

## Financial results

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2009-06-29

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In the first quarter of 2009 financial results recorded by the surveyed companies (17,440 companies employing 50 or more people) were poorer than a year before. Net profit was lower, the number of loss-making companies was up, and net loss was almost three times higher than a year before. All of the basic performance indicators deteriorated: the cost index worsened, the share of gross wages, external services and energy increased in total expenditure, while the share of materials decreased. It should be noted that the first-quarter results, with net profitability at 2.2%, were better than the results for the fourth quarter of 2008, when profitability was at -0.1%.

In the first quarter of 2009 the financial condition of enterprises was characterised by the following trends:

- Growth in revenues was slower than in business expenditures. Revenues from overall business operations were by 3.4% higher than a year before; business expenditures were higher by 6.6%. As a result the cost index worsened from 94.1% a year before to 97.1% in the first quarter of 2009;
- The companies generated a gross profit of PLN13.4 billion, compared to PLN25.7 billion in the previous year (down by almost 50%). The net profit reached PLN9.8 billion. Compared to the first quarter of 2008, the net profit was lower by almost 40%.
- A total of 62.3% of enterprises showed a net profit; their share in total revenue decreased from 80.7% to 69.5%. This means that the share of loss-making businesses stood at 38% in the first quarter;
- Net return on sales amounted to 2.2% in the first quarter of 2009 versus 4.8% a year before; in the fourth quarter the rate was negative;

- Of the surveyed companies, 45.2% reported exporting activity in the first quarter. Receipts from exports were lower by 4.4% year on year and the share of exports in total revenues dropped to 19.4% from 20.7%;
- Not all of the major sectors of the economy were profitable in the first quarter. Construction, hotels and restaurants showed a loss. In the manufacturing sector, losses were reported by oil processing companies and producers of wood products.