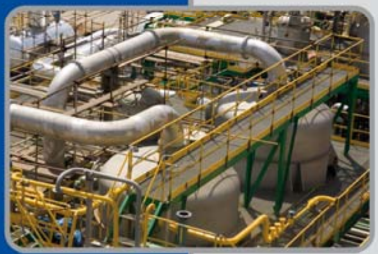
ENERGOMONTAŻ-POŁUDNIE SA

ENERGOMONTAŻ POŁUDNIE CAPITAL GROUP FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2008

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS



2008

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INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2008

1. BUSINESS NAME AND SEAT OF THE COMPANY, INDICATION OF THE COMPETENT REGISTER COURT AND REGISTER NUMBER AND FUNDAMENTAL OBJECT OF ISSUER'S ACTIVITY ACCORDING TO THE POLISH CLASSIFICATION OF ACTIVITY "PKD" AND IF ISSUER'S SECURITIES ARE ON THE REGULATED MARKET - ALSO INDICATION OF THE BRANCH ACCORDING TO THE CLASSIFICATION ADOPTED BY THE MARKET

The main object of the activity of the parent entity Energomontaż-Południe S.A. in Katowice is conducting activity in the scope of assembly of industrial machines and devices (PKD 45.34) registered in the District Court in Katowice - KRS No. 80906. The Company is classified on the official market in the construction branch.

2. INDICATION OF ISSUER'S ACTIVITY DURATION, IF IT IS DESIGNATED

The Company's and the Capital Group's activity duration is undesignated.

3. INDICATION OF PERIODS THAT ARE PRESENTED IN THE FINANCIAL STATEMENTS

The presented financial statements cover:

- current period from 1st January to 31st December 2008
- comparative period from 1st January to 31st December 2007

Data shown in the statements are expressed in PLN and rounded to full thousands.

4. INFORMATION REGARDING THE COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The composition of the parent entity's Management Board in 2008

Wojciech Nazarek	President
Andrzej Hołda	Vice President /from 01.03.2008/
Tadeusz Torbus	Member

The composition of the parent entity's Supervisory Board in 2008

Sławomir Masiuk	Chairman
Marek Wesołowski	Vice Chairman

Andrzej Kowalski	Member
Krzysztof Radojewski	Member /from 06.06.2008/
Waldemar Tevnell	Member /from 06.06.2008/

The composition of the Management Board of CK- Modus Sp. z o.o.

Tadeusz Torbus	President

The composition of the Supervisory Board of CK- Modus Sp. z o.o.

Andrzej Hołda	Chairman
Paweł Szafraniec	Vice Chairman
Alina Sowa	Secretary

The composition of the Management Board of EP Centrum Rekreacji Sp. z o.o.

Maciej Łobejko	President

The composition of the Management Board of Modus II Sp. z o.o.

Piotr Nowak	President

The composition of the Management Board of „Amontex" PM Sp. z o.o.

Andrzej Kowalski	President

The composition of the Supervisory Board of „Amontex" PM Sp. z o.o.

Sławomir Masiuk	Chairman
Wojciech Nazarek	Member
Maciej Mikucki	Member
Marek Wesołowski	Member

As of 31.12.2008 the companies EP Centrum Rekreacji Sp. z o.o. and Modus II Sp. z o.o. had no supervisory boards.

5. INDICATION WHETHER THE FINANCIAL STATEMENTS AND COMPARATIVE FINANCIAL DATA CONTAIN SUMMARY DATA - IF THE ISSUER'S COMPANY IS COMPOSED OF INTERNAL ORGANIZATIONAL ENTITIES THAT INDEPENDENTLY DRAW UP FINANCIAL STATEMENTS

The financial statements contain no summary data as the Company and the Capital Group's entities are not composed of internal organizational entities that independently draw up financial statements.

6. MERGER OF COMPANIES

No merger of companies took place in the reporting period.

7. ASSUMPTION OF THE CONTINUATION OF THE ECONOMIC ACTIVITY

The economic activity of both the parent entity and the subsidiaries will be continued.

8. ENTITIES SUBJECT TO CONSOLIDATION

NAME OF THE COMPANY	Type of connection	% of capital owned
CK- Modus Sp. z o.o.	subsidiary	100
EP Centrum Rekreacji Sp. z o.o.	subsidiary	100
Modus II Sp. z o.o.	subsidiary	100
Amontex PM Sp. z o. o.	subsidiary	100

Energomontaż-Południe S.A. owns 70% of shares in Open Sp. z o.o. from Wrocław and 90.3% of shares in Energomontaż Zachód Sp. z o.o. from Warsaw. We have no control over these companies due to pending bankruptcy proceedings.

9. The companies CK-Modus Sp. z o.o., EP Centrum Rekreacji Sp. z o.o., Modus II Sp. z o.o., Amontex PM Sp. z o.o., in which Energomontaż-Południe S.A. owns 100% of shares, are subject to consolidation.

NAME	CK-Modus Sp. z o.o.	EP Centrum Rekreacji Sp. z o. o.	Modus II Sp. z o. o.	Amontex PM Sp. z o. o.
	subsidiary	subsidiary	subsidiary	subsidiary
Sales revenues	879	1 320	0	50 219
Other revenues	75	1	0	148
Financial result	14	242	-94	5 045
Balance sheet total	**46 019**	**432**	**3 286**	**31 651**

Other revenues: (operating and financial)

The main object of activity of **CK-Modus Sp. z o.o.** are financial services PKD 67132. The company is registered in the District Court in Katowice - KRS No. 0000112995.

The main object of activity of **EP Centrum Rekreacji Sp. z o.o**. is hire of other places of short-term accommodation PKD 5523Z. The company is registered in the District Court in Katowice - KRS No. 0000134975.

The main object of activity of **Modus II Sp. z o.o.** is activity related to the development and sales of real estate on own account. The company is registered in the National Economic Register under KRS No. 0000289248.

The main object of activity of **Amontex Sp. z o.o.** is activity related to the manufacture of metal products and structures. The company is registered in the National Economic Register in Łódź under KRS No. 0000154195.

The entities that are a part of the Capital Group have no shares in the capitals of other entities that are a part of the Capital Group.

10. DECLARATION THAT THE FINANCIAL STATEMENTS WERE TRANSFORMED TO ASSURE THAT DATA ARE COMPARABLE AND THE ACCOUNT AND EXPLANATION OF DIFFERENCES RESULTING FROM ADJUSTMENTS DUE TO CHANGES OF ACCOUNTING PRINCIPLES (POLICY) OR ADJUSTMENTS OF FUNDAMENTAL ERRORS WAS PLACED IN AN ADDITIONAL EXPLANATORY NOTE

There were no differences between data revealed in the consolidated financial statements and comparative financial data and financial statements prepared and published previously for the year 2007.

11. DESCRIPTION OF THE SIGNIFICANT ACCOUNTING PRINCIPLES APPLIED

11.1 DECLARATION OF CONFORMITY WITH THE REGULATIONS

The Group applied in the present financial statements the accounting principles specified in International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) effective as of 31st December 2008. The presented financial statements show in a true, diligent and clear way the property and financial situation for the year 2007 and 2008 and financial results for the year 2007 and 2008. The statements contain a true picture of development and achievements and Issuer's situation, including the described risks and threats.

11.2 TANGIBLE FIXED ASSETS (IAS 16)

Tangible assets are recorded pursuant to the GUS, (KST,KRST) classification of tangible assets.
The original value of tangible fixed assets except for lands and buildings is determined as a purchase price and in case of manufacturing the tangible assets in own scope in the amount of technical cost of manufacturing.
Lands and buildings are shown in a fair value on the basis of valuations made periodically, but at least once every three years, by independent property experts, diminished by further buildings depreciation.
The increase of the carrying value due to lands and buildings revaluation increases the reserve capital from revaluation within the framework of equity. A decrease that compensates previous increases regarding the

same tangible assets decrease equity that arouse from the valuation of fair value. All other decreases are presented in the profit and loss statement.
If the closing value of a component of tangible fixed assets exceeds or equals its carrying value then this component is no longer depreciated until its closing value decreases below the carrying value.
The value of tangible fixed assets is subject to amortization taking into account the estimated operating period and the retrieval value in case of liquidation. Tangible assets of original value less than 3,500.00 PLN for the purposes of balance sheet and taxes are depreciated once, at the moment of commissioning.
Amortization rates resulting from the law of 15th February 1992 on the tax from legal persons that specifies the amount of amortization constituting tax deductible costs are assumed for fiscal purposes.
Tangible assets are depreciated according to the straight line method beginning from the month after the month when they are ready to be used in the period corresponding to the estimated period of their economic utility:

- own lands are not depreciated
- buildings and structures 10-50 years
- technical equipment and machines 2.5-20 years
- means of transport 3-10 years
- other tangible assets 2.5-14 years

The Company performed the valuation of buildings according to the fair value and acknowledged it as the assumed cost as of 1st January 2004, which is the day of transition to using IFRS.
Lands in perpetual usufruct are shown off-balance in the fair value.
Tangible assets under construction are valued in the amount of general costs that are directly related to their purchase or manufacturing diminished by write-offs due to permanent impairment. Investment materials are also shown within the framework of tangible assets under construction.
Tangible assets under construction are not depreciated until the end of their construction and commissioning.

11.3 NON-TANGIBLE ASSETS (IAS 38)

A component of intangible assets is shown in the purchase price or manufacturing cost diminished by depreciation and total amount of allowances due to impairment. Allowances should be evenly apportioned in its usage period estimated as properly as possible. Amortization begins at the moment when the component of intangible assets is ready to use.

Intangible assets are depreciated using the straight line method according to the following rules:

- licences and patents 2 years
- software 2 years

Intangible assets of unit purchase price equal to or less than **3,500.00 PLN** are written-off in the costs once. Other intangible assets are depreciated using the straight line method in their usage period estimated properly. Amortization periods of intangible assets of significant original value are verified at least once at the end of every financial year.

11.4. GOODWILL

Goodwill is a surplus of the take-over cost over the fair value of the parent entity interest in the identifiable net assets of the subsidiary or associated entity that was taken-over as of the day of the take-over. Goodwill is subject to examinations regarding impairment. In the balance sheet it is shown according to the cost diminished by accumulated write-offs due to permanent impairment that are presented in the profit and loss statement.

11.5 INVESTMENT REAL ESTATE (IAS 40)

Investment real estate is a real estate (land, building, structure or part of a building) that the Company considers as a source of revenues from rent or maintains due to increase of its value. Lands and buildings are valued according to the fair value. The fair value for buildings is assumed to be their net book value. Investment real estate is not subject to amortization. Profit and loss resulting from the changes of fair value are presented in the profit and loss statement of the period when they arouse.

11.6 LEASING (IAS 17)

Leasing of tangible fixed assets when the Company takes over virtually all benefits and all risks resulting from the ownership title is classified as financial leasing. Assets used on the basis of financial leasing contract are considered as the Company's assets and valued in their fair value at the moment of their purchase, which however does not exceed the minimal leasing payments. Payables that arise due to this title to the lessor are presented in the balance sheet in the item due to financial leasing as payables.
Leasing payments are divided into interest and capital so that the interest rate from the remaining payables is fixed value.
Interest is applied to the profit and loss statement and encumbers the financial costs during the leasing period. The components of tangible fixed assets purchased within the framework of financial leasing contracts are depreciated throughout the usage period of the given assets component or throughout the period of leasing.
Leasing where the lessor maintains basically all types of risk and benefits due to ownership is classified as operating leasing. Leasing payments within the framework of operating leasing encumber the profit and loss statement in a linear way throughout the period of the leasing contract duration.

11.7 INVENTORIES (IAS 2)

Inventories are valued in the purchase price, in the manufacturing cost or in net value that may be attained according to the lowest one. As of the balance sheet day one makes allowances for inventories if there are justifying grounds for them. Allowances are classified in the operating costs. As of the balance sheet day inventories are shown in the purchase price diminished by allowances made. The Company makes inventories spending according to the following methods:

- materials - according to the purchase price for materials purchased for a particular order,
- goods - according to FIFO method (spending is valued consecutively at prices of the components that the Company purchased at the earliest).

Work in progress is valued according to the manufacturing cost including direct costs and the justified part of indirect costs except for the costs of external financing.

11.8 LONG- AND SHORT-TERM RECEIVABLES

Trade receivables are shown in the amount of payment due diminished by allowances. Receivables are revaluated, depending on the degree of probability of their payment, by making the allowance.
Allowances for receivables are classified in the operating costs or financial costs respectively - depending on the type of receivables that the allowance refers to.
Depreciated, prescribed or uncollectible receivables diminish previous allowances for receivables.
In case when the time of money payment is significant, receivables are determined through discounting the expected future cash flows to the current amount using the gross discount rate that reflects current market estimations of time value of money. If the discounting method is applied, the increase of receivables in connection with the lapse of time is presented as financial revenues.

11.9 TRANSACTIONS IN FOREIGN CURRENCY (IAS 21)

The functional currency of the Company is Polish zloty. Transactions expressed in currencies other than the Polish zloty are converted to Polish zlotys using the exchange rate effective as of the day of the transaction.
As of the balance sheet day cash, bank credits and other pecuniary assets and liabilities expressed in currencies other than the Polish zloty are converted to Polish zloty using the average NBP exchange rate. The exchange rate differences that occur due to conversion are presented in the financial revenues or costs respectively.
Non-pecuniary assets and liabilities presented according to the historical cost expressed in the foreign currency are shown at a historical exchange rate as of the day of transaction. Non-pecuniary assets and liabilities presented according to the fair value expressed in the foreign currency are converted at the exchange rate as of the day of valuation to the fair value. The EURO exchange rate for the purpose of valuation was assumed as of 31.12.2007 - 3.5820 and as of 31.12.2008 - -4.1724.

11.10 CASH AND ITS EQUIVALENTS (IAS 39)

Cash in hand and in bank as well as short-term deposits maintained until the maturity date are valued according to the nominal value.
Cash and cash equivalents balance shown in the cash flow statement consists of the above mentioned cash and cash equivalents diminished by the unpaid credits in the current account.
The Company considers cash on the ZFŚS (the Company's Social Fund) account and cash on cash deposits provided as contract performance guarantees as cash of limited disposal ability.

11.11 FIXED ASSETS INTENDED FOR SALE AND DISONTINUED ACTIVITIES (IFRS 5)

Fixed assets that are very likely to be sold as there is an active programme of searching a purchaser for them and the sale is expected to be closed within one year are classified as fixed assets intended for sale and they are no longer depreciated.

11.12 PREPAYMENTS AND ACCRUALS

Prepayments are made if the incurred costs regard future reporting periods.
For example the following are subject to settlement in time:

- property insurances,
- annuities for lands accepted for perpetual usufruct,
- annual write-off for the Company's Social Fund,
- magazines subscription paid for the next year,
- other costs regarding a series of reporting periods, if the title to their activation results from their documentary proof,
- surplus of the revenues valued cumulatively over the net booked advances is booked in the short-term prepayments and presented in assets.

The titles of prepayments that do not refer to the Company's regular operating activity cycle and their settlement period will be longer than 12 months from the balance sheet date are shown in the long-term prepayments.
Accruals are made in the amount of probable payables falling upon the current reporting period.

Accruals contain:

- provision due to guarantee or warranty repairs or long life goods sold,
- planned costs of financial statements audit,
- costs of unused leaves including ZUS (Social Insurance Institute) premiums,
- provisions for unpaid bonuses for employees, proxies and members of the management board,
- value of services performed for the benefit of the Company that have not been invoiced and by virtue of the contract the contractor has not been obliged to invoice it,
- costs of current period shown in an invoice of the next period,
- provisions for deferred financial costs,
- surplus of net booked advances over cumulative valuation revenues, which is booked in other short-term accruals and presented in liabilities, item payables.

