



C E N T R U M M E D Y C Z N E

**DIRECTORS' REPORT ON ACTIVITIES OF
CENTRUM MEDYCZNE ENEL-MED S.A.
IN THE FIRST HALF OF 2012**

Warsaw, 27 August 2012

TABLE OF CONTENTS

1.	BASIC INFORMATION ABOUT CENTRUM MEDYCZNE ENEL-MED	3
1.1.	Description of the Company's activities	3
1.2.	The Management Board and the Supervisory Board.....	4
1.3.	Description of the Capital Group's organisation.....	4
1.4.	Indication of the results of changes in the economic entity's structure	5
1.5.	The Company's development prospects.....	5
2.	KEY DEVELOPMENTS IN THE FIRST HALF OF 2012	5
3.	OTHER INFORMATION	7
3.1.	The principles for the preparation of semi-annual condensed financial statements.....	7
3.2.	The description of basic threats and risks related to the remaining months of the financial year 7	
3.3.	The statement of the Management Board on whether the Company is able to meet the current year results forecasts published earlier	13
3.4.	The shareholders who have – directly or indirectly through their subsidiaries – at least 5% of the total number of votes at the general meeting.....	14
3.5.	The list of the Issuer's shares held by members of managing and supervising bodies.....	14
3.6.	Information about the ongoing proceedings before a court, an arbitration body or a public administration body with regard to liabilities or receivables.	15
3.7.	Information about loan and borrowing guarantees as well as other guarantees granted by the Issuer or by its subsidiary, if their total value is equal to at least 10% of the Issuer's equity	15
3.8.	The factors which, in the Company's opinion, will have an influence on the Company's results at least in view of the next quarter.....	15
3.9.	Information about one or many transaction concluded by the Issuer or by its subsidiary with related entities, if these transactions are significant individually or jointly and if they were concluded on other than market terms.....	16

1. BASIC INFORMATION ABOUT CENTRUM MEDYCZNE ENEL-MED

1.1. Description of the Company's activities

Centrum Medyczne ENEL-MED S.A. carries out its activities on the Polish medical services market and is the third largest private operator of medical services in Poland in terms of revenue¹. It has been present on the Polish healthcare market since 1993.

ENEL-MED has at its disposal eleven multi-profile clinics, ten diagnostic facilities (diagnostic centres and branches) and – as the only medical company – two hospitals located in Warsaw.

The clinics are situated in attractive and prestigious localisations (for example in shopping centres) in six big cities: in Warsaw (the Branches of Zacisze, Atrium, Blue City, Arkadia, Puławska, Domaniewska), Cracow (Galeria Krakowska Branch), Poznań (Kupiec Poznański Branch), Łódź (Manufaktura Branch), Gdańsk (Grunwaldzka Branch) and in Wrocław (Arkady Wrocławskie Branch). Additionally, the Issuer operates four clinics at companies' premises, i.e. small branches situated on a corporate client's premises, offering a basic range of services for the corporate client's employees only. The clinics at companies have been established in Warsaw, Piła and Łódź. The Company cooperates with over 700 partner facilities, whose clinics are located in the regions where the Issuer does not have its own medical facilities.

The branches and diagnostic centres are situated in seven provinces: in Warsaw (Bielany, Zacisze, City Centre), Wołomin, Konin, Łomża, Lublin, Mielec, Poznań and Gdańsk.

Moreover, the Issuer – as the only medical company – operates two multi-specialist hospitals situated in Warsaw: the 19-bed Zacisze Hospital at 86C Gilarska Street and the 33-bed Centre Hospital located at 128 Solidarności Avenue, which was commissioned for use in June 2012.

The medical services provided by the Company include:

- basic and specialist outpatient care, including rehabilitation and outpatient procedures,
- dental health care,
- diagnostic imaging tests (including tests performed using computer tomography and magnetic resonance, ultrasonography and X-ray),
- hospitalisation, including procedures and elective surgeries within the scope of selected specialisations at Zacisze Hospital and Centre Hospital,
- off-site medicine and emergency home visits as well as medical care in case of a sudden illness.

