	0	0	0
- dividends and shares in profits	0	0	0
- repayment of long-term loans granted	0	0	0
- interest	0	0	0
- other revenues from financial assets	0	0	0
4. Other investment revenues	0	0	0
II. Expenditures	133	11	595
1. Purchase of intangible assets and tangible fixed assets	133	11	595
2. Investments in real property and intangible assets	0	0	0
3. Related to financial assets, including:	0	0	0
a) in affiliated entities	0	0	0
- purchase of financial assets	0	0	0
- granting of long-term loans	0	0	0
b) in other entities	0	0	0
- purchase of financial assets	0	0	0
- granting of long-term loans	0	0	0
4. Other expenditures on investments	0	0	0
III. Net cash flow from investment activities (I-II)	(101)	(11)	(573)
C. Cash flow from investment activities			
I. Receipts	2 846	1 398	5 243
1. Net receipts from issue of shares and other capital instrument and shareholders loans on capital	1 925	950	0
2. Credits and loans	921	448	5 014
3. Issue of debt securities	0	0	0
4. Other receipts	0	0	229
II. Expenditures	536	74	390
1. Purchase of own shares	0	0	0
2. Dividends payments and other payments to shareholders	0	0	0
3. Expenditures due to distribution of profit other than payments to shareholders,	0	0	0
4. Repayment of loans and credits	505	0	305
5. Purchase of debt securities	0	0	0
6. Due to other liabilities	0	0	0
7. Lease payments	12	59	66
8. Interest	19	15	14
9. Other expenditures	0	0	0
III. Net cash flow from financing activities (I-II)	2 310	1 324	4 853
D. Net cash flow (A+/B+/- C)	8	(283)	21
E. Change in cash position	8	(283)	21
- change in cash position due to exchange rate differences	0	0	0

F. Cash at opening balance	266	549	528
G. Cash at closing balance (F+/-D), including:	274	266	549
- restricted cash	0	103	173