11.13 SHARE CAPITAL AND RESERVE CAPITAL

Share capital is shown in the nominal value of shares issued pursuant to the articles of association and the status registered in the National Court Register (NCR).
Pursuant to the IAS 29 requirements, the Company recounted share capital as it arouse in hyperinflation conditions.

Additional costs directly related to the issue of new shares or options are shown in equity as a reduction of proceeds from the issue. In case of shares cancellation the payment for shares encumbers equity and is shown in the balance sheet in the item own shares. Reserve capital is created pursuant to the Company's articles of association from the retained profit and as a result of movement of other reserve capitals. Reserve capital from revaluation contains the profit and loss from the changes of the fair value of financial instruments and tangible assets.

11.14 PROVISIONS (IAS 37)

Provisions are created when the Company has an existing duty (legal or customary) resulting from the past events and when it is certain or very probable that the fulfilment of such duty will result in the payment of means reflecting economic benefits and when it is possible to make a reliable valuation of the amount of such liability.

11.15 RETIREMENT AND OTHER BENEFITS AFTER THE EMPLOYMENT PERIOD (IAS 19)

In accordance with the Company's remuneration system, the employees are entitled to jubilee rewards after having worked a specified amount of years and to gratuities and annuities at the moment of retiring. The Company acknowledges the costs for such titles on the memorial basis.
The amount of the jubilee award depends on the seniority and on the average quarterly remuneration.
The employees also obtain single payments due to retiring. The amount of payments depends on the employee's remuneration.
The valuation of long- and short-term benefits is made at the end of every financial year on the basis of actuarial valuation.

11.16 FINANCIAL INSTRUMENTS (IAS 32,39)

Financial instruments are divided into the following categories:

- financial assets maintained to the maturity date,
- financial instruments valued in the fair value by the financial result,
- loans and receivables and
- financial assets available for sale.

Financial assets maintained to the maturity date are investments of specified or possible to specify payment terms and determined maturity date that the Company intends or has the possibility to maintain until that time. Financial assets maintained to the maturity date are valued according to the depreciated cost using the effective interest rate method.
Financial instruments purchased to generate profit from short-term price fluctuations are classified as financial instruments valued in the fair value by the financial result.
Financial instruments valued in the fair value by the financial result are valued in the fair value without deducting the costs of transactions and considering their market value as of the balance sheet date. The changes of the financial instruments are presented in the financial revenues or costs.

Loans and receivables are presented according to the depreciated cost.

All other financial assets are financial assets available for sale. Financial assets available for sale are presented according to the fair value without deducting the costs of transactions and considering their market value as of the balance sheet date. In case there are no stock exchange listings on the active market and it is impossible to estimate their fair value using alternative methods in a reliable way, financial assets available for sale are valued in the purchase price adjusted by the allowance due to impairment.

Positive and negative difference between the fair value and the purchase price - after deduction of the deferred tax - of assets available for sale (if there is a market price determined on the active regulated market or where the fair value may be determined in another reliable way) applies to the reserve capital from revaluation. The decrease of assets available for sale due to impairment refers to the profit and loss statement as a financial cost.

Financial assets maintained to the maturity date are qualified as long-term assets if their maturity date exceeds 12 months from the balance sheet date.

Financial assets valued in the fair value by the financial result are qualified to current assets if the Management Board intends to use them within 12 months from the balance sheet date.

Purchase and sales of financial assets are identified as of the day of transaction. At the moment they are initially presented, they are valued at the price of purchase, i.e. in the fair value, including the transaction costs.

Financial payables that are not financial instruments valued in the fair value by the financial result are valued according to the depreciated cost using the effective interest rate method.

A financial instrument is removed from the balance sheet when the Company no longer controls the contractual rights that the financial instrument consists of: it usually takes place when the instrument is sold or when all cash flows attributed to the instrument are passed on to an independent third party.

11.17 PAYABLES

Long-term payables contain payables or a part of payables with the maturity date after the lapse of at least one year beginning from the balance sheet date.
This item also shows the long-term part of bank credits and loans as well as credits due to deliveries and services above 12 months that exceed the regular operating cycle. Long-term payables that exceed the regular production cycle are valued as of the balance sheet date according to the depreciated cost using the effective interest rate method. Bank credits are presented according to the purchase price corresponding to

the fair value of cash obtained diminished by credit costs. As of the balance sheet date they are valued according to the depreciated cost using the effective interest rate method.
Short-term payables are all payables due to deliveries and services in the regular production cycle as well as all or a part of the remaining payables that mature within 12 months from the balance sheet date. Payables are valued in the amount of the required payement.

11.18 PERMANENT IMPAIRMENT OF ASSETS (IAS 36)

As of every balance sheet day the Company estimates whether there are objective backgrounds that indicate assets component or group impairment. If there are such backgrounds, the Company determines the estimated value of the assets component that may be regained. If the carrying value of the given assets component or cash earning means exceeds its regaining value, its impairment is acknowledged and an allowance to the level of the regaining value is made. The regaining value is one of the two values, whichever is higher: the fair value diminished by the selling costs or use value of the given assets component or cash earning means. The write-off is applied to the profit and loss statement of the current period. If the assets have already been revaluated, the loss diminishes the revaluation capitals and then is applied to the profit and loss statement of the current period.

11.19 DEFERRED INCOME TAX (IAS 12)

In connection with temporary differences between assets and liabilities shown in the accounting books and their tax value and tax loss that can be deducted in the future, the Company makes a provision and determines assets due to deferred income tax that it is obliged to pay.
The gross financial result determined on the basis of book-keeping records is subject to transformation to the tax income through:

- adding the expenses that do not constitute tax deductible costs to the gross profit, pursuant to the law on income tax from the legal persons,
- deduction from the gross profit of the revenues that are not acknowledged as tax revenue, pursuant to the law,
- adding the so-called statistical revenues to the gross profit.

The above mentioned adjustments of the gross profit are:

- permanent - the amounts added and deductions that are not considered when estimating the income, for example representation expenses, amortization of passenger cars and their insurances above the limit amounts,
- temporary - amounts that can be presented as tax deductible costs or as revenues within the meaning of the law on the income tax, but in a period other than the accounting law provides for.

The provision due to the deferred income tax equals the income tax that is to be paid in the future as there are positive temporary differences, i.e. differences that will increase the basis for calculating the income tax in the future.
The provision due to the deferred tax is valued in accordance with the application of tax rates that as anticipated will be applied when the provision will be released assuming for the basis the tax rates (and tax

regulations) that were legally or practically valid as of the balance sheet day. The current and deferred tax is presented as a revenue or a cost that influences the net profit or loss of the given period, excluding taxes resulting from:

- transactions or events that are presented directly in the capital in the same or another period or
- merger of economic entities.

The provisions for the deferred tax as well as the activated income tax must be analyzed and settled in monthly periods on the basis of the titles that were the basis for their formation. The deferred tax ought to be shown in the profit and loss statement in the item "Income tax".
The provision for the income tax and the activated income tax are made only with reference to the adjustments of temporary nature. The provision and assets due to the deferred income tax regarding operations settled with own capitals apply also to equity.

11.20 PRESENTATION OF REVENUES

11.20.1 REVENUES FROM THE SALES OF GOODS AND PRODUCTS (IAS 18)

The revenues are presented if a significant risk or benefits resulting from the ownership right to goods and products were given to the purchaser and when the revenues may be valued in a reliable way.

11.20.2 REVENUES DUE TO CONTRACTS FOR CONSTRUCTION SERVICES (IAS 11)

The contracts for construction services as of the balance sheet day are valued on the basis of the services progress method. The progress degree is determined on the basis of relation of the incurred costs and the planned updated costs of contract performance, i.e. the degree of performance of the budget of the entire contract.

11.20.3 INTEREST REVENUES (IAS 18)

Revenues due to interest are acknowledged at the moment they are accrued taking into consideration the effective return rate from the assets. Allowance is made for all revenues except for the valued interest from loans.

11.20.4 DIVIDEND REVENUES (IAS 18)

Revenues due to dividends are acknowledged at the moment the Company obtains the right to the dividends.

11.20.5 REVENUES DUE TO HIRE (IAS 18)

Revenues due to hire of investment real estate are presented using the straight line method throughout the hire period in relation to the open contracts.

11.21 NET PROFIT PER SHARE (IAS 33)

Net profit per share for every period is calculated dividing the net profit assigned to the Company's shareholders by the average weighted number of common shares in the given period.

11.22 CONTINGENT PAYABLES AND RECEIVABLES (IAS 37)

Contingent payables mean the duty to perform benefits that will arise depending on the existence of specified events.
Contingent payables are not shown in the balance sheet, however information on a contingent payable is disclosed unless the probability to provide means reflecting economic benefits is insignificant.
Contingent receivables are not shown in the balance sheet, however information on a contingent receivable is disclosed if the receipt of means reflecting economic benefits is probable.

11.23 DERIVATIVE FINANCIAL INSTRUMENTS (IAS 39)

The Company applies derivative financial instruments mainly to limit the risk of negative fluctuations of interest rates, foreign currency exchange rates, goods prices and other types of market risk. Derivative financial instruments are shown in the fair value.

11.23.1 SECURING THE PRESENTED ASSETS AND LIABILITIES (IAS 39)

If a derivative financial instrument secures against the changeability of the fair value of the presented receivables or payables, all profits or losses from the securing instrument arising as a result are presented in the profit and loss statement.
The securing item is also shown in the fair value in relation to the risk secured, whereas all profits and losses are contained in the profit and loss statement.

11.24 REPORTING REGARDING THE ACTIVITY SEGMENTS (IFRS 8)

The activity is grouped mainly according to the branch criterion. A segment of activity is a group of assets and areas of actions that are engaged to deliver products or services subject to particular types of risk and benefits that differ from the types of risks and benefits of other segments of activity. The basis for defining the costs of segments are such costs that contain costs of selling the products to the clients and costs of transactions made with other segments that result from the operating activity of the given segment and that may be directly assigned to the segment.

A complementary classification is a geographical classification, where the delivery of products and services takes place in a particular economic environment and is subject to particular types of risks and benefits that differ from the types of risks and benefits of segments of activity in other economic environments.

12. EXCHANGE RATES APPLIED TO CONVERSIONS

The Company applied the below mentioned average PLN exchange rates, in the periods presented in the financial statements and comparative data, in relation to EURO, fixed by the National Bank of Poland.

	01.01.2008-31.12.2008	**01.01.2007-31.12.2007**
The exchange rate as of the last day of the period	4.1724	3.5820
The average exchange rate	3.5321	3.7768

SELECTED DATA FROM THE PROFIT AND LOSS STATEMENT, BALANCE SHEET AND CASH FLOWS

PERIOD	**2008**		**2007**	
SELECTED FINANCIAL DATA	**'000 PLN**	**'000 EUR**	**'000 PLN**	**'000 EUR**
CONSOLIDATED PROFIT AND LOSS STATEMENT				
I. Net revenues from the sales of products, goods and materials	239 905	67 921	232 308	61 509
II. Costs of sold products, goods and materials	202 796	57 415	214 479	56 789
III. Gross profit on sales	37 109	10 506	17 829	4 721
IV. Other revenues	22 032	6 238	14 136	3 743
V. Costs of sales	956	271	94	25
VI. General management costs	15 494	4 387	9 243	2 447
VII. Other costs	17 359	4 915	11 697	3 097
VIII. Profit from operating activity	25 332	7 172	10 931	2 894
IX. Financial revenues	7 923	2 243	9 675	2 562
X. Financial costs	13 358	3 782	4 018	1 064
XI. Gross profit	19 897	5 633	16 588	4 392
XIV. Income tax	4 212	1 192	4 152	1 099
XV. Net profit from continued activities	15 685	4 441	12 436	3 293
CONSOLIDATED BALANCE SHEET				
I. Long-term fixed assets	94 863	22 736	49 684	13 870
II. Short-term current assets	214 581	51 429	144 081	40 224
III. Total assets	309 444	74 165	193 765	54 094
IV. Equity	111 857	26 809	91 411	25 520
V. Long-term payables	43 383	10 398	16 807	4 692
VI. Short-term payables	154 204	36 958	85 547	23 882
VIII. Total liabilities	309 444	74 165	193 765	54 094
CASH FLOW STATEMENT				
I. Net cash flows from operating activities	7 120	2 016	-28 256	-7 481
II. Net cash flows from investment activity	-68 932	-19 516	8 023	2 124

PERIOD SELECTED FINANCIAL DATA	2008 '000 PLN	 '000 EUR	2007 '000 PLN	 '000 EUR
III. Net cash flows from financial activity	33 994	9 624	44 038	11 660
IV. Net cash flows	-27 818	-7 876	23 805	6 303

The average exchange rate from the four quarters was applied to the conversion of the selected data from the profit and loss statement and the cash flow statement as of 31.12.2008, whereas the average NBP exchange rate effective as of the last day of the period was applied to the conversion of the selected balance sheet data.

13. DECLARATION THAT THE FINANCIAL STATEMENTS WERE TRANSFORMED TO ASSURE THAT DATA ARE COMPARABLE AND AN ACCOUNT AND EXPLANATION OF DIFFERENCES RESULTING FROM THE ADJUSTMENTS DUE TO CHANGES OF ACCOUNTING PRINCIPLES (POLICY) OR ADJUSTMENTS OF FUNDAMENTAL ERRORS WAS PLACED IN AN ADDITIONAL EXPLANATORY NOTE

There were no differences between data revealed in the consolidated financial statements and comparative financial data and financial statements prepared and published previously for the year 2007.