The Company offers a wide array of medical services (58 specialisations in total) both to corporate clients (in the form of pre-paid Enel-Care medical plans and as part of the obligatory occupational

¹ The Prospectus of Centrum Medyczne ENEL-MED S.A.

medicine) and to individual clients (in the form of pre-paid medi-care health insurance, on a fee-for-service basis and under the contract with the Polish National Health Fund).

Furthermore, Centrum Medyczne ENEL-MED has signed medical services contracts with numerous insurance companies, such as Inter Polska, Uniqa, Signal Iduna, Generali, Allianz, and with PZU Pomoc performing services for the PZU Group. The Company's settlements with insurance companies are effected on a fee-for-service basis.

1.2. Management Board and Supervisory Board

Management Board

As at 30 June 2012, the Company's Management Board had the following members:

Adam Rozwadowski – President of the Management Board

Jacek Rozwadowski – Vice-President of the Management Board

Until the date of publishing this Report, the composition of the Management Board remained unchanged.

Supervisory Board

As at 30 June 2012, the Supervisory Board had the following members:

Anna Rozwadowska – Chairperson of the Supervisory Board

Anna Piszcz – Member of the Supervisory Board

Janusz Jakubowski – Member of the Supervisory Board

Zbigniew Okoński – Member of the Supervisory Board

Adam Ciuhak – Member of the Supervisory Board

Until the date of publishing this Report, the composition of the Supervisory Board remained unchanged.

1.3. Description of the Capital Group's organisation

Centrum Medyczne ENEL-MED S.A. is a part of the Capital Group, in which Centrum Medyczne ENEL-MED S.A. is the parent company and Centrum Nieruchomości Enel-Med Sp. z o.o. is a subsidiary in which the parent company holds 80 shares. This is equivalent to 80% of the subsidiary's share capital.

Centrum Nieruchomości Enel-Med Sp. z o.o., which was established in 2006, is engaged in real property investments in the healthcare sector. The company has experience in the field of, and well established knowledge of, the requirements applicable to medical facilities and the conditions that real property must meet in order to be fit for medical activities.

The Issuer did not prepare any consolidated financial statements as at 30 June 2012, using the exemption set out in Article 58 of the Accounting Act. The subsidiary was not included in the consolidated financial statements due to the fact that its financial data is not material to give a true and

fair view of the Group's financial position and its financial performance.

1.4. The results of changes in the economic entity's structure

In the first half of 2012, there were no changes in the economic entity's structure.

1.5. The Company's development prospects

The main goal of the operations of Centrum Medyczne ENEL-MED S.A. is to enhance the competitive advantage of ENEL-MED and to guarantee long-term improvement of the profitability of its operations. This goal may be achieved thanks to the following activities:

- introduction of innovative medical services, such as modern diagnostic imaging techniques and the development of telemedicine,
- continued cooperation of the public and private healthcare sector,
- maintaining high quality of medical services,
- investments in IT systems and software.

The Issuer places much emphasis on utilising its potential, and on return-on-investment indicators. For that reason, it is going to intensify marketing activities and dynamically increase the sales of medical services over the next few years. Additionally, the Company plans to implement a new, comprehensive IT system, which will significantly contribute to reducing administrative expenses.

2. KEY DEVELOPMENTS IN THE FIRST HALF OF 2012

In the first half of 2012, the Company admitted its first patients to the newly-opened Centre Hospital, which is located at 128 Solidarności Avenue in Warsaw. This is ENEL-MED's second facility of this type in Warsaw. The facility specialises in orthopaedics and neurosurgery. The investment has been completed partly thanks to the funds raised through the public offering. The cost of the investment amounted to PLN 23 million. Centre Hospital has two operating theatres and one post-operative room. The new facility is equipped with 30 beds in comfortable, air-conditioned rooms with bathrooms, TV's and Internet access. Additionally, the hospital is equipped with latest generation medical equipment, including modern operating tables that prevent patients' discomfort. There is also a modern diagnostic imaging centre operating in the facility, which offers a wide range of diagnostic tests.