CONSOLIDATED FINANCIAL DATA

CONSOLIDATED BALANCE SHEET

	Note	2008	2007
ASSETS			
I. Long-term fixed assets		**94 863**	**49 684**
1.Tangible fixed assets	14	49 020	34 822
2. Non-tangible assets	15	286	114
3. Goodwill	16	5	1 109
4. Goodwill - subsidiaries	16	26 219	
4. Investment real estate	17	15 328	10 936
5. Financial assets	18	398	1 647
5a. Investment in subsidiaries		0	0
5b. Investments in associated entities		0	0
5c. Investments available for sale		179	1 550
5d. Other financial assets		219	97
6. Long-term receivables		63	63
7. Deferred income tax assets	19	3 257	830
8. Prepayments	20	287	163
II. Short-term current assets		**214 581**	**144 081**
1. Inventories	21	57 704	45 700
2. Short-term receivables	22	149 049	61 647
2a. Trade receivables		41 249	54 756
2b. Other receivables		79 496	3 331

	Note	2008	2007
2c. Income tax receivables		6	0
2d. Prepayments		28 298	3 560
3. Current financial assets	23	0	1 422
3a. Loans given		0	0
3b. Financial assets intended for sale		0	0
3d. Contingent forward contracts		0	1 422
4. Cash and equivalents	24	7 828	35 312
Total assets		**309 444**	**193 765**
Liabilities			
I. Equity with minority interest		**111 857**	**91 411**
1. Share capital	25	69 725	65 335
- registered		48 390	44 000
- unregistered		0	0
- revaluation due to hyperinflation		21 335	21 335
2. Supplementary capital	26	20 597	11 566
3. Reserve capital from assets revaluation	27	10 788	11 245
4. Own shares		-2 254	
4. Other reserve capital	28	7 269	0
5. Profit (loss) from previous years		-9 608	-9 171
6. Profit (loss) from current year		15 340	12 436
Ia. Equity without minority interest		**111 857**	**91 411**
7. Minority equity	29	0	0
II. Long-term payables		**43 383**	**16 807**
1. Provisions	30	10 228	9 457
1a. Provisions for employee benefits		5 623	5 381
1b. Deferred income tax provision		4 605	4 076
2. Financial payables	31	33 155	7 350
2a. Bank loans and credits		30 019	4 675
2b. Leasing payables		3 136	2 675
2c. Other		0	0
III. Short-term payables		**154 204**	**85 547**
1. Provisions	32	649	1 636
1a. Provisions for employee benefits		649	644
1b. Other provisions		0	992
2. Financial payables	33	50 847	17 052
2a. Bank loans and credits		40 975	15 014
2b. Leasing payables		2 511	2 038
2c. Foreign currency forward contracts		7 361	0
3. Short-term payables	34	102 708	66 859
3a. Trade payables		46 809	31 039
3b. Other payables		27 315	9 746
3c. Income tax payables		5 868	2 278
3d. Accruals		22 716	23 796
IV. Payables due to fixed assets intended for sale	**35**	**0**	**0**
Total liabilities		**309 444**	**193 765**
Book value		111 857	91 411

	Note	2008	2007
Weighted average number of common shares ('000 number of units)		45 203	30 348
Book value of each share (PLN)		2,47	3,01

OFF-BALANCE SHEET ITEMS

	2008	2007
1. Contingent receivables	**13 429**	**5 510**
1.1 From related entities (due to)	0	0
1.2 From other entities (due to)	13 429	5 510
- guarantees and warranties obtained	6 858	2 634
- bills of exchange	6 571	2 876
- guarantees given	0	0
2. Contingent payables	**50 204**	**48 276**
2.1 To related entities (due to)	0	0
2.2 To other entities (due to)	**50 204**	**48 276**
- guarantees and warranties given	42 418	20 659
- bill of exchange as security for contract	7 786	27 617
3. Other (due to)	**0**	**2 390**
- security of leasing contracts performance	0	0
- disputed payables	0	2 390
Off-balance sheet items, total	**63 633**	**56 176**

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Note	2008	2007
I. Net revenues from the sales of products, goods and materials	**36;36.2**	**239 905**	**232 308**
II. Costs of sold products, goods and materials	37	202 796	214 479
III. Gross profit (loss) from sales (I-II)		**37 109**	**17 829**
IV. Other revenues	38	22 032	14 136
V. Costs of sales		956	94
VI. General management costs		15 494	9 243
VII. Other costs	39	17 359	11 697
VIII. Profit (loss) from operating activiy		**25 332**	**10 931**
IX. Financial revenues	40;40.1	7 923	9 675
X. Financial costs	41;41.1	13 358	4 018
XI. Gross profit (loss) (before tax)		**19 897**	**16 588**
XII. Income tax	42	4 212	4 152
XIII. Net profit (loss) from continued activity		**15 685**	**12 436**
XIV. Net profit (loss) of minority shareholders		**345**	
XV. Net profit (loss) of parent entity		**15 340**	**12 436**
Net profit (loss)		15 685	12 436
Weighted average number of common shares ('000 number of units)		45 203	30 348
Profit (loss) per common share (PLN)	44	0,35	0,41

STATEMENT OF CHANGES IN EQUITY

	2008	2007
I. Opening balance of shareholders' equity (BO)	**91 411**	**39 074**
a) changes in the assumed accounting principles (policy)	0	0
b) adjustments of fundamental errors	-152	0
I.a. Opening balance of shareholders' equity (BO), after adjusting to the comparative data	**91 259**	**39 074**
1. Opening balance of share capital	**65 335**	**32 335**
1.1 Changes in share capital	4 390	33 000
a) increase (due to)	4 390	33 000
- issue of shares (interests)	4 390	33 000
b) decrease (due to)	0	0
1.2. Closing balance of share capital	**69 725**	**65 335**
2. Opening balance of called up share capital	**0**	**0**
2.1 Changes in called up share capital	**0**	**0**
a) increase (due to)	0	0
b) decrease (due to)	0	0
2.2. Closing balance of called up share capital	**0**	**0**
3. Opening balance of own shares (interests)	**0**	**0**
3.1 Changes in own shares (interests)	**2 254**	**0**
a) increase (due to)	2 254	0
b) decrease (due to)	0	0
3.2. Closing balance of own shares (interests)	**2 254**	**0**
4. Opening balance of supplementary capital	**11 566**	**7 982**
4.1 Changes in supplementary capital	**9 031**	**3 584**
a) increase (due to)	9 031	3 768
- release of reserve capital for purchase of own shares	0	0
- issue of shares above the nominal value	7 974	2 768
- sales of tangible assets	0	0
- from profit distribution (according to the statutory law)	1 057	0
- deferred tax from sales of tangible assets	0	0
- extension of the capital group	0	0
- movement from the Share Purchase Support Fund	0	1 000
- consolidation adjustments	0	0
b) decrease (due to)	0	184
- loss coverage	0	184
4.2. Closing balance of supplementary capital	**20 597**	**11 566**
5. Opening balance of revaluation reserve	**11 245**	**10 109**
5.1. Changes in revaluation reserve	**-457**	**1 136**
a) increase (due to)	3	2 939
- revaluation of tangible fixed assets	0	1 487
- deferred tax from revaluation of tangible fixed assets	0	1 208
- revaluation of tangible financial assets	0	244
- revaluation of tangible fixed assets	0	0
- consolidation adjustments	3	
b) decrease (due to)	460	1 803
- revaluation of tangible fixed assets	453	0

	2008	2007
- deferred income tax from revaluation of tangible assets	0	270
- reversing entry revaluation of financial assets	0	0
- sales of tangible assets	0	1 533
- consolidation adjustments	7	
5.2. Closing balance of revaluation reserve	**10 788**	**11 245**
6. Opening balance of other reserve capital	**0**	**1 000**
6.1 Changes in other reserve capital	**7 269**	**-1 000**
a) increase (due to)	7 269	0
- establishing capital for purchase of own shares	7 269	
b) decrease (due to)	0	1 000
- movement of reserve capital for purchase of own shares to supplementary capital	0	1 000
6.2. Closing balance of other reserve capital	**7 269**	**0**
7. Foreign exchange differences from calculation of subordinate entities	0	0
8. Opening balance of previous years' profit (loss)	**3 265**	**-12 352**
8.1 Opening balance of previous years' profit	**12 631**	**0**
a) changes in the assumed accounting principles (policy)	0	0
b) adjustments of fundamental errors	0	0
8.2. Opening balance of previous years' profit, after adjusting to the comparative data	**12 631**	**0**
a) increase (due to)	0	535
- extension of the capital group	0	0
- movement from the reserve capital as a result of sales of tangible assets		535
b) decrease (due to)	12 631	0
- previous years' profit distribution	12 631	0
- extension of the capital group	0	0
- deferred tax from sales of tangible assets	0	0
- consolidation adjustments	0	0
8.3 Closing balance of previous years' profit	**0**	**535**
8.4 Opening balance of previous years' loss	**9 366**	**12 352**
a) changes in the assumed accounting principles (policy)	0	0
b) adjustments of fundamental errors	152	0
8.5. Opening balance of previous years' loss, after adjusting to the comparative data	**9 518**	**12 352**
a) increase (due to)	123	0
- extension of the capital group	0	0
- release of interest revaluation write-off	0	0
- consolidation adjustments	123	
- movement of results from the previous period	0	
b) decrease (due to)	33	2 646
- previous years' loss coverage	25	2 646
- sales of tangible assets	0	
- consolidation adjustments	8	
8.6 Closing balance of previous years' loss	**9 608**	**9 706**
8.7. Closing balance of previous years' profit (loss)	**-9 608**	**-9 171**
9. Net result	**15 340**	**12 436**
a) net profit	15 439	12 631

	2008	2007
b) net loss	99	195
c) write-offs on profit	0	0
9. Opening balance of minority equity		
a) increase	0	
b) decrease		
- consolidation adjustments		
9.1. Closing balance of minority equity	**0**	
II. Closing balance of shareholders' equity (BZ)	**111 857**	**91 411**
III. Shareholders' equity, after consideration of the proposed profit distribution (loss coverage)	**111 857**	**91 411**

CONSOLIDATED CASH FLOW STATEMENT

	2008	2007
A. Net cash flows from operating activities(indirect method)		
I. Net profit (loss)	**15 340**	**12 436**
II. Total adjustments	**-8 220**	**-40 692**
1. Minority profit (loss)	345	0
2. Share in net (profit) loss of subordinate entities valued using the equity method	0	0
3. Amortization, including:	4 485	4 168
- write-offs of subordinate entities' goodwill or subordinate entities' negative goodwill	0	0
4. (Profit) loss on foreign exchange differences	-334	534
5. Interests and profit sharing (dividends)	580	-1 160
6. (Profit) loss from investment activity	-163	-1 973
7. Movements in provisions	-366	1 659
8. Movements in inventories	-5 848	-14 018
9. Movements in receivables	-15 930	-20 632
10. Movements in short-term payables, except loans and credits	41 244	-14 077
11. Movements in prepayments and accruals	-29 220	15 473
12. Other adjustments	-3 013	-10 666
III. Net cash flows from operating activity (I +/- II) - indirect method	**7 120**	**-28 256**
B. Cash flows from investment activity		
I. Proceeds	**3 012**	**14 251**
1. Disposal of intangible and tangible fixed assets	1 348	2 586
2. Disposal of investments in real estate and in intangible assets	0	0
3. From financial assets, including:	1 664	11 665
a) in related entities	0	10 695
- disposal of financial assets	0	0
- dividends and profit sharing	0	0
- repayment of long-term loans given	0	0
- interest	0	0
- other proceeds from financial assets	0	10 695
b) in other entities	1 664	970
- disposal of financial assets	1 094	0
- dividends and profit sharing	24	22

	2008	2007
- repayment of long-term loans given	0	0
- interest	545	948
- other proceeds from financial assets	0	0
4. Other investment proceeds	0	0
II. Expenses	**71 944**	**6 228**
1. Acquisition of intangible and tangible fixed assets	9 530	6 228
2. Investments in real estate and in intangible assets	44 148	0
3. For financial assets, including:	18 211	0
a) in related entities	18 211	0
- acquisition of financial assets	18 211	0
- long-term loans given	0	0
b) in other entities	0	0
- acquisition of financial assets	0	0
- long-term loans given	0	0
4. Dividends and minority profit sharing	0	0
5. Other investment expenses	55	0
III. Net cash flows from investment activity (I-II)	**-68 932**	**8 023**
C. Cash flows from financial activity		
I. Proceeds	**82 339**	**91 742**
1. Net proceeds from the issue of shares (interests) or other capital instruments and contributions to capital	0	35 767
2. Credits and loans	82 339	55 975
3. Issue of debt securities	0	0
4. Other financial proceeds	0	0
II. Expenses	**48 345**	**47 704**
1. Purchase of own shares (interests)	2 254	0
2. Dividends and other payments to shareholders	4 349	0
3. Other expenses due to profit sharing except payments to shareholders		
4. Repayment of credits and loans	37 375	47 242
5. Redemption of debt securities		
6. Due to other financial payables		
7. Payments due to financial leasing	2 664	0
8. Interest	1 703	462
9. Other financial expenses		
III. Net cash flows from financial activity (I-II)	**33 994**	**44 038**
D. Net cash flows, total (A.II+/-B.II+/-C.III)	**-27 818**	**23 805**
E. Balance sheet movements in cash, including:	-27 484	23 271
- movements in cash due to foreign exchange differences	334	-534
F. Opening balance of cash	**35 312**	**12 041**
G. Closing balance of cash (F+/- D)	**7 494**	**35 846**

EXPLANATORY NOTES TO BALANCE SHEET

NOTE 14

TANGIBLE FIXED ASSETS	2008	2007
a) tangible assets, including:	40 422	34 811
- land (including the right to perpetual usufruct)	412	415
- buildings, premises, civil and water engineering structures	25 761	23 721
- technical equipment and machines	8 810	5 707
- vehicles	4 016	3 189
- other tangible assets	1 423	1 779
b) tangible assets under construction	8 598	11
c) advances for tangible assets	0	0
Tangible fixed assets, total	**49 020**	**34 822**

NOTE 14.1

BALANCE SHEET TANGIBLE FIXED ASSETS (OWNERSHIP STRUCTURE)	2008	2007
a) own	40 032	27 074
b) used on the basis of hire and lease contracts or other, including leasing contract, including:	8 988	7 748
- leasing	8 988	7 748
Balance sheet tangible assets, total	**49 020**	**34 822**

NOTE 14.2

ENCUMBRANCE ON TANGIBLE FIXED ASSETS DUE TO:	2008	2007
Liabilities due to loans and credits	79 129	99 661
Contracts for leasing receivables redemption	222	223
Contracts for granting the guarantees	0	0
Total	**79 351**	**99 884**

NOTE 14.3

TANGIBLE ASSETS SHOWN OFF-BALANCE SHEET	2008	2007
- used on the basis of hire and lease contracts or other, including leasing contract, including:	7 456	6 419
a) land with the right to perpetual usufruct	6 744	6 419
- Katowice Town Council	2 496	2 496
- Gryfice Town Council	1 163	1 163
- Będzin Town Council	2 760	2 760
- Jaworzno Town Council	0	0
- Tychy Town Council	0	0
- Piotrków Trybunalski Town Council	325	
b) tangible assets used on the basis of leasing contracts	712	0
Off-balance sheet tangible assets, total	**7 456**	**6 419**

The payments for land perpetual usufruct amounted to 203 thousand PLN in 2008.

NOTE 14.4

CHANGES IN TANGIBLE ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2008

	- lands (including the right to perpetual usufruct)	- buildings, premises, civil and water engineering structures	- technical equipment and machines	- vehicles	- other tangible assets	Tangible assets, total
a) opening balance of gross tangible assets	**421**	**27 823**	**19 518**	**11 832**	**10 659**	**70 253**
b) increase (due to)	**0**	**3 262**	**5 441**	**2075**	**1089**	**11 867**
- purchase		1 416	2 771	63	1 006	5 256
- modernization	0	893	127		6	1 026
- extension of the capital group		121	1 168	387	55	1 731
- leasing			1 326	1 633	22	2 981
- advance payments		0				0
- valuation		776	42		0	818
- acquisition from a subsidiary			4			4
- other		56	3	-8		51
- tangible assets under construction		0	0			0
c) decrease (due to)	**0**	**142**	**1954**	**590**	**1465**	**4 151**
- liquidation	0	67	1 147	3	624	1 841
- theft			144			144
- writing-off the value for capital from revaluation				8	32	40
- sales			663	579	764	2 006
- other		75			45	120
- acquisition of the subsidiary				0	0	0
d) closing balance of gross tangible assets	**421**	**30 943**	**23 005**	**13 317**	**10 283**	**77 969**
e) opening balance of accumulated amortization (depreciation)	**6**	**4 091**	**13 811**	**8 643**	**8 880**	**35 431**
f) amortization for the period (due to)	**3**	**1091**	**384**	**658**	**-20**	**2 116**
- depreciation	3	924	1 566	1 002	932	4 427
- sales		-4	-422	-576	-297	-1 299

CHANGES IN TANGIBLE ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2008

- liquidation		-26	-1 100	-2	-623	-1 751
- writing-off the value for capital from revaluation		194	40	3	-11	226
- theft			-34			-34
- other		-27	3	6	-37	-55
- acquisition of the subsidiary		30	331	225	16	602
g) closing balance of accumulated amortization (depreciation)	**9**	**5 182**	**14 195**	**9 301**	**8 860**	**37 547**
h) opening balance of write-off due to permanent impairment						
- increase						
- decrease						
i) closing balance of write-off due to permanent impairment						
j) closing balance of net tangible assets	**412**	**25 761**	**8 810**	**4 016**	**1 423**	**40 422**
k) tangible assets under construction		**7 561**	**1 037**			**8 598**
l) Tangible fixed assets	**412**	**33 322**	**9 847**	**4 016**	**1 423**	**49 020**

CHANGES IN TANGIBLE FIXED ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2007

	- lands (including the right to perpetual usufruct)	**- buildings, premises, civil and water engineering structures**	**- technical equipment and machines**	**- vehicles**	**- other tangible assets**	**Tangible assets, total**
a) opening balance of gross tangible assets	**478**	**32 401**	**18 595**	**11 208**	**9 034**	**71 716**
b) increase (due to)	**0**	**22 574**	**2 968**	**1 395**	**1 984**	**28 921**
- purchase	0		620	423	1 262	2 305
- leasing	0	0	2 335	888	630	3 853
- modernization		44	4	1	27	76
- acquisition from a subsidiary		24	9	83	65	181
- valuation		22 495				22 495

CHANGES IN TANGIBLE FIXED ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2007

- allowance due to export revaluation	0	0	0	0	0	0
- tangible assets under construction		11				11
c) decrease (due to)	**57**	**27 152**	**2045**	**771**	**359**	**30 384**
- liquidation	0	0	348	13	295	656
- contribution	57	3 946	986	0	11	5000
- sales	0	1 351	708	683	0	2742
- theft	0	0	0	0	0	0
- consolidation adjustments	0	76				76
- withdrawal from consolidation with a subsidiary	0		3	75	53	131
- application to investments in real estate	0					0
- writing-off the value for capital from revaluation	0	21 779	0	0	0	21779
- gratuitous transfer	0	0	0	0	0	0
d) closing balance of gross tangible assets	**421**	**27 823**	**19 518**	**11 832**	**10 659**	**70 253**
e) opening balance of accumulated amortization (depreciation)	**4**	**8 536**	**14 639**	**8 639**	**7 753**	**39 571**
f) amortization for the period (due to)	**2**	**-4 445**	**-828**	**4**	**1 127**	**-4 140**
- depreciation	2	1 050	1 017	613	1 372	4 054
- liquidation	0	0	-290	-3	-291	-584
- contribution	0	-1 895	-796	0	-11	-2 702
- theft	0	0	0	0	0	0
- sales	0	-796	-707	-631	0	-2 134
- allowance		-1 935				-1 935
- take-over of the subsidiary		31	5	25	38	99
- gratuitous transfer	0	0	0	0	0	0
- allowance due to export revaluation	0	0	0	0	0	0
- writing-off the value for capital from revaluation	0	-676	1	0	19	-656
- extension of the capital group	0	0	0	0	0	0
- withdrawal from consolidation with a subsidiary	0	0	0	0	0	0
- other		-224	-58	0		-282
g) closing balance of accumulated amortization (depreciation)	**6**	**4 091**	**13 811**	**8 643**	**8 880**	**35 431**

CHANGES IN TANGIBLE FIXED ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2007

h) opening balance of write-off due to permanent impairment	**0**	**-**	**0**	**0**	**0**	**0**
- increase		0				
i) closing balance of write-off due to permanent impairment	**0**	**0**	**0**	**0**	**0**	**0**
j) closing balance of net tangible assets	**415**	**23 732**	**5 707**	**3 189**	**1 779**	**34 822**

Pursuant to the Regulation of the Cabinet of 07.07.1998 on the real estate valuation and on the rules of preparing the valuation statement, the comparative or profitable approach is applied to estimate the market value of real estate.
In case of this document, the real estate valuation was made using the profitable approach, investment method, simple capitalization technique.
Profitable approach means estimation of real estate value assuming that a buyer pays a price for the real estate that depends on the anticipated profit that is to be obtained from the real estate and that no more is paid than for another real estate of the same profitability and risk degree.
Profitable approach is applied when estimating the value of real estate that is profitable or might be profitable if the amount of such profit is known or can be estimated.
Investment method is applied when estimating the market value of real estate that brings profit from rent that can be estimated on the basis of analysis of market hire or lease rates.
Estimation of the real estate market value using the profit approach means estimation of the right to obtain profit from the real estate by the owner. Profit from the real estate means profit that can be obtained from land and its components. In case of the discussed real estate it is the value of the right to perpetual usufruct and the ownership of the buildings on the land used related to the aforesaid right.

In profitable approach one estimates the real estate market value. It means that the approach can be applied for valuation of real estate, where it is considered as necessary or purposeful by the legal regulations, professional standards or the nature of rights to estimate the real estate market

Net value of the buildings before revaluation amounts to: 26,621 thousand PLN

Value of the buildings after revaluation amounts to: 26,633 thousand PLN

The company owns tangible assets due to financial leasing that are shown in the balance sheet and amount to
8 988 thousand PLN

In 2008 the Company incurred expenditures for tangible fixed assets in the amount of 9,318 thousand PLN.

NOTE 15

INTANGIBLE ASSETS	2008	2007
a) costs of finished development works	0	0
b) goodwill	5	1 109
c) acquired concessions, patents, licences and similar, including:	286	114
- software	286	112
d) other intangible assets	0	0
e) advances for intangible assets	0	0
Intangible assets, total	**291**	**1 223**

NOTE 15.1

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	2008	2007
a) own	286	114
b) used on the basis of hire and lease contracts or other, including leasing contract, including:	0	0
Intangible assets, total	**286**	**114**

NOTE 15.2

CHANGES IN INTANGIBLE ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2008

	a	b	c		d	Intangible assets, total
	costs of finished development works	goodwill	acquired concessions, patents, licences and similar, including:	software	other intangible assets	
a) opening balance of gross intangible assets	**-**	**2 015**	**1 038**	**600**		**3 053**
b) increase (due to)	**-**	**0**	**162**	**161**		**162**
- purchase	-	0	162	161		162
c) decrease (due to)						**0**
d) closing balance of gross intangible assets	**-**	**2 015**	**1 200**	**761**		**3 215**
e) opening balance of accumulated amortization (depreciation)			**924**	**488**		**924**
f) amortization for the period (due to)			**138**	**138**		**138**
- depreciation			138	138		138
g) closing balance of accumulated amortization (depreciation)			**1 062**	**626**		**1 062**
h) opening balance of write-off due to permanent impairment	**-**	**906**				**906**
i) closing balance of write-off due to permanent impairment	**-**	**2 010**				**2 010**
j) net intangible assets not entered into books of account			**148**	**148**		**148**
k) closing balance of net intangible assets	**-**	**5**	**286**	**283**	**0**	**291**

There are no intangible assets created in own scope and of indefinite usufruct time limit.

CHANGES IN INTANGIBLE ASSETS (ACCORDING TO GENERIC GROUPS) as of 31.12.2007

	a	b	c		d	Intangible assets, total
	costs of finished development works	goodwill	acquired concessions, patents, licences and similar, including:	software	other intangible assets	
a) opening balance of gross intangible assets	**-**	**0**	**893**	**456**	**-**	**893**
b) increase (due to)	**-**	**2 015**	**144**	**144**	**-**	**2 159**
- purchase	-	0	144	144	-	144
- other		5				
- take-over of the subsidiary		2 010				
c) decrease (due to)	**-**	**0**		**0**	**-**	**0**
d) closing balance of gross intangible assets	**-**	**2 015**	**1 038**	**600**	**-**	**3 053**
e) opening balance of accumulated amortization (depreciation)	**-**	**0**	**805**	**369**	**-**	**805**
f) amortization for the period (due to)	**-**	**0**	**119**	**119**	**-**	**119**
- depreciation	-	0	115	115	-	115
- take-ver		0	4	4		4
g) closing balance of accumulated amortization (depreciation)		**0**	**924**	**488**		**924**
h) opening balance of write-off due to permanent impairment	**-**	**0**	**0**	**0**	**-**	**0**
- increase		906	0	0		906
- decrease		0	0	0		0
i) closing balance of write-off due to permanent impairment	**-**	**906**	**0**	**0**	**-**	**906**
j) closing balance of net intangible assets	**-**	**1 109**	**114**	**112**	**-**	**1 223**

There are no intangible assets created in own scope.

NOTE 16

GOODWILL OF SUBORDINATE ENTITIES	2008	2007
a) goodwill - subsidiaries	26 219	0
b) goodwill - co-subsidiaries	0	0
c) goodwill - associated entities	0	0
Goodwill of subordinate entities, total	**26 219**	**0**

NOTE 16.1

CHANGES IN GOODWILL - SUBSIDIARIES	2008	2007
a) opening balance of gross goodwill	0	220
b) increase (due to)	26 219	0
- purchase of interests	26 219	0
c) decrease (due to)	0	220
- take-over of the subsidiary	0	220
d) closing balance of gross goodwill	26 219	0
e) opening balance of goodwill write-off	0	0
f) goodwill write-off for the period (due to)	0	0
g) closing balance of goodwill write-off	0	0
h) closing balance of net goodwill	**26 219**	**0**

NOTE 17

INVESTMENT REAL ESTATE	2008	2007
Opening balance of gross investment real estate	10 936	10 281
a) increases	55 492	655
- purchase	492	180
- movement from inventories	43 657	0
- valuation	11 343	475
b) decreases	51 100	0
- sales	51 100	0
Closing balance of gross investment real estate	15 328	10 936
Opening value of depreciation	0	0
a) increases	0	0
b) decreases	0	0
Closing value of depreciation	0	0
Closing balance of net investment real estate	**15 328**	**10 936**

NOTE 17.1

REVENUES AND COSTS REGARDING INVESTMENT REAL ESTATE	2008	2007
Rent revenues	1 377	1 392
Other revenues	140	319
Total revenues	**1 517**	**1 711**
Direct operating costs regarding the rented investment real estate, including:	1 141	1 362

REVENUES AND COSTS REGARDING INVESTMENT REAL ESTATE	2008	2007
- repairs and maintenance costs	140	250
Direct operating costs regarding the unrented investment real estate, including:	0	0
- repairs and maintenance costs	0	0
Total costs	**1 141**	**1 362**

In investment real estate buildings are shown in the reassessed value.
The valuation has been prepared by an independent real estate expert.
Pursuant to the Regulation of the Cabinet of 07.07.1998 on the real estate valuation and on the rules of preparing the valuation statement, the comparative or profitable approach is applied to estimate the market value of real estate.
In case of this document, the real estate valuation was made using the profitable approach, investment method, simple capitalization technique.

Profitable approach means estimation of real estate value assuming that a buyer pays a price for the real estate that depends on the anticipated profit that is to be obtained from the real estate and that no more is paid than for another real estate of the same profitability and risk degree.

Profitable approach is applied when estimating the value of real estate that is profitable or might be profitable if the amount of such profit is known or can be estimated.

Investment method is applied when estimating the market value of real estate that brings profit from rent that can be estimated on the basis of analysis of market hire or lease rates.

Estimation of the real estate market value using the profit approach means estimation of the right to obtain profit from the real estate by the owner. Profit from the real estate means profit that can be obtained from land and its components. In case of the discussed real estate it is the value of the right to perpetual usufruct and the ownership of the buildings on the land used related to the aforesaid right.

In profitable approach one estimates the real estate market value. It means that the approach can be applied for valuation of real estate, where it is considered as necessary or purposeful by the legal regulations, professional standards or the nature of rights to estimate the real estate market

Net value of the buildings before revaluation amounts to: 3,227 thousand PLN

Value of the buildings after revaluation amounts to: 15,328 thousand PLN

NOTE 18

LONG-TERM FINANCIAL ASSETS	2008	2007
a) in subsidiaries and co-subsidiaries not subject to consolidation	0	0
- interests or shares	0	0
b) in subsidiaries, co-subsidiaries and associated entities valued using the equity method	0	0
- interests or shares	0	0
c) in other entities	398	1 647
- interests or shares	398	1 647
- debt securities	0	0

LONG-TERM FINANCIAL ASSETS	2008	2007
- other securities (according to type)	0	0
- other long-term financial assets (according to type)	0	0
Long-term financial assets, total	**398**	**1 647**

Interests are valued according to purchase prices diminished by allowances, whereas shares are valued according to market prices except Huta Ostrowiec shares (100% allowance) and Autostrada Śląsk shares, which are valued according to purchase prices, while for PKE shares price from last sales transaction was applied and Famak S.A. (100% allowance).

Interests constitute a security for the credit amounting to 148 thousand PLN.

NOTE 18.1

CHANGE IN LONG-TERM FINANCIAL ASSETS (ACCORDING TO GENERIC GROUPS)	2008	2007
a) opening balance of long-term financial assets	**1 647**	**483**
- interests and shares	1 647	483
b) increase (due to)	**737**	**1 240**
- purchase of interests	0	0
- revaluation of interests	0	0
- conversion of receivables to shares	124	77
- contribution		0
- revaluation of shares	613	1 163
c) decrease (due to)	**1 986**	**76**
- sales of interests	0	0
- withdrawal from consolidation with a subsidiary	0	0
- revaluation of interests	3	0
- revaluation of shares	452	76
- sales of shares	1 531	0
- comprising with consolidation	0	0
d) closing balance of long-term financial assets	**398**	**1 647**

NOTE 18.2

SECURITIES, INTERESTS AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	398	1 647
b) in foreign currencies (according to currencies and after conversion to PLN)	0	0
b1. unit/currency 100/SKK	0	0
'000 PLN	0	0
-	0	0
other currencies in '000 PLN	0	0
Securities, interests and other long-term financial assets, total	**398**	**1 647**

NOTE 18.3

SECURITIES, INTERESTS AND OTHER LONG-TERM FINANCIAL ASSETS (ACCORDING TO NEGOTIABILITY)	2008	2007
A. With unlimited negotiability, quoted on the stock exchange (carrying value)	**0**	**0**
a) shares (carrying value):	0	0
a) bonds (carrying value):	0	0
b) other – according to generic groups (carrying value):	0	0
B. With unlimited negotiability, quoted on the over-the-counter markets (carrying value)	**0**	**0**
a) shares (carrying value):	0	0
a) bonds (carrying value):	0	0
b) other – according to generic groups (carrying value):	0	0
c2 long-term deposits	0	0
C. With unlimited negotiability, unquoted on the regulated market (carrying value)	**398**	**1 647**
a) shares (carrying value):	179	1 641
- revaluation adjustments (for the period)	161	1 163
- opening balance value	1 641	387
- value according to purchase prices	174	91
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	219	97
c1 shares	219	97
- revaluation adjustments (for the period)	-2	1
- opening balance value	97	96
- value according to purchase prices	1 171	1 171
c2 long-term deposits	0	0
D. With limited negotiability (carrying value)	**0**	**0**
a) interests and shares (carrying value):	0	0
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	0	0
Value according to purchase prices, total	174	0
Opening balance value, total	1 647	483
Revaluation adjustments (for the period), total	159	1 164
Carrying value, total	**398**	**1 647**

NOTE 18.4

INTERESTS OR SHARES IN SUBORDINATE ENTITIES as of 31.12.2008

Item	a	b	c	d	e	f	g	h	i	j	k	l
	Name and legal form of the entity	**Seat**	**Object of the company**	**Nature of connection (subsidiary, co-subsidiary, associated, including direct and indirect connection)**	**The applied method of consolidation/valuation using the equity method or indication that the entity is not subject to consolidation/ valuation using the equity method**	**Date of taking-over control / co-control / gaining significant influence**	**Value of interests / shares according to purchase price**	**Revaluation adjustments (total)**	**Interests/ shares carrying value**	**Percentage of owned share capital**	**Share in general number of votes at the annual shareholders' meeting**	**Indication of basis of control / co-control / significant influence other than in item j) or k)**
1	CK- Modus Sp. z o.o.	Katowice	purchase/sales of liabilities, counseling, construction works	subsidiary	full		15 900	15 422	478	100.00	100.00	
2	EP Centrum Rekreacji Sp. z o.o.	Katowice	recreational, accommodation services	subsidiary	full		71		71	100.00	100.00	
3	Energomontaż-Zachód Sp. z o.o.*	Warszawa	engineering and installation works	subsidiary			470	470	0	90.30	90.30	
4	Open Wrocław Sp. z o.o. **	Wrocław	engineering and installation works	subsidiary			105	105	0	70.00	70.00	
5	Modus II Sp. z o.o.	Katowice	construction works	subsidiary	full		50	-	50	100.00	100.00	
6	Amontex PM Sp. z o.o.	Piotrków Trybunalski	construction works	subsidiary	full		33 023	-	33 023	100.00	100.00	

INTERESTS OR SHARES IN SUBORDINATE ENTITIES - continuation

Item	a	m							n			o			p	r	s	t
	Name of the entity	Equity of the entity, including:	Share capital	called up share capital (negative value)	supplementary capital	the remaining equity, including:	profit (loss) from previous years	net profit (loss)	Payables and provisions for entity's payables, including:	- long-term payables	- short-term payables	Entity's receivables, including:	- long-term receivables	- short-term receivables	Total assets of the entity	Sales revenues	Interests/shares in the entity unpaid by the issuer	Dividends obtained or due from the entity for the last financial year
1	CK-Modus Sp. z o.o.	15 556	15 900		0	0	-357	13	30 463	15 481	14 982	2 250	0	2 250	23 597	879		
2	EP Centrum Rekreacji Sp. z o.o.	399	70		86	0	0	242	31	0	31	96	0	96	432	1 320		
3	Energomontaż-Zachód Sp. z o.o. *	in bankruptcy				0							0	0	0	0		
4	Open Wrocław Sp. z o.o. **	no data available																
5	Modus II Sp. z o.o.	-83	50		0	0	-39	-94	3 369	0	3 369	489	0	489	3 286	0		
6	Amontex PM Sp. z o.o.	11 505	148		5 399	431	-159	5 686	20 145	6 774	12 966	13 057	0	13 057	17 255	53 906		

* With the Decision of 19th December 2008, the District Court for the capital city Warsaw, 10th Bankruptcy Division finished bankruptcy proceedings of Energomontaż Zachód Sp. z o.o. At the moment we are awaiting information on the taking out of the company from the National Court Register.

** On 2nd September 2002, the Management Board of Open Wrocław Sp. z o.o. informed on the submission of the petition to declare bankruptcy. On 2nd September 2003, the Management Board of the Issuer obtained information that the petition was revoked due to the fact that the debtor's property was not sufficient to cover the costs of bankruptcy proceedings.

INTERESTS OR SHARES IN OTHER ENTITIES

Item	a Name and legal form of the entitiy	b Seat	c Object of the company	d Interests/ shares carrying value	e Equity of the entity, including:		f % of owned share capital	g Share in general number of votes at the annual shareholders' meeting	h Interests/shares in the entity unpaid by the issuer	i Dividends obtained or due from the entity for the last financial year
						- share capital				
1	Huta Ostrowiec S.A. in bankruptcy	Ostrowiec	production of steel, steel semi-finished products, bars	0	bankruptcy	no data available	0.008	0.008		
2	Konsorcjum Autostrada Śląsk S.A.	Katowice	construction and operation of highways	20	10 543	1 987	0.51	1.17		
3	Holdingpol Sp. z o.o.	Sosnowiec	complex realization of installation works and repairs	0	no data available	no data available	3.00	1.70		
4	POLNORD S.A.	Gdańsk	manufacturing, service and trade activity	118	952 740	36 230	0.11	0.11		
5	EP Centrum Finansowe Sp. z o.o.	Katowice	hiring means of transport, machines and devices	95	2 985	600	15.80	17.81		
6	Południowy Koncern Energetyczny S.A.	Katowice	production of heat and electric energy	41	3 295 858	1 559 232	0.05	0.05		
7	Kompleks Agro-Energetyczny Namysłów Sp. z o.o.	Namysłów	production of heat energy, production of oils	0	no data available	2 300	15.22	15.22		
8	WLC INVEST Sp. z o.o.	Łódź	financial mediation, advertising, commercial activity	0	no data available	no data available	19.95	19.95		
9	Extem Sp. z o.o.	Łaziska Górne	realization of investment projects	124	no data available	109 833	0.93	0.93		
10	Fabryka Maszyn FAMAK S.A.	Kluczbork	production of cranes and transport machines	0	no data available	no data available	0.10	0.10		

NOTE 19

CHANGE IN ASSETS DUE TO DEFERRED INCOME TAX	2008	2007
1. Opening balance of assets due to deferred income tax, including:	**830**	**834**
a) applied to the financial result	288	292
b) applied to equity	542	542
c) applied to goodwill or negative goodwill	0	0
2. Increases	2 511	0
a) applied to the financial result of the period in connection with positive temporary differences (due to)	2 511	0
- forwards valuation	1 399	0
- provision for deferred costs	899	0
- provision for employee benefits	163	
- acquisition of the subsidiary	50	
b) applied to the financial result of the period in connection with tax loss (due to)	0	0
c) applied to equity in connection with negative temporary differences (due to)	0	0
d) applied to equity in connection with tax loss (due to)	0	0
e) applied to goodwill or negative goodwill in connection with negative temporary differences (due to)	0	0
3. Decreases	**84**	**4**
a) applied to the financial result of the period in connection with positive temporary differences (due to)	84	4
- paid interests from payables	1	0
- release of provision for complaints	29	0
- release of receivables revaluation	52	2
- adjustment of long-term contracts sales	0	0
- advance sales from deferred income	0	0
- proceedings costs	0	0
- settlement of long-term contracts sales	0	0
- legal costs deferred income	0	1
- proceedings costs	0	1
- valuation of securities	0	0
- tax loss	0	0
- legal costs deferred income	0	0
- release of provision for jubilee awards	0	79
- release of provision for annuities	0	3
- release of provision for gratuities	0	9
- release of provision for deferred costs	0	0
- valuation of credit	0	0
- tax loss	2	0
- allowance for tangible assets	0	0
b) compensation of short-term items with the provision for deferred tax	0	0
- valuation of financial assets	0	0
- balance sheet valuation	0	0
- sales of long-term financial assets	0	0
c) applied to equity in connection with negative temporary differences (due to)	0	0

CHANGE IN ASSETS DUE TO DEFERRED INCOME TAX	2008	2007
- release of provision for annuities and gratuities	0	0
- settlement of long-term contracts	0	0
d) applied to equity in connection with tax loss (due to)	0	0
e) applied to goodwill or negative goodwill in connection with negative temporary differences (due to)	0	0
4. Closing balance of assets due to deferred income tax, total, including:	**3 257**	**830**
a) applied to the financial result	2 715	288
b) applied to equity	542	542
c) applied to goodwill or negative goodwill	0	0

NOTE 20

LONG-TERM RECEIVABLES AND PREPAYMENTS	2008	2007
a) cost prepayments, including:	**287**	**163**
- leasing	285	163
- program	2	0
b) long-term receivables, including:	**63**	**63**
- deposits	63	63
Long-term prepayments, total	**350**	**226**

NOTE 21

INVENTORIES	2008	2007
a) materials	5 294	3 142
b) semi-products and work in progress	30 536	32 447
c) finished products	7 976	0
d) goods	14 098	10 311
Gross inventories, total	57 904	45 900
Allowance for materials	200	200
Net inventories, total	**57 704**	**45 700**

Materials and goods inventories constitute a security for credit amounting to 13 400 thousand PLN.

In 2008 the revaluation of inventories was neither made nor released.

NOTE 22

SHORT-TERM RECEIVABLES AND PREPAYMENTS	2008	2007
a) from associated entities	0	0
- due to trade to be paid:	0	0
- up to 12 months	0	0
- above 12 months	0	0
- other	0	0
- receivables claimed at court	0	0

SHORT-TERM RECEIVABLES AND PREPAYMENTS	2008	2007
b) receivables from other entities	120 751	58 087
- due to trade to be paid:	41 249	55 362
- up to 12 months	38 396	53 384
- above 12 months	2 853	1 978
- other	79 496	3 331
- income tax receivables	6	0
- prepayments	28 298	3 560
Net short-term receivables and prepayments, total	**149 049**	**61 647**
c) allowances for receivables	6 933	17 841
Gross short-term receivables and prepayments, total	**155 982**	**79 488**

Receivables are non-interest-bearing.

Encumbrances on current assets – Energetyka Dwory contract receivables constitute a security for bank credit amounting to 37 816 thousand PLN.

NOTE 22.1

SHORT-TERM RECEIVABLES FROM RELATED ENTITIES	2008	2007
a) due to trade, including:	0	0
- from subsidiaries	0	0
- from co-subsidiaries	0	0
- from associated entities	0	0
- from the significant investor	0	0
- from parent entity	0	0
b) other, including:	0	0
- from subsidiaries	0	0
- from co-subsidiaries	0	0
- from associated entities	0	0
- from the significant investor	0	0
- from parent entity	0	0
c) receivables claimed at court, including:	0	0
- from subsidiaries	0	0
- from co-subsidiaries	0	0
- from associated entities	0	0
- from the significant investor	0	0
- from parent entity	0	0
Net short-term receivables from related entities, total	0	0
d) allowance for receivables from related entities	301	907
Gross short-term receivables from related entities, total	**301**	**907**

NOTE 22.2

CHANGE IN ALLOWANCES FOR SHORT-TERM RECEIVABLES	2008	2007
Opening balance of allowances for short-term receivables	17 841	20 998
a) increase (due to)	13 221	3 179

CHANGE IN ALLOWANCES FOR SHORT-TERM RECEIVABLES	2008	2007
- works and services deliveries	12 618	2 501
- interest	89	27
- court-related	22	500
- other	245	151
- movement from court-related to arrangement receivables	0	0
- adjudicated legal costs	0	0
- provision for benefits lost	0	0
- take-over of the subsidiary - trade receivables	247	
b) decrease (due to)	16 329	6 336
- works and services deliveries	15 978	4 338
- interest	33	1 123
- other	61	715
- court receivables	257	67
c) use	7 800	93
Closing balance of allowances for short-term receivables	**6 933**	**17 841**

NOTE 22.3

GROSS SHORT-TERM RECEIVABLES (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	135 342	52 970
b) in foreign currencies (according to currencies and after conversion to PLN)	20 640	26 518
b1. unit/currency 1/EUR	4 946	7 402
'000 PLN	20 631	26 514
b1. unit/currency 1/USD	0	0
'000 PLN	0	0
b1. unit/currency 1/CHF	0	0
'000 PLN	0	0
b1. unit/currency 1/DM		28
'000 PLN		4
Short-term receivables, total	**155 982**	**79 488**

NOTE 22.4

SHORT-TERM PREPAYMENTS	2008	2007
a) active	28 297	3 560
- insurances	233	134
- costs regarding apartments sales	5 399	
- subscription	7	3
- construction contracts	12 188	
- the Company's Social Fund	61	
- accrued interests from loans	1	
- energy	52	
- telecommunications services	3	5
- costs of following period	416	198
- accrued sales revenues on sales related to valuation of long-term	8 575	2 936

SHORT-TERM PREPAYMENTS	2008	2007
contracts		
- leasing	369	252
- other	993	32
b) other prepayments	1	0
Short-term prepayments, total	**28 298**	**3 560**

NOTE 23

CURRENT FINANCIAL ASSETS	2008	2007
a) in subsidiaries	0	0
b) in co-subsidiaries	0	0
c) in associated entities	0	0
d) in the significant investor	0	0
e) in parent entity	0	0
f) in other entities	0	1 422
- other short-term financial assets (according to type)	0	1 422
- interests in investment funds	0	0
- foreign currency forward contracts	0	1 422
Short-term financial assets, total	**0**	**1 422**

NOTE 23.1

SECURITIES, INTERESTS AND OTHER FINANCIAL ASSETS (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	0	0
b) in foreign currencies (according to currencies and after conversion to PLN)	0	0
Securities, interests and other short-term financial assets, total	**0**	**0**

NOTE 23.2

SECURITIES, INTERESTS AND OTHER FINANCIAL ASSETS INTENDED FOR SALE (CURRENCY STRUCTURE) (ACCORDING TO NEGOTIABILITY)	2008	2007
A. With unlimited negotiability, quoted on the stock exchange (carrying value)	**0**	**0**
a) shares (carrying value):	0	0
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	0	0
B. With unlimited negotiability, quoted on the over-the-counter markets (carrying value)	**0**	**0**
a) shares (carrying value):	0	0
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	0	0
C. With unlimited negotiability, unquoted on the regulated market (carrying value)	**0**	**0**
a) shares (carrying value):	0	0

SECURITIES, INTERESTS AND OTHER FINANCIAL ASSETS INTENDED FOR SALE (CURRENCY STRUCTURE) (ACCORDING TO NEGOTIABILITY)	2008	2007
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	0	0
c1.interests in mutual funds	0	0
- fair value	0	0
- market value	0	0
- value according to purchase prices	0	0
d) commercial bonds	0	0
D. With limited negotiability (carrying value)	**0**	**0**
a) interests and shares (carrying value):	0	0
b) bonds (carrying value):	0	0
c) other – according to generic groups (carrying value):	0	0
Value according to purchase prices, total	0	0
Opening balance value, total	0	0
Revaluation adjustments (for the period), total	0	0
Carrying value, total	**0**	**0**

NOTE 24

CASH AND ITS EQUIVALENTS	2008	2007
Cash in bank and in hand	4 520	9 695
Short-term deposits	3 308	25 617
Total	**7 828**	**35 312**

Cash interest rate is variable pursuant to the individual bank contracts.

NOTE 24.1

CASH AND ITS EQUIVALENTS SHOWN IN CASH FLOW STATEMENT	2008	2007
Cash in bank and in hand	4 520	9 695
Short-term deposits	3 308	25 617
Credits on current accounts	0	0
Total	**7 828**	**35 312**

NOTE 24.2

CASH AND OTHER PECUNIARY ASSETS (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	2 957	31 696
b) in foreign currencies (according to currencies and after conversion to PLN)	4 871	3 616
b1. unit/currency 1/EUR	1 167	1 000
'000 PLN	4 871	0
b2. unit/currency 1/USD	0	0
'000 PLN	0	0
b3. unit/currency 1/SEK	0	0

CASH AND OTHER PECUNIARY ASSETS (CURRENCY STRUCTURE)	2008	2007
'000 PLN	0	0
Cash and other pecuniary assets, total	**7 828**	**35 312**

NOTE 25

SHARE CAPITAL (STRUCTURE)							
Series / issue	**Type of shares**	**Type of shares preference**	**Type of limitation of rights to shares**	**Number of shares**	**Series/issue value according to nominal value**	**Registration date**	**Right to dividend (from date)**
A	common bearer shares	no preference		7 430	7 430	01.04.1992	01.01.1992
B	common bearer shares	no preference		3 570	3 570	18.09.1997	01.01.1997
C	common bearer shares	no preference		33 000	33 000	31.08.2007	01.01.2007
D	common bearer shares	no preference		4 390	4 390	07.10.2008	01.01.2008
Number of shares				48 390	48 390		
Share capital					48 390		
Registered share capital				48 390			
Equity revaluation due to hyperinflation				21 335			
Total share capital				**69 725**			

Pursuant to the IAS 29 requirements, the Company recounted the share capital as it arouse in hyperinflation conditions. Recounting was made in the following way:

Period	Ratio	Before revaluation	After revaluation
April-December 1992	33.20%	7 430	9 897
1993	37.60%	9 897	13 618
1994	29.50%	13 618	17 635
1995	21.60%	17 635	21 444
1996	18.50%	21 444	25 411
1997	13.20%	25 411	28 765
	x	**x**	**21 335**

A resolution on change of share nominal value (split) was adopted at the Annual Shareholders' Meeting on 29.06.2006. Share nominal value after changes amounts to 1 PLN.

In the reporting period the D-series shares were issued and therefore share capital increased by 4,390 thousand PLN. Below are shareholders with at least 5% of the Company's share capital as of 31.12.2008.