The first half of 2012 resulted in 150 medical services agreements signed with new corporate clients, both within the framework of the Enel-Care Programme and on a fee-for-service basis. The Issuer concluded, among other contracts, an agreement on the provision of medical services with Sonoco Poland- Packaging Services Sp. z o.o. On the basis of the newly-concluded agreement, the scope of activities at the doctor's office located on the company's premises in Łódź has been extended. The agreement has been concluded for an indefinite period of time, with a guarantee that it would not be terminated in the period of the first 24 months, and its value is conditional on the number of individuals

covered by the package in a given month and may reach the amount of approx. PLN 8,640,000.00 over the period of five years.

In the first half of 2012, Centrum Medyczne ENEL-MED started its eleventh year of cooperation with the Coca-Cola HBC Polska Sp. z o.o. company. The services provided to the company's employees under pre-paid medical plans will be carried out in the own facilities of Centrum Medyczne ENEL-MED as well as in the Company's partner facilities all over Poland.

The agreement has been concluded for an indefinite period of time and its value is conditional on the number of individuals covered by the package in a given month and may reach the amount of approx. PLN 10,200,000.00 over the period of five years.

Yet another company that became the Issuer's client is the Aviva Group, with which the Issuer also signed an agreement for an indefinite period of time, and its value, similarly to the contracts presented above, is conditional on the number of individuals covered by the package in a given month and may reach the amount of approx. PLN 6,132,000 over the period of five years. Thus the number of companies using ENEL-MED's services increased to 1,313 entities. Most clients of Centrum Medyczne ENEL-MED S.A. are based in Mazovia Province.

Moreover, many corporate clients that were satisfied with the quality of services decided to extend the term of their medical services agreements.

The Company also extended the scope of the agreement with Allianz, an insurance company, to include the provision of services for the company's employees in Warsaw.

In the first half of 2012, the Company concluded, with the Polish National Health Fund, a number of agreements concerning both the hospital services provided in the Company's hospital facilities (in Zacisze Hospital and in Centre Hospital) and diagnostic services involving the use of magnetic resonance and computer tomography, provided in the Issuer's branches and diagnostic facilities located in the following Provinces: Mazovia, Podlaskie, Lubelskie, Podkarpackie and Wielkopolska.

In addition, the Company signed an agreement with Health Service Centre Poznań-Jeżyce on the provision of medical services within the scope of computer tomography and teleradiology for the needs of computer tomography and X-ray room, as well as on the lease of rooms required to carry out the above-mentioned services at the Franciszek Raszeja Hospital in Poznań. The agreement starts the seventh year of cooperation with Health Service Centre Poznań-Jeżyce.

The Company also established cooperation with the Anna Gostynińska Hospital in the Wola District of Warsaw, within the scope of carrying out magnetic resonance tests.

3. OTHER INFORMATION

3.1. The principles for the preparation of semi-annual condensed financial statements

The principles for the preparation of semi-annual condensed financial statements are presented in the introduction to the semi-annual condensed financial statements.

3.2. The description of basic threats and risks related to the remaining months of the financial year

- **The risk arising from the deterioration of the financial situation of the Company's clients**

The sale of pre-paid medical plans to corporate clients constitutes the Company's key distribution channel. There is a risk that if the financial situation of a client deteriorates significantly, the client could resign from offering medical care to its employees, as a direct consequence of which he could terminate the agreement with the Issuer or reduce the range of services. The potential risk could also manifest itself in the reduction of employment at the client's company, which could lead directly to a decrease in the related revenue.