Shareholder	Number of shares	% of share capital	Number of votes at the ASM	% of votes at the ASM
Renata Gasinowicz	8 701	17.98	8 701	17.98
Andrzej Mikucki and Piotr Mikucki	4 390	9.07	4 390	9.07

Shareholder	Number of shares	% of share capital	Number of votes at the ASM	% of votes at the ASM
The others	35 299	72.95	35 299	72.95
	48 390	**100.00**	**48 390**	**100.00**

On 14th March 2008 Extraordinary Shareholders' Meeting of Energomontaż-Południe S.A. adopted Resolution No. 1 on authorizing the Management Board to purchase Company's own shares for the purpose of redemption. Shares purchase program ended on 14th March 2009. Energomontaż-Południe S.A. purchased within the framework of shares purchase program 845,654 shares for an average price of 2.67 PLN per share. The Company spent 2,254 thousand PLN for the program. The purchased shares constitute 1.75% of all issued shares. Information on finishing the program of purchasing own shares for the purpose of redemption was published by the Issuer in the Current Report No. 13/2009 on 16th March 2009.

NOTE 26

SUPPLEMENTARY CAPITAL	2008	2007
a) from sales of shares above their nominal value	19 496	11 523
b) created pursuant to the law	1 015	0
c) created pursuant to the articles of association/deed, above the (minimal) statutory value	86	43
d) from shareholders' additional payments	0	0
e) other (according to type)	0	0
Supplementary capital, total	**20 597**	**11 566**

NOTE 27

CAPITAL FROM REVALUATION	2008	2007
a) due to revaluation of tangible assets	10 683	10 687
b) due to profits/losses from valuation of financial instruments, including:	0	0
c) due to deferred tax	0	0
d) foreign exchange differences from calculation of foreign divisions	0	0
e) other (according to type)	105	558
- valuation of financial assets	105	558
Capital from revaluation, total	**10 788**	**11 245**

NOTE 28

OTHER RESERVE CAPITAL (ACCORDING TO DESTINATION TARGET)	2008	2007
- creation of capital for purchase of own shares	7 269	0
- other reserve capital		0
Other reserve capital, total	7 269	0
- consolidation adjustments		0
Other reserve capital	**7 269**	**0**

NOTE 29

CHANGE IN MINORITY CAPITAL	2008	2007
Opening balance of minority equity	0	0
a) increase (due to)	2 929	0
b) decrease (due to)	2 929	0
- change of funds and share in financial result		0
- purchase of interests (100%)	2 929	0
Closing balance of minority equity	**0**	**0**

NOTE 30

CHANGE IN THE LONG-TERM PROVISION FOR RETIREMENT AND SIMILAR BENEFITS (ACCORDING TO TITLES)	2008	2007
a) opening balance of long-term provision for retirement and similar benefits	**5 381**	**4 201**
b) increase (due to)	**242**	**1 180**
- gratuities	174	217
- gratuities - acquisition of the subsidiary	26	
- jubilee awards	41	954
- annuities	1	9
c) use (due to)	**0**	**0**
d) release (due to)	**0**	**0**
- jubilee awards	0	0
- gratuities	0	0
- annuities	0	0
- movement of annuities to short-term	0	0
e) closing balance of long-term provision for retirement and similar benefits	**5 623**	**5 381**

Employee benefits contain long-term part of provisions for jubilee awards, gratuities and annuities. Provisions for the awards, gratuities and annuities were valued by an actuary and represent the parent entity's current value towards the employees for these titles. The so-called predicted individual benefits method, also referred to as the method of benefits accrued in relation to the job seniority, was applied to determine payables. Long-term annual remuneration growth rate was assumed at the level of 2%. The assumed discount rate was 5.5%, i.e. on the expected profitability level of the most secure long-term securities listed on the Polish capital market (ten- and twenty-year treasury bonds).

NOTE 30.1

CHANGE IN PROVISION DUE TO DEFERRED INCOME TAX	2008	2007
1. Opening balance of the provision due to deferred income tax, including:	**4 076**	**3 729**
2. Increases	**801**	**630**
a) applied to period financial result due to positive temporary differences (due to)	801	360
- valuation of interests from loans	124	
- valuation of real estate	294	90

CHANGE IN PROVISION DUE TO DEFERRED INCOME TAX	2008	2007
- valuation of settlements	281	270
- acquisition of the subsidiary	102	
- balance sheet valuation	0	0
b) applied to equity in connection with positive temporary differences (due to)		270
- valuation of tangible fixed assets		270
c) applied to goodwill or negative goodwill in connection with positive temporary differences (due to)	0	0
3. Decreases	**272**	**283**
a) applied to the financial result of the period in connection with positive temporary differences (due to)	271	5
- amortization from investment allowance	1	5
- foreign exchange differences from cash	0	0
- valuation of CAIB interests	0	0
- revaluation of securities	0	0
- valuation of cash	0	0
- forwards valuation	270	0
b) compensation of short-term items with assets due to deferred tax	0	0
- valuation of financial assets	0	0
- balance sheet valuation	0	0
- sales of financial assets	0	0
c) applied to goodwill or negative goodwill in connection with positive temporary differences (due to)	0	278
d) applied to equity	1	
4. Closing balance of provision due to deferred income tax according to the 19% rate, total	**4 605**	**4 076**

NOTE 31

LONG-TERM FINANCIAL PAYABLES	2008	2007
a) to other entities	33 155	7 350
- credits and loans	30 019	4 675
- leasing	3 136	2 675
- other (according to titles)	0	0
- financial leasing contracts	0	0
Long-term payables, total	**33 155**	**7 350**

NOTE 31.1

LONG-TERM FINANCIAL PAYABLES (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	33 155	7 350
b) in foreign currencies (according to currencies and after conversion to PLN)	0	0
- EUR	0	0
Long-term payables, total	**33 155**	**7 350**

NOTE 31.2

LONG- AND SHORT-TERM FINANCIAL PAYABLES DUE TO LEASING CONTRACTS	2008	2007
a) up to 1 year	2 511	2 037
b) from 1 to 5 years	3 136	2 675
Financial payables, total	**5 647**	**4 712**

Payables due to interests resulting from leasing contracts at the end of 2008 amount to 653 thousand PLN; at the end of 2007 - 404 thousand PLN.

Current minimum payments as of 31.12.2008 amount to 5,646 thousand PLN, whereas as of 31.12.2007 - 4,712 thousand PLN.
In the current reporting period an amount of 363 thousand PLN resulting from interests regarding leasing payments was shown in the profit and loss statement.
The undersigned leasing contracts contain inter alia the below terms and conditions:
The object of the contract is to pass the right to use the subject of leasing chosen by the User from the Finansing Party to the User in exchange for the settled leasing payments.

The User takes over all payments, taxes and other amounts due that are directly related to the leasing contract or leasing subject.

Leasing payments are modified respectively in the following cases:

1. Change of the leasing subject price in the period between signing the contract and releasing the leasing subject to the User.

2. Introduction of new or change of the existing legal regulations regarding taxes or other public law receivables under the contract.

3. In case of change of interest rate in the Financing Bank, the Financing Party may adequately change the amount of leasing payments.

Upon termination of the leasing contract, within the time limit no longer than seven days, the User is obliged to assure that the leasing subject is sold at the price specified in the financial schedule. Selling means conclusion of a sale contract for the leasing subject by the Financing Party and a purchaser indicated by the User and price payment on the account of the Financing Party. In particular the User is entitled to purchase the leasing subject.

NOTE 31.3

LONG-TERM PAYABLES DUE TO CREDITS AND LOANS as of 31.12.2008

Name of the entity	Seat	Amount of credit/loan according to contract '000	currency	Amount of credit/loan to be paid '000	currency	Due date	Guarantees	Other
Voivodeship Environment and Water Balance Protection Fund	Katowice	2 616	PLN	875	PLN	20.12.2012	SEJ S.A. civil law suretyship, declaration in the form of a notarial deed of the Surety on the submission to execution, declaration in the form of a notarial deed of the Borrower on the submission to execution, cession of rights from the insurance policy	
BRE Bank S.A. Katowice Regional Division	Warszawa	15 000	PLN	0	PLN	31.07.2011	Maximum mortgage on the real estate in Katowice, Mickiewicza Street - 18 000 thousand PLN with cession of rights from insurance policy pursuant to the Credit Contract No. 11/172/06/Z/LX as amended	Cooperation Contract II No. 11/171/06/Z/PX of 31.07.2008 containing consolidated text to Contract No. 11/171/06/Z/PX of 02.08.2004 as amended. The following products were made available within the framework of the contract: guarantee limit up to 15 000 thousand PLN with validity
DZ Bank S.A.	Warszawa	7 600	PLN	7 600	PLN	30.05.2011	Integrated ordinary mortgage in the amount of 7,600 thousand PLN set up on three real estate properties situated in Opole, total maximum mortgage up to 3,800 thousand PLN set up on three real estate properties situated in Opole	Mid-term Investment Credit Contract No. 2008/KI/0058 of 30.05.2008 to refinanse the purchase of real estate properties situated in Opole
Kredyt Bank S.A.	Warszawa	15 000	PLN	15 000	PLN	30.06.2013	Registered pledge on interests in Amontex PM Sp. z o.o., ordinary mortgage in the amount of 7,000 thousand PLN on the real estate in Będzin-Łagisza, 10 Energetyczna Street, registered pledge on inventories in the amount of 2,000 thousand PLN, cession of rights from insurance policy	Investment Credit Contract No. 3054400KA12060800 of 12.06.2008 to finanse/refinanse the purchase of interests in Amontex PM Sp. z o.o.

LONG-TERM PAYABLES DUE TO CREDITS AND LOANS as of 31.12.2008

BGŻ S.A.	Warszawa	4 000	PLN	4 000	PLN	28.02.2009	Maximum mortgage 6 000 thousand PLN (Przemysłowa 25a); cession of debt from the contract with EPB; blank bill of exchange with the warranty of the Company's shareholders; power of attorney to dispose of the current account
BRE Bank S.A.	Warszawa	2 000	PLN	1 806	PLN	31.12.2015	Ordinary mortgage 2 000 thousand PLN; maximum mortgage 400 thousand PLN (Przemysłowa 25a); blank promissory note guaranteed by Piotr Mikucki and Andrzej Mikucki with blank promissory note agreement
RAIFFEISEN Bank Polska S.A.	Warszawa	825	PLN	738	PLN	29.03.2013	Cession of PARP debt - 515.9 thousand PLN; registered pledge on the organized part of the company (the subject of the donation) 1031.8 thousand PLN

NOTE 32

CHANGE IN THE SHORT-TERM PROVISION FOR RETIREMENT AND SIMILAR BENEFITS (ACCORDING TO TITLES)	2008	2007
a) opening balance of short-term provision for retirement and similar benefits	**644**	**504**
b) increase (due to)	**653**	**789**
- provision for jubilee awards	596	706
- provision for gratuities	15	49
- provision for vacations	0	
- provision for annuities	42	34
c) use (due to)	**648**	**649**
- provision for jubilee awards	564	570
- provision for gratuities	43	47
- provision for annuities	41	32
d) release (due to)	**0**	**0**
e) closing balance of short-term provision for retirement and similar benefits	**649**	**644**

NOTE 32.1

CHANGE OF OTHER SHORT-TERM PROVISIONS (ACCORDING TO TITLES)	2008	2007
a) opening balance of other short-term provisions	**992**	**1 000**
b) increase (due to)	**0**	**596**
- provision for income tax of the Division in Germany	0	596
c) use (due to)	**0**	**0**
d) release (due to)	**992**	**604**
- release of provision for income tax of the Division in Germany	992	604
e) closing balance of other short-term provisions	**0**	**992**

NOTE 33

SHORT-TERM FINANCIAL PAYABLES	2008	2007
f) financial payables	**50 847**	**17 052**
- credits and loans	40 975	15 015
- due to leasing	2 511	2 037
- foreign currency forward contracts	7 361	0
Financial payables, total	**50 847**	**17 052**

NOTE 34

SHORT-TERM PAYABLES	2008	2007
a) to subsidiaries	**0**	**0**
b) to co-subsidiaries	**0**	**0**
c) to associated entities	**0**	**0**
d) to the significant investor	**0**	**0**
e) to parent entity	**0**	**0**
f) to other entities	**74 124**	**40 785**

SHORT-TERM PAYABLES	2008	2007
- due to trading with maturity period:	46 809	31 039
- up to 12 months	43 485	28 672
- above 12 months	3 324	2 367
- advances obtained for deliveries	4 045	2 234
- payables due to bills of exchange	777	0
- due to taxes, customs, insurances and other benefits	13 391	4 605
- due to remunerations	3 175	2 080
- other (according to titles):	5 927	827
- deductions in the payroll	342	100
- cessions	1 169	0
- insurances	323	214
- tangible assets under construction	3 575	432
- deposits	0	26
- contractual fines	162	0
- tender bonds	0	0
- dividend		
- other	356	55
g) special funds (according to titles)	**0**	**0**
- social fund	0	0
- other funds	0	0
h) income tax payables	**5 868**	**2 278**
i) accruals	**22 716**	**23 796**
Short-term payables, total	**102 708**	**66 859**

Payables are non-interest-bearing.

NOTE 34.1

SHORT-TERM PAYABLES (CURRENCY STRUCTURE)	2008	2007
a) in Polish currency	**99 030**	**65 945**
b) in foreign currencies (according to currencies and after conversion to PLN)	**3 678**	**914**
b1. unit/currency 1/EUR	879	255
'000 PLN	3 669	914
b1. unit/currency 1/CZK	56	0
'000 PLN	9	0
b1. unit/currency 1/USD	0	0
'000 PLN	0	0
b1. unit/currency 1/CAD	0	0
'000 PLN	0	0
b1. unit/currency 1/NOK	0	0
'000 PLN	0	0
b1. unit/currency 1/CHF	0	0
'000 PLN	0	0
Short-term payables, total	**102 708**	**66 859**

NOTE 34.2

SHORT-TERM PAYABLES DUE TO CREDITS AND LOANS as of 31.12.2008

Name of the entity	Seat	Amount of credit/loan according to the contract '000	Amount of credit/loan according to the contract currency	Amount of credit/loan to be paid '000	Amount of credit/loan to be paid currency	Due date	Guarantees	Other
BRE Bank S.A. Katowice Regional Division	Warszawa	3 500	PLN	3 500	PLN	31.01.2009	Ordinary mortgage on the real estate in Katowice, Mickiewicza Street - 3,500 thousand PLN; maximum mortgage 700 thousand PLN, on the right to perpetual usufruct, cession of rights from the insurance policy	Working-capital credit in PLN Contract No.11/036/06/Z/08 of 14.03.2006 to finanse permanent need for current capital and for recapitalization of Wica Invest Sp. z o.o.
BRE Bank S.A. Katowice Regional Division	Warszawa	15 000	PLN	5 657	PLN	31.07.2009	Maximum mortgage on the real estate in Katowice, Mickiewicza Street - 18 000 thousand PLN with cession of rights from insurance policy pursuant to the Credit Contract No. 11/172/06/Z/LX as amended	Cooperation Contract II No. 11/171/06/Z/PX of 31.07.2008 containing consolidated text to Contract No. 11/171/06/Z/PX of 02.08.2004 as amended. The following products were made available within the framework of the contract: guarantee limit up to 15 000 thousand PLN with validity
Voivodeship Environment and Water Balance Protection Fund	Katowice	2 616	PLN	300	PLN	20.12.2012	SEJ S.A. civil law suretyship, declaration in the form of a notarial deed of the Surety on the submission to execution, declaration in the form of a notarial deed of the Borrower on the submission to execution, cession of rights from the insurance policy	Loan of 10.12.2003 to subsidize the task "Modernization of water economy in Zakład Produkcji Przemysłowej (Industrial Production Plant) in Będzin Łagisza", paid monthly in instalments - the amount of capital 25 thousand PLN plus variable interest rate
Bank Pekao S.A. I Śląskie Centrum Korporacyjne (1st Silesian Corporational Center) in Katowice	Kraków	10 000	PLN	4 789	PLN	30.09.2009	Maximum mortgage on a real estate in the amount of 13,000 thousand PLN on the real estate in Będzin-Łagisza Land and Mortgage Register 8065 with a cession from the	Credit in the form of multi-target multi-currency line dedicated to finance current activity. A limit of credit in the amount of 5,000 thousand PLN in current year and a limit for guarantees