- **The risk arising from becoming dependent on clients and distribution channels**

The main groups of the Company's clients include corporate clients, individuals and insurance companies' patients. There is a risk that the share of a given client or a distribution channel in the Company's revenue becomes so significant that the Issuer's financial performance might deteriorate significantly if the Issuer loses the client or if the sales in the distribution channel decrease. Having regard to the above, and in order to minimize the risk of becoming dependent on one particular client or distribution channel, the Company consistently pursues the policy of diversifying its sources of revenue.

- **The risk arising from an excessive spread of seasonal illnesses**

The number of patients served by the Company is also influenced by seasonal factors such as the number of persons suffering from seasonal illnesses like flu (especially at the end of winter and summer and at the beginning of spring and autumn). There is a risk that if there is a particularly large number of patients suffering from seasonal illnesses, the Issuer will incur significant costs for the provision of services to the above-average number of patients, which may negatively influence the profitability of its business activity. However, as the Company's historical experience shows, the additional inflow of patients served under the pre-paid medical plan, who generate additional costs, is balanced by an increase in the number of fee-for-service and insurance patients, who in turn generate additional revenue. The Company also carries out a number of educational and preventive campaigns aimed at protecting patients against the effects of seasonal illnesses, such as the campaign of vaccination against the flu among patients served under the pre-paid medical plans.

- **The risk arising from higher than average use of products under pre-paid medical plans**

The products under pre-paid medical plans constitute one of the Company's main distribution channels. The profitability of a contract with a corporate client depends on the use of pre-paid medical plans later on by the patients covered by medical care, i.e. the number of visits made by these patients. There is a risk that the use of pre-paid medical plans will be much higher than the average use, which will result in the reduction of a given contract's profitability for the Issuer. In order to minimize the risk, the Issuer monitors individual contracts' profitability on a monthly basis. In addition, the contracts are also periodically renegotiated. Taking into account the wide base of the Company's corporate clients, the Issuer strives to ensure average satisfactory profitability for the whole client portfolio.

- **The risk arising from the termination of tenancy agreements**

In relation to the tenancy agreements concluded for relatively short periods of time with public healthcare facilities, there is a risk that these contracts will not be extended by further periods. The premises covered by tenancy agreements are equipped with important and valuable appliances. There is a risk that the Company will not find substitute premises when needed, which may result in a temporary interruption to the provision of services, which, in turn, may negatively influence the Company's financial performance.

- **The risk of changes in the Polish National Healthcare Fund's contracting policy**

The Company has many years' experience of cooperation with the Polish National Healthcare Fund (NFZ), with which it has been concluding contracts since 2004. ENEL-MED has positive experience of cooperating with NFZ; however, there is a risk of changes in NFZ's contracting policy, which may contribute to a reduction in the related revenue. In addition, the Issuer also carries out a certain number of services above the contracted number. There is a risk that NFZ will not pay for the additional services provided by the Company, which may influence the Issuer's financial performance.

- **The risk of losing key medical personnel**

As in the case of all medical operators, the medical personnel constitute the Company's key personnel. There is a risk that some physicians will decide to terminate cooperation with the Company, which may result in losing some patients. The Company, however, cooperates with many qualified physicians and specialists. Thus, individual physicians do not have a significant influence on the generated revenue. Furthermore, as a part of the effective human resources management policy, the Company developed an incentive and loyalty programme for the medical personnel, under which the effectiveness of individual physicians is reviewed and rewarded. In addition, there are training and academic courses held for the medical personnel. The Issuer also offers competitive salaries, which are equal to, or higher than, the ones offered on the market.

- **The risk of medical malpractice in relation the Company's patient**

Every year, the Issuer performs a considerable number of medical services, including consultations and operations. There is a risk that the Company's medical personnel will commit an act of medical malpractice in relation to a patient. As a result of such an act of malpractice, the Company may be charged with the costs of compensation, and it may experience significant damage to its reputation. In order to minimize the risk, the Company has implemented management and patient service procedures. A separate unit has been established in the Issuer's organisational structure, which is responsible for the quality of medical services, and for the compliance of medical processes with the developed standards and procedures. Additionally, both the Company and the physicians have taken out medical malpractice insurance policies.