SHORT-TERM PAYABLES DUE TO CREDITS AND LOANS as of 31.12.2008

							insurance policy, power of attorney to dispose of cash on the bank accounts kept in Pekao S.A., BRE Bank S.A.	or letters of credit in the amount of 5,000 thousand PLN was made available within the framework o the Contract.
Bank Millennium S.A. Center of Cooperation with Clients in Katowice	Warszawa	650	EUR	2 254	PLN	08.11.2008	Maximum guarantee up to 845 thousand EUR on real estates in Mrzeżyna Land and Mortgage Register 3792 and Łaziska Górne Land and Mortgage Register 62783 with cession of rights from insurance policy	Credit on current account to finance current activity Contract No. 64373832 of 31.05.2005 as amended.
Bank PKO BP S.A. Division in Wrocław	Warszawa	17 100	PLN	15 882	PLN	01.12.2017	Integrated ordinary mortgage in the amount of 17,100 thousand PLN on the real estate in Wrocław, 55a Legnicka Street and 55 Legnicka Street; integrated maximum mortgage in the amount of 5,130 thousand PLN on the real estate in Wrocław, 55a Legnicka Street and 55 Legnicka Street	
Kredyt Bank S.A.	Warszawa	5 000	PLN	4 911	PLN	30.06.2009	Blank bill of exchange, debt payment up to the amount of 20,000 thousand PLN	Working-capital credit on current account to finance current activity Contract No. 3054400KA17060800 of 01.07.2008
BRE Bank S.A.	Warszawa	2 000	PLN	1 724	PLN	27.02.2009	ordinary mortgage 2 000 thousand PLN; maximum mortgage 400 thousand PLN (Przemysłowa 25a); registered pledge on the UTM532 ERA81UK crane and cession of rights from the insurance policy 015/07/AC112/35022994 - the amount of insurance 380 thousand PLN; cession of debt of 27.02.2008 from the Contract No. G9/07/346/1	

SHORT-TERM PAYABLES DUE TO CREDITS AND LOANS as of 31.12.2008

							with ZKS Ferrum Sp. z o.o.; blank promissory note guaranteed by Piotr Mikucki and Andrzej Mikucki with blank promissory note agreement; cession of 31.03.2008 from the policy 015/08/862/00038373 of 19.02.2008 - the amount of insurance 2,500 thousand PLN; cession of 31.03.2008 from the policy 015/08/862/00038374 of 21.02.2008 - the amount of insurance 230 thousand PLN; cession of 31.03.2008 from the policy 015/08/862/00038383 of 28.02.2008 - the amount of insurance 200 thousand PLN;
ING Bank Śląski S.A.	Warszawa	300	PLN	251	PLN	27.03.2009	Bill of exchange - Andrzej Mikucki; bill of exchange - Piotr Mikucki; power of attorney to dispose of cash on the bank account
BGŻ S.A.	Warszawa	300	PLN	300	PLN	27.02.2009	Change of ownership of tangible assets 300 thousand PLN; cession of rights from the insurance policy 015/08/094/00049859 of 14.02.2008; blank promissory note guaranteed by Andrzej Mikucki and Piotr Mikucki; power of attorney to dispose of the account
RAIFFEISEN Bank Polska S.A.	Warszawa	1 500	PLN	219	PLN	30.01.2009	Power of attorney for the current and other accounts; cession of receivables from Strabag Sp. z o.o.
RAIFFEISEN Bank Polska S.A.	Warszawa	1 500	PLN	1 188	PLN	30.01.2009	Power of attorney for the current and other accounts; cession of receivables from ZKS Ferrum Sp. z o.o.

NOTE 34.3

SHORT-TERM ACCRUALS	2008	2007
- long-term (according to titles)	0	0
- construction contracts	0	0
- short-term (according to titles)	22 716	23 796
a) payables to recipients due to construction contracts	**11 149**	**12 869**
b) passive accruals	**5 541**	**3 043**
- provision for complaints	0	185
- provision for vacations	515	574
- provision for balance sheet audit	35	24
- costs regarding the accounting office in Germany	45	48
- other	0	0
- provision for deferred costs	4 732	436
- valuation of interest from loans	92	0
- interest from credit	101	109
- provision for fines	0	444
- provision for payables	0	1 189
- provision for demolition of buildings	0	0
- guarantees	21	34
c) prepayments of revenues	**6 026**	**7 884**
- long-term (according to titles)		0
- short-term (according to titles)	6 026	7 884
- other		7 884
Other accruals, total	**22 716**	**23 796**

EXPLANATORY NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT

NOTE 36

NET REVENUES FROM THE SALES OF PRODUCTS (CATEGORY STRUCTURE - TYPES OF ACTIVITY)	2008	2007
- basic production (construction and assembly services)	143 866	112 177
- developing activity	6 052	44 517
- industrial production	21 250	17 547
- general contracting	44 428	35 541
- services	7 345	7 015
Net revenues from the sales of products, total	**222 941**	**216 797**
-including: from related entities	0	0

NOTE 36.1

NET REVENUES FROM THE SALES OF PRODUCTS (GEOGRAPHICAL STRUCTURE)	2008	2007
a) country	192 611	161 899
b) export	30 330	54 898
Net revenues from the sales of products, total	**222 941**	**216 797**
-including: from related entities	0	0

NOTE 36.2

NET REVENUES FROM THE SALES OF GOODS AND MATERIALS (CATEGORY STRUCTURE - TYPES OF ACTIVITY)	2008	2007
- goods	16 506	15 311
- materials	458	200
Net revenues from the sales of goods and materials, total	**16 964**	**15 511**
-including: from related entities	0	0

NOTE 36.3

NET REVENUES FROM THE SALES OF GOODS AND MATERIALS (GEOGRAPHICAL STRUCTURE)	2008	2007
a) country	16 391	14 749
b) export	573	762
Net revenues from the sales of goods and materials, total	**16 964**	**15 511**
-including: from related entities	0	0

NOTE 37

COSTS BY TYPE	2008	2007
a) amortization	**4 473**	**4 169**
b) use of materials and energy	**66 273**	**31 032**
c) external services	**128 266**	**88 344**
d) taxes and charges	**2 213**	**1 972**
e) remunerations	**46 923**	**41 981**
f) social insurances and other benefits	**13 847**	**14 258**
g) other costs by type (due to)	**4 367**	**2 339**
Costs by type, total	266 362	184 095
Change in inventories, products and accruals	-21 506	25 303
Manufacturing costs of products for internal purposes (negative value)	-40 994	-119
Costs of sales (negative value)	-956	-94
General management costs (negative value)	-15 495	-9 243
Trading costs	15 385	14 537
Manufacture cost of products, goods and materials sold	202 796	214 479

NOTE 38

OTHER REVENUES	2008	2007
a) release of provision (due to)	**6 894**	**7 992**
- amounts due	4 298	4 803
- jubilee awards	564	570
- demolition of buildings	0	260
- vacations	184	0
- gratuities	43	47
- contractual fines	390	322

OTHER REVENUES	2008	2007
- annuities	41	32
- revaluation of tangible fixed assets	0	98
- deferred payables	1 189	1 745
- complaints	185	115
b) profit from sales of non-financial fixed assets	**0**	**1 874**
c) other, including:	**15 138**	**4 270**
- repayment of legal costs	71	24
- contractual fines	82	1 539
- prescribed payables write-off	42	50
- profit from sales of non-financial fixed assets	177	0
- valuation of real estate	11 343	475
- investment revenues	1 251	1 295
- commissions	12	0
- other compensations	160	483
- post-accident compensations	73	19
- payables write-offs	1 544	0
- payables depreciation	123	0
- use of company cars	37	0
- other	223	385
Other operating revenues, total	**22 032**	**14 136**

NOTE 39

OTHER COSTS	2008	2007
a) loss from sales of non-financial fixed assets	**15**	**0**
b) revaluation of non-financial assets	**0**	**0**
c) provisions made for	**3 541**	**8 196**
- amounts due	442	3 539
- jubilee awards	637	1 660
- annuities	43	44
- gratuities	126	266
- vacations	0	147
- deferred payables	0	1 189
- contractual fines	1 189	444
- goodwill	1 104	907
d) other, including:	**13 818**	**3 501**
- revaluation of inventories	68	30
- compensatory pensions	76	52
- depreciation of receivables from arrangement proceedings	0	0
- donations	26	5
- legal costs	59	176
- fees for organizations	42	47
- retainers	1	1
- adjustment of amortization regarding valuation of real estate	335	0
- complaints	3	0
- costs regarding investment real estate	1 135	1 362
- contractual fines	409	1 514

OTHER COSTS	2008	2007
- uncollectible debt write-off	133	33
- unused capital expenditure	12	0
- other damages	156	23
- post-accident repairs	61	21
- depreciation of other receivables	10 956	0
- materials shortages	1	34
- other	330	203
Other operating costs, total	**17 359**	**11 697**

NOTE 40

FINANCIAL REVENUES DUE TO INTEREST	2008	2007
a) due to loans given	**0**	**562**
- from other entities	0	562
b) other interests	**969**	**1 449**
- from other entities	969	1 449
Financial revenues due to interests, total	**969**	**2 011**

NOTE 40.1

OTHER FINANCIAL REVENUES	2008	2007
a) positive exchange differences	**0**	**0**
b) release of provision (due to)	**33**	**4 737**
- interests due	33	54
- interests from loans	0	3 714
- financial assets	0	969
c) other, including:	**6 921**	**2 927**
- dividend	24	22
- discounts, rebates	33	39
- interest limitation	22	0
- depreciation of interest accrued	2	16
- profit from options	87	0
- profit from foreign currency futures	2 284	1 417
- valuation of foreign currency futures	0	1 421
- depreciation of prescribed debt	60	0
- compensation from debt recovery	123	0
- positive exchange differences	4 091	0
- profit from sales of securities	176	0
- other	19	12
Other financial revenues, total	**6 954**	**7 664**

NOTE 41

FINANCIAL COSTS DUE TO INTERESTS	2008	2007
a) from credits and loans	**2 237**	**469**
- for other entities	2 237	469
b) other interests	**639**	**786**
- for other entities	639	786
Financial costs due to interests, total	**2 876**	**1 255**

NOTE 41.1

OTHER FINANCIAL COSTS	2008	2007
a) surplus of negative differences over positive differences	**4**	**1 674**
b) provisions made (due to)	**289**	**36**
- interests from amounts due	89	36
- interests from payables	200	0
c) other, including:	**10 187**	**976**
- reverse entry of futures	1 421	743
- discount of bills of exchange	44	0
- payments regarding guarantees	23	11
- costs of debt recovery	9	138
- commissions from credits and loans	257	30
- costs of debt sales	0	51
- loss on futures sales	1 055	0
- valuation of foreign currency futures	7 361	0
- other	17	3
d) revaluation of financial fixed assets	**2**	**77**
Other financial costs, total	**10 482**	**2 763**

NOTE 42

CURRENT INCOME TAX	2008	2007
1. Gross profit (loss)	**21 900**	**16 708**
2. Differences between gross profit (loss) and taxation base for the income tax (according to titles)	**9 653**	**313**
a) revenues not contained in the tax revenues(decrease of the taxation base)	-53 989	-12 256
b) revenues not contained in the book revenues(increase of the taxation base)	11 694	12 492
c) costs and losses not acknowledgeed by the tax regulations as tax deductible costs (increase of the taxation base)	105 762	54 531
d) costs and losses not contained in the book costs (decrease of the taxation base)	-51 661	-53 264
e) other taxable income increases/decreases	-2 153	-1 190
3. Taxation base for the income tax	**31 553**	**17 021**
4. Deduction of loss from previous years	**-22**	**-67**
5. Donations deductions	**-4**	**0**
6. Taxation base after deduction of loss	**31 527**	**17 172**
7. Current income tax	**5 998**	**3 262**

CURRENT INCOME TAX	2008	2007
8. Current income tax shown presented in tax return	**5 998**	**3 262**
9. Income tax on export activity	**164**	**530**
10. Income tax shown in profit and loss statement	**6 162**	**3 792**
11. Deferred tax	**-1 950**	**360**
12. Total income tax	**4 212**	**4 152**

NOTE 43

NET PROFIT (LOSS)	2008	2007
a) net profit (loss) of parent entity	12 377	12 684
b) net profit (loss) of subsidiaries	5 208	-128
c) net profit (loss) of co-subsidiaries		
d) net profit (loss) of affiliated entities		
e) consolidation adjustments	-2 245	-120
Net profit (loss)	**15 340**	**12 436**

NOTE 44

Profit (loss) per common share was stipulated as a quotient of a net profit (loss) for the given financial period and an average weighted number of shares occuring within this period. In the reporting period the parent entity was in the course of the process of D-series shares emission and continued the process of purchasing own shares for the purpose of redemption. As of the balance sheet date the parent entity owned 845,654 pieces of own shares, thus the number of shares as of the balance sheet date diminished by own shares amounted to 47,544,346 pieces.

EXPLANATORY NOTES TO CONSOLIDATED CASH FLOW STATEMENT

NOTE 45

The operating activity contains activity resulting from the company's articles of association that contains activities aiming at clearing a profit on sales regarding construction and assembly, production, service and commercial activities in the scope of power engineering and industrial construction industry. The investment activity means all transactions regarding company's fixed assets and financial assets. The financial activity means operations related to external sources of financing. The companies draw up Cash Flow Statement using the indirect method. The differences between the changes in the balance sheet and the changes in Cash Flow Statement are presented in the explanatory note to Cash Flow Statement. Discrepancies result from the movement of some items from the operating activity to investment or financial activity.

CASH FLOWS FROM OPERATING ACTIVITY (indirect method)	2008	2007
11. Other adjustments	-3 013	-10 666
- decrease of interests as a result of the merger with Wica Invest Sp. z o.o.	0	1 800
- change of supplementary capital		-183

CASH FLOWS FROM OPERATING ACTIVITY (indirect method)	2008	2007
- change in Wica-Invest payables due to credit repayment		3 163
- valuation of forward contracts	1 421	-679
- purchase of goodwill		-2 011
- take-over of tangible fixed assets from Wica Invest		-122
- valuation of interests from loans	653	653
- valuation of real estate		-475
- adjustment of depreciation of tangible fixed assets		-227
- depreciation of tangible fixed assets from Wica Invest		51
- valuation of buildings		-1 392
- change in the reserve capital as a result of sales of tangible assets		1 136
- revaluation of goodwill	1 104	907
- change in inventories regarding allowance for shares in CK Modus		-15 421
- allowance for tangible fixed assets		-98
- previous years' profit/loss change		3 181
- other consolidation adjustments	-334	0
- change in financial assets available for sale		-1 164
- consolidation adjustment of goodwill as a result of the Wica take-over		220
- revaluation of long-term financial assets	0	0
- reversing entry revaluation of financial assets	-612	0
- valuation of foreign currency forward contracts	0	0
- change in reserve capital from revaluation	0	0
- cost of interests sales	436	
- conversion of receivables to shares	-124	
- valuation of investment real estate	-11 342	
- other	-33	-5
- adjustment due to purchase of Amontex goodwill	5 818	
III. Net cash flows from operating activities (I+/-II)	**-3 013**	**-10 666**

ADDITIONAL EXPLANATORY NOTES

46. AIMS AND RULES OF FINANCIAL RISK MANAGEMENT

Operating risk

The Parent Entity insures its receivables at one of the renown insurance agencies. In the event of a refusal to cover the given entity's liabilities by insurance, the decision regarding the transaction with the given entity is undertaken having entailed its financial standing and the assessment of the securities being submitted by the said entity. Furthermore, the Parent Entity uses a wide range of financial instruments, such as bank guarantees, insurance guarantees, security deposits or bank bills, as a means of securing the appropriate performance of contracts.

Seasonal nature of sales

The construction and assembly services market is characterized by seasonal nature which results mainly from the weather conditions. Winter months mean less activity in the construction sector. A vast majority of sales is generated by the Capital Group in the 2nd and 3rd quarter, and smaller revenues are attained shown in the 1st quarter. The seasonal nature is increased by the work cycle of the power industry - the main recipient of the Parent Entity's services. Repairs and modernizations of power devices take place mainly in the summer season, as the winter season is their operation time. In order to reduce the impact of the seasonality phenomenon, the Parent Entity diversifies its activity by increasing the engagement in branches other than power industry, rendering services in the scope of general contracting and winning orders for production activity.

Risk related to changes of goods prices

The Group is exposed to the risk of changes of goods prices to a limited extent. The risk means changes of steel prices. At the stage of contracting, the entities incorporated under the Capital Group execute contracts with steel suppliers at prices that guarantee profitability of the said contracts.
The subsidiaries are exposed to the risk of deterioration of economic conditions at the real estate market in connection with the developing activity conducted.

Risk related to changes of exchange rates

The Parent Entity is exposed to the risk of change of EUR/PLN exchange rates in connection with the activity conducted. The Company partially secures their standing by means of natural hedging (currency proceeds are dedicated to currency expenses). In the remaining part, the net open currency position is secured by Energomontaż Południe using forward transactions. The Parent Entity, as an exporter, is highly exposed to crucial and long-lasting strengthening of PLN with regard to EUR and thus needs to maintain a specific level of net secured currency position. The Company has a reasonable approach to the exchange rate risk and conducts conservative hedging policy by using simple instruments which additionally limits the risk.

Like many other business entities, the Parent Entity strongly felt the results of rapid PLN depreciation that occurred in the period from October 2008 to the end of February 2009. A considerable share of proceeds from the export contracts concluded (denominated in EUR) is secured at the foreign exchange market on the levels that guarantee profitability of the operating activity assumed. The forward transactions are concluded only for the sake of securing financial flows resulting from the contracts concluded by the Parent Entity expressed in foreign currencies. As of the end of the year 2008, the Issuer had open forward transactions securing foreign currency contract flows in the amount of 15.7 million EUR. The status of the open currency positions owned ensures securing of 73% of the financial flows resulting from the export contracts the nominal currency of which was EUR The open foreign exchange transactions are related to the export contracts concluded for the years 2009 – 2011 with the amount of 8 million EUR being allocated for the year 2009. The booking evaluation of the securities showed the amount of -7.4 million PLN at the end of 2008. As a result of the currency proceeds from the export contracts performed, the open forward positions, which were to be settled in 2009, were reduced by 35% during the first two months of 2009. Negative evaluation of the forward transactions at the end of 2008 was neutralized by evaluation of the Issuer's export receivables to a positive value of ca. 4.1 million PLN.

Establishment of the securities makes the Parent Entity independent of the EUR/PLN exchange rate variability and guarantees that the result attained on export transactions will comply with the calculation of profitability of the contracts concluded. The evaluation of securities as of the end of 2008 exerted a negative influence on the results of the Parent Entity's financial activity and thus the Issuer advances the rotation of currency receivables and closes a part of the derivative transactions through a physical delivery of the currency. The Issuer settles the payables due to banks that mediate in conclusion of the transactions securing the trade activity conducted on an ongoing basis.

Interest rate risk

The Capital Group monitors the interest rate levels at the individual markets on an ongoing basis and reacts flexibly to the changes occurring in the country as well as abroad. The nature of certain financial transactions (financial leasing of real estate in Wrocław) requires that such operations be secured at the interest rate market using instruments that protect them from an increase. The first transaction which provided security against the increase of an interest rate (EURIBOR) was concluded in the 1st quarter of the year 2009.

Liquidity risk

The Group maintains its balance through adjusting the funding sources to the expenses incurred. The purchases of fixed assets are funded either from equity, leasing, credit or long-term loans. The Parent Entity has been granted credit limits by various financial institutions which significantly lowers the risk of concentration.

47. FINANCIAL INSTRUMENTS

47.1 FINANCIAL PAYABLES DUE TO SHORT-TERM CREDITS AND LOANS

1. Opening balance of financial payables due to short-term credits and loans	**15 014**
a) increase (due to)	**52 336**
- extension of the Capital Group	2 880
- incurring the credits	49 156
- movement from long-term credit	0
- movement from long-term loan	300
b) decreases	**26 375**
- repayment of credits	26 075
- loan repayment	300
Closing balance of financial payables due to short-term credits and loans	**40 975**

47.2 PAYABLES DUE TO LONG-TERM CREDITS AND LOANS

1. Opening balance of payables due to long-term credits and loans	**4 675**
a) increases	**26 526**
- incurring the credit	24 991
- extension of the Capital Group	1 535
b) decreases	**1 182**
- movement to short-term loan	300
- repayment	882
Closing balance of payables due to long-term credits and loans	**30 019**

Interest from accrued and paid credits amounts to **2,368 thousand PLN**.
The characteristics of credits is presented in note **31.3**.

LOANS GIVEN

1. Opening balance of loans given	**4 297**
- increase	14 163
a) due to loans given	**14 163**
- decrease	600
b) repayments	**600**
Closing balance of loans given	**17 860**

INTEREST ACCRUED FROM LOANS

1. Opening balance of interest accrued from loans	**97**
a) increase due to	653
- charging the interest	653
Closing balance of interest accrued from loans	**750**

Interest from loans given is accrued as of the end of every quarter. Interest valued in CK Modus SP. z o.o. amount to 127 thousand PLN, while in Modus II - 165 thousand PLN. Interest is paid upon the Lender's request.

47.3. FINANCIAL DERIVATIVE INSTRUMENTS - SECURITIES

As of 31st December 2008, the Company had the following forward contracts that secure future sales transactions.

Date of transaction	Maturity date	Denomination '000 EUR	Valuation in '000 PLN as of 31.12.2008
2008-11-25	2009-11-27	1 000	-429
2008-12-01	2009-12-03	1 000	-376
2008-12-10	2009-12-12	1 000	-281
2008-12-10	2009-12-12	1 000	-279
2008-03-10	2011-03-10	4 800	-1 690
2008-03-19	2009-06-30	3 000	-1 129
2008-04-08	2009-12-31	770	-305
2008-09-29	2009-02-24	18	-11
2008-10-21	2009-10-23	1 000	-561
2008-10-21	2010-03-30	1 000	-558
2008-10-30	2009-04-30	425	-343
2008-11-10	2010-03-30	1 000	-438
2008-11-17	2010-09-30	1 000	-410
2008-11-17	2010-09-30	1 000	-412
2008-09-17	2009-01-30	175	-139
		Total	**-7 361**

Although the purpose of all forward contracts that the Company has is to secure against the exchange rate risk, it does not follow accounting securities pursuant to IAS 39 with respect to all transactions. It refers to transactions that secure a change in balance sheet valuation of assets and liabilities components that are denominated in foreign currency. These transactions secure cash flows resulting from reasonably anticipated planned sales transactions in foreign currency.

As of 31st December 2008 the fair value of futures amounted to -7,361 thousand PLN. The amount was determined on the basis of current market value obtained from a bank.

48. OFF-BALANCE SHEET ITEMS

a) contingent payables

Guarantees and bills of exchange given to contracting parties (status as of 31.12.2008)

TYPE	Amount '000 PLN
from banks	4 961
from insurance companies	37 457
bills of exchange as security for contract	7 786
Total	**50 204**

b) contingent receivables

Guarantees and bills of exchange obtained (status as of 31.12.2008)

TYPE	Amount '000 PLN
from banks	5 065
from insurance companies	1 793
bills of exchange as security for contract	6 571
Total	**13 429**

49. CONSTRUCTION CONTRACTS

TITLE	31.12.2008	31.12.2007
Total costs incurred	97 387	80 455
Revenues due to contracts presented in revenues	117 440	76 793
Total profit and loss presented	20 053	-3 662
Amount of deposits	0	0

50.

The Capital Group has no liabilities to the national or municipality budget due to obtaining the right to buildings and structures.

51.

In 2008 there were no cases of neglect of manufacturing our products or trade activity.

52.

The cost of manufacturing tangible assets performed with own forces for internal purposes amounts to 40,986 thousand PLN and refers to:

- adjusting area for the server room 48 thousand PLN
- modernization of the cloak-room 38 thousand PLN
- movement of inventories to investment real estate 40,900 thousand PLN

53. PLANNED INVESTMENT EXPENDITURES IN THE 12 MONTHS AFTER THE BALANCE SHEET DAY

	Total investements, including:	Intangible assets	Tangible fixed assets	Capital investments	Environment protection
			in '000 PLN		
Planned in the next reporting period	9 000	1 791	6 144		1 065

54. SIGNIFICANT TRANSACTIONS WITH RELATED ENTITIES REGARDING TRANSFER OF RIGHTS AND OBLIGATIONS

There were no significant transactions with related entities regarding the transfer of rights and obligations.

In 2008 the Company granted a loan amounting to 13,947 thousand PLN to CK-Modus Sp. z o.o. and 216 thousand PLN to Modus II Sp. z o.o. The companies are 100% dependent of Energomontaż - Południe S.A. Below are numbers regarding related entities.

Name of the company	Seat	Object of the activity	% of capital owned	Carrying value	Mutual receivables	Mutual payables	Revenues from mutual transactions	Costs from mutual transactions
CK-Modus Sp. z o.o.	Katowice	Construction works, counseling	100%	478	29 903	210	22 688	21 257
EP Centrum Rekreacji Sp. z o.o.	Katowice	Recreational, accommodation services	100%	71	14	0	326	241
Modus II Sp. z o.o.	Katowice	Construction and design works	100 %	50	2 860	0	233	0
Amontex PM Sp. z o.o.	Piotrków Trybunalski	Production and assembly of steel constructions	100 %	33 023	6	1 009	10	834

55.

The Capital Group did not undertake any joint projects that are not subject to consolidation.

56.

The Capital Group did not grant any advances, loans, guarantees, warranties to the Members of the Management and Supervisory Board.

57.

In 2008 there were no significant events regarding previous years that ought to be presented in the balance sheet and in the profit and loss statement.

58.

Energomontaż-Południe S.A. was formed as a result of transformation of a state company Przedsiębiorstwo Montażu Elektrowni i Urządzeń Przemysłowych Energomontaż-Południe (Energomontaż-Południe Power Plant and Industrial Device Assembly Company) seated in Katowice into a company wholly owned by the State Treasury. The transformation of the company into a joint-stock company was performed by a notarial deed Rep. A 1661/92 effective as of the date of issuing the decision on the registration in the Commercial Register by the District Court, which took place on 1st April 1992.

59.

There were no significant changes in the adopted accounting policy in relation to the previous financial year.

60.

There were no fundamental errors that influenced the Company's property or financial situation, liquidity or financial result and the profitability.

61. POSSIBILITY TO CONTINUE THE COMPANY'S AND THE CAPITAL GROUP'S ACTIVITY

The Company's financial statements were prepared upon the assumption that the Capital Group will continue in the foreseeable future economic activity in the undiminished scope without declaring its bankruptcy or liquidation. The Company's Management Board does not state as of the day of signing the financial statements any facts or circumstances that would indicate threats to continuation of activity by the Company in the foreseeable future constituting a period no less than one year from the balance sheet date as a result of its wilful or compulsory neglect or significant limitation of the existing activity.

62. TYPES OF ACTIVITY SEGMENTS INDICATING PRODUCTS (SERVICES) AND GOODS WITHIN EVERY INDICATED BRANCH SEGMENT OR COMPOSITION OF EVERY INDICATED GEOGRAPHIC SEGMENT AND INDICATION WHICH SEGMENT CLASSIFICATION (BRANCH OR GEOGRAPHIC) IS THE FUNDAMENTAL CLASSIFICATION AND WHICH IS THE COMPLEMENTARY CLASSIFICATION.

The fundamental division is the division into branch segments.

There are four branch segments in the Energomontaż-Południe S.A. Capital Group:

- Construction Industry,
- Production,
- Trade,
- Auxiliary activity.

The accounting principles (policy) assumed in relation to the reporting regarding the segments, in particular referring to the way of segments classification, assigning and valuation of their revenues, costs and determining the financial result, the way of assigning and valuation of assets and liabilities and methods of determining transfer prices.

The branch segments were defined as separate economic entity's areas of distribution of goods or rendering services or groups of related goods or services that are subject to risk and are characterized by the rates of return from the investment expenditures incurred other than those in other branch segments.

The basis for determination of dominant sources and types of risk and differentiated rates of return from the characteristic investment expenditures incurred were as follows for the Capital Group of Energomontaż-Południe S.A.: the internal organizational structure, the Group's management structure and its financial reporting system for the Management Board.

ACCOUNTING PRINCIPLES

Zasady rachunkowości segmentu są zasadami rachunkowości przyjętymi do sporządzania i prezentacji skonsolidowanego sprawozdania finansowego Grupy, jak również zasadami rachunkowości, które odnoszą się konkretnie do sprawozdawczości dotyczącej segmentów.

SEGMENT REVENUES

Segment revenues are the revenues either from sales to external clients or from transactions with other segments of the Group that are shown in the Group's profit and loss statement and that can be directly assigned to a given segment with an adequate part of group's revenues, which on the basis of reasonable background can be assigned to the segment. Segment revenues do not contain:
a) revenue due to interest or dividends, including interest obtained from advances given or loans granted to other segments,
b) profits from investment sales or profits resulting from debt expiry.

Segment revenues contain shares of an economic entity in profits or loss of associated entities, joint undertakings or other financial investments consolidated or general using the ownership rights method on condition that the above items are contained in the consolidated or general revenues of the economic entity.

SEGMENT COSTS

Segment costs are the costs that consist of costs of sales with external clients and costs of transactions made with other segments within the Group that result from operating activity of a given segment and that can be directly assigned to the segment with an adequate part of the Group that on the basis of reasonable background can be assigned to the segment. Segment costs do not contain:
a) interest, including interest due to advances or loans obtained from other segments,
b) loss on investment sales or loss incurred as a result of debt expiry.
c) encumbrances due to income tax or
d) general administration costs, head office costs and other costs arising on the Group level that refer to the Group as a whole. However the costs on the Group level are sometimes incurred by one of the segments. They are segment costs if they refer to operating activity of the segment and on the basis of reasonable background they can be directly assigned or acribed to the segment.

SEGMENT RESULT

Segment result is the remainder of segment revenues and segment costs.

SEGMENT ASSETS

Segment assets are operating assets used by a segment in operating activity, which can be dirrectly assigned to the given segment or ascribed to it on the basis of reasonable background.

If a segment result consists of revenue due to interest or dividends, the segment assets consist of adequate receivables, loans, investments and other assets that bring about revenues.

Segement assets do not contain assets resulting due to income tax.

Segment assets are determined after adequate deductions that are shown in the balance sheet of an economic entity as direct compensations.

SEGMENT LIABILITIES

Segment liabilities are operating liabilities that arouse as a result of operating activity of the segment, which can be directly assigned to the given segment or ascribed to it on the basis of reasonable background.

If the segment result comprises interest costs, its liabilities comprise adequate interest bearing payables