- **The risk arising from becoming dependent on suppliers and subcontractors**

One of the significant elements of the Issuer's business model is the use of medical services provided by subcontractors (partner facilities) and by the suppliers of medical materials, housekeeping materials, and by the suppliers of medical equipment, thanks to which the Company is able to offer high-quality medical care to its clients. In order to minimize the risk that the Issuer's operations will become dependent on any single supplier, the Company cooperates with a number of suppliers and diversifies the sources of supply. The market of medical materials, housekeeping materials and medical equipment is, in the Issuer's opinion, a highly competitive market, which allows the Company to freely choose the supplier of any product. Another group of the Company's suppliers are the subcontractors of medical services, thanks to which the Company may offer medical care to its patients in the areas where the Issuer does not have its own medical facilities. Taking into account the fact that the network of partner facilities consists of more than 700 entities, the termination of the cooperation with one subcontractor does not pose any threat to the Company's operations, although it could temporarily hinder the provision of services to corporate patients, particularly in smaller localities, where there is a limited choice of subcontractors.

- **The risk arising from changes in medical technologies**

The Issuer offers high-quality medical care to its patients, by using the medical technologies available in the market. There is a risk that a new technology occurs in the market, which is so innovative and effective that the fact that the Issuer does not have this technology in its offer may cause significant deterioration of the Company's competitive position. ENEL-MED tries to react as quickly as possible to innovations in the whole area of the treatment process, diagnostics and prevention, by monitoring market changes and trends. At the same time, in the Company's opinion, the technological progress in the medical services market is evolutionary. Nonetheless, if new solutions are launched on the market, which may significantly contribute to a better care of patients' health, the Issuer is willing to take the necessary measures to implement new medical technologies.

- **The risk arising from the choice of unsuitable location of diagnostic centres, multi-profile clinics**

The Issuer manages a wide medical network, which encompasses facilities all over Poland. There is a risk that if the selected location is not attractive enough, the actual number of patients attending it may be below the Company's expectations. The Issuer, however, has significant historical experience in selecting specific locations. The Company has developed a suitable model of opening new facilities. The model helps to reduce the risk of choosing an unsuitable location for a clinic or a diagnostic centre.

- **The risk that pre-paid medical plan products will be recognised as insurance products**

The pre-paid medical plan products offered by the Company have, in the opinion of some entities, the characteristics which are similar to insurance products. The Issuer does not share this opinion. If the pre-paid medical plan products were recognised as insurance products, the Issuer would have to make significant changes to its business model. The Company was granted a final and valid court decision, according to which the business activity consisting in concluding agreements with enterprises under the Enel-Care medical programme, which agreements provide the authorised individuals with health care services in exchange for a fee stipulated in the agreement, does not constitute insurance activity, for which the Company would have to obtain a permission required by law. In the Court's opinion, the agreements concluded by the Issuer do not constitute insurance agreements referred to in the Polish Civil Code. At the same time, the Issuer has developed a strategy if the regulations preventing the Company from offering pre-paid medical plan products come into force.

- **The risk of a pandemic or an epidemic**

The Company provides medical services to a wide range of patients all over Poland. There is a risk that in the event of a pandemic or an epidemic, the Issuer will be forced to provide services to a significantly larger number of patients, which may negatively influence the Company's financial performance and the effectiveness of its operations. In order to minimise the risk, the Issuer has developed relevant procedures and standards of conduct to be followed in case of the above-mentioned risk (the so-called pandemic plan), which were to some extent used in 2009 in the face of the threat caused by the A/H1N1 virus. The main rules of the developed pandemic plan provide for: the preparation of the method of conduct with the patients suspected to have an infection, changes in the department's work organisation, conducting the campaigns that promote pro-health behaviour and minimize the risk of infection, the introduction of quick diagnostic tests thanks to which viral infections may be differentiated, shortening the time spent on one visit during the period of increased number of visits.

- **The risk arising from the lack of effective protection of sensitive data**

The Issuer provides comprehensive medical services all over Poland. In connection with keeping

patients' medical records, the Company has access to particularly protected sensitive data. There is a risk that an unintentional disclosure of sensitive data may occur in the course of operating activities. In order to minimise the risk, the Issuer has developed and implemented the principles of the personal data protection policy. In their daily work, all employees and partners of the Company must strictly follow the policy. The conformity of the implemented policy's security with the ISO 9001:2008 standard has been confirmed by the Management Board's Plenipotentiary for the Quality Management System. The correct course of the process of safe personal data processing is constantly monitored by the Chief Information Security Administrator at the Management Board's Office of the Issuer, as well as by local Information Security Administrators, who are subordinated to him and functioning as the Managers of Branches and Coordinators of Diagnostic Centres. Each and every employee and partner must report to the Administrator any information about suspected cases of non-compliance with the personal data protection policy. The role of the Information Security Administrator is to immediately take measures aimed at elimination of the types of behaviour and situations that are not in compliance with the procedure.

- **The risk arising from exceeding the limits of financial involvement of diagnostic equipment suppliers**

The diagnostic equipment suppliers with whom the Issuer cooperates have specific limits of financial involvement in one economic entity, depending, among other things, on the scale of its activity. The Company plans a significant increase in its involvement in the imaging diagnostics segment, which requires further purchases of medical equipment from suppliers. There is a risk that if the Company reaches the limit of involvement with respect to one supplier, the Company will not be able to buy any additional medical equipment from another supplier. At present, the diagnostic market is a competitive market with a number of producers who have relatively similar product portfolio. In order to minimise the risk, the Issuer plans to establish cooperation with another diagnostic equipment producer or distributor in case of reaching a given supplier's limits. Taking also into account further development of the scale of the Company's activities, the current involvement limits established by suppliers should be significantly increased.

- **The risk of significant change in the macroeconomic situation in Poland**

The Company carries out its business activity on the national market of medical services. For that reason the financial results achieved by the Issuer are indirectly also connected with such macroeconomic indicators as: the GDP growth, the level of employment and unemployment, the growth dynamics of salaries, and the level of inflation and interest rates. In the first half of 2012, the Monetary Policy Council raised interest rates three times. These factors indirectly influence the demand for medical services among corporate and individual clients as well as among insurance companies.

According to most forecasts it is expected that the economic growth rate will decrease in the next months. The unemployment is also expected to increase slightly. Moreover, according to analysts,

salaries and wages will not be rising in real terms in the next few months. Thus the situation of society will deteriorate. These changes, however, are not expected to be deep. In the second half of the next year at the latest the situation should begin to gradually improve.

The influence of the changes in the GDP growth rate, unemployment, and real wages and salaries should not have any significant influence on the Company's financial situation. It should be emphasized that the Company's revenue is mainly dependent on long-term contracts. Moreover, the Company's services are used by individuals who earn more and who – even if the situation of a slow down in the rates of salary increases – will be able to afford to maintain the current expenditure structure.

- **The risk of significant foreign exchange fluctuations**

Foreign exchange fluctuations have an influence on the Issuer's operating activities, due to rent payments (which in most cases are denominated in the euro) and payments made for medical equipment (which are usually also denominated in the euro). Rent payments are made in zloty at the exchange rate of the National Bank of Poland. The Issuer's total annual liabilities concerning the lease of premises, which are denominated in a foreign currency, amount to approx. EUR 4 million, that is approx. PLN 17 million. If there are significant deviations of the actual exchange rate from the assumed level, the Issuer may record a gain or loss on foreign exchange differences. The Issuer constantly monitors the changes in foreign exchange rates. It should be emphasised that, according to most forecasts, the exchange rate of the zloty against the euro is expected to stabilize or grow, which means that the currency loan charge will be smaller.

- **The risk of significant changes in interest rates**

The Issuer finances its activities using external funds, including loans and borrowings, and the capital raised by issuing shares. Additionally, the Company purchases medical equipment under finance leases. The finance charges related to the servicing of external financing are directly dependent on the level of the WIBOR rate. If the level of interest rates changes, the Company's financial results may be different than those assumed.

At present, there are expectations that this year the Monetary Policy Council will start a cycle of interest rates' reductions. According to analysts, during the next twelve months interest rates may fall by 50-100 basis points, which will reduce the related charges.

- **The risk of changes in regulations and their interpretation**

The changes introduced or planned to be introduced to regulations, in particular to economic, tax and labour law, may constitute a risk factor causing negative consequences for the Company. Similar consequences result from the changes in interpretation of binding laws, in particular in relation to tax law provisions. The Issuer's activity is also indirectly influenced by the regulations concerning the public

health care sector, including the regulations stipulating the methods and rules of its financing, as well as defining the scope in which commercial patients may be admitted to public segment facilities. Depending on the nature of the changes, they may have a positive or a negative influence on the activity of the Issuer and other entities in the sector.

- **The risk of more intense domestic and foreign competition in the market**

Considerable attractiveness of the Polish market of private medical services, and good prospects for further development may result in an increase in the competition from both Polish and foreign companies. There is a risk that as a result of a more intense competition, the Issuer's revenue and profit may decrease. In the opinion of the Company, at present, the medical services market is very fragmented, as a result of which the entry of new players into the market would probably not have significant consequences. An increase in the level of competitiveness may be also expected in relation to the Issuer's existing competitors. The Company's significant competitive advantage in comparison to new and existing entities is a well-developed and diversified medical network.

3.3. The statement of the Management Board on whether the Company is able to meet the current year results forecasts published earlier

The Management Board of the Company maintains the forecasts for the year 2012. The sales in the first half of 2012 amounted to nearly PLN 89 million, which constitutes an increase by 9.5% in comparison to the same period last year. The biggest increase in sales may be observed in the pre-paid medical plans channel – nearly 16% in comparison to the first half of 2011. Thanks to the high quality of offered services and, above all, the best availability on the market, we are still able to attract new clients who are willing to provide their employees with first-class medical care. A half of the new clients are companies taken over from competitors as well as companies that earlier were not providing their employees with any medical care, except for occupational medicine. Another channel with a significant increase in sales was the channel where the settlements with corporate clients (companies as well as private and public medical facilities) are performed on a fee-for-service basis – an increase by nearly 12%.

It should be also pointed out that the size of sales in the first half of 2012 was negatively influenced by a delay in signing a contract for hospital services with the Mazovia Branch of the Polish National Health Fund. In 2012 the contracting procedure was postponed for a month (until the beginning of February). However in fact, the contracts with many entities (including Centrum Medyczne ENEL-MED) were not signed until 22 February. Due to the postponement the sale of hospital services under the contract with the National Health Fund in the first half of 2012 was by nearly 5% lower than a year earlier.

Taking into account the sales trends in individual channels and business sectors, the Company's Management Board believes that the revenue forecast for the year 2012 will most probably be met.

3.4. The shareholders who have – directly or indirectly through their subsidiaries – at least 5% of the total number of votes at the general meeting

The table below presents the shareholders who have at least 5% of the total number of votes at the general meeting of shareholders of Centrum Medyczne ENEL-MED S.A. as at the date of submission of the semi-annual report.

Shareholder	Number of shares	% equity interest	Number of votes	% of votes
Koremia Investments Ltd*	7 124 000	30.23%	7 124 000	30.23%
Versinus Ltd**	7 123 950	30.23%	7 123 950	30.23%
Generali Otworthy Fundusz Emerytalny	2 377 000	10.09%	2 377 000	10.09%

*100% of shares in Koremia Investments Ltd. are held by Adam Rozwadowski, the President of the Management Board of Centrum Medyczne ENEL-MED S.A.

** 100% of shares in Versinus Ltd. are held by Anna Rozwadowska, the Chairperson of the Supervisory Board of Centrum Medyczne ENEL-MED S.A.

From the date of submitting the previous quarterly report, the number of shares held by Generali Otworthy Fundusz Emerytalny has changed. In accordance with the list of persons authorised to participate in the Company's Annual General Meeting convened for 24 May 2012, which list was received from the National Depository for Securities, Generali Otworthy Fundusz Emerytalny has increased its number of shares and votes at the general meeting from 2,356,865, which constitutes 10.00% of the Company's equity and 10.00% of the number of votes to 2,377,000 shares and votes at the general meeting, which constitutes 10.09% of the Company's equity and of the number of votes at a general meeting.

3.5. The list of the Issuer's shares held by members of managing and supervising bodies

The table below presents the information about the shares in Centrum Medyczne ENEL-MED S.A. held by the members of the Company's Management Board and Supervisory Board as at the date of submission of the semi-annual report.

Shareholder	Number of shares	% equity interest	Number of votes	% of votes
Adam Rozwadowski *	7 124 000	30.23%	7 124 000	30.23%
Anna Rozwadowska **	7 123 950	30.23%	7 123 950	30.23%
Jacek Rozwadowski ***	992 800	4.21%	992 800	4.21%

* Adam Rozwadowski, the President of the Management Board, holds 100% of shares in Koremia Investments Ltd., a shareholder of Centrum Medyczne ENEL-MED S.A.

** Jacek Rozwadowski, the Vice-President of the Management Board, holds 100% of shares in Smerona Holdings Ltd., a shareholder of Centrum Medyczne ENEL-MED S.A.

*** Anna Rozwadowska, the Chairperson of the Supervisory Board, holds 100% of shares in Versinus

Ltd., a shareholder of Centrum Medyczne ENEL-MED S.A.

The information about the shares held by member of managing and supervising bodies has not changed since the publication of the previous quarterly report.

3.6. Information about the ongoing proceedings before a court, an arbitration body or a public administration body with regard to liabilities or receivables.

As at 30 June 2012, the Company was not taking part in any proceedings held before any court, any arbitration body or any public administration body, with regard to the Company's liabilities in the amount of at least 10% of equity.

As at 30 June 2012, the Company was not conducting any proceedings held before any court, any arbitration body or any public administration body, with regard to the Company's receivables in the amount of at least 10% of equity.

The total amount of claims in all proceedings pending as at 30 June 2012 with reference to the Company's liabilities did not exceed 10% of the Issuer's equity.

The total amount of claims in all proceedings pending as at 30 June 2012 with reference to the Company's receivables did not exceed 10% of the Issuer's equity as well.

3.7. Information about loan and borrowing guarantees as well as other guarantees granted by the Issuer or by its subsidiary, if their total value is equal to at least 10% of the Issuer's equity

The Company did not grant any loan or borrowing guarantees or any other guarantees the value of which would be equal to at least 10% of the Issuer's equity, to any other entity.

3.8. The factors which, in the Company's opinion, will have an influence on the Company's results at least in view of the next quarter

An increase in the incidence of illnesses at the end of autumn and the beginning of winter will contribute to the generation of more revenue from the provision of services to insurance companies' clients, whose settlements with the Company are on a fee-for-service basis. In the first half of 2012 we signed 150 of new agreements, i.e. by over 13% more than in the same period of 2011. This will be reflected in the rise in the revenue from pre-paid medical plans. Furthermore we expect increased sales in the Diagnostics and Hospital Department. The increase in sales will result from increased expenditures on marketing activities in the third quarter of 2012.

3.9. Information about one or many transaction concluded by the Issuer or by its subsidiary with related entities, if these transactions are significant individually or jointly and if they were concluded on other than market terms.

Neither the Issuer nor any of its subsidiaries have concluded any transaction with a related party on other than market terms.

Adam Rozwadowski
President of the Management Board

Jacek Rozwadowski
Vice-President of the Management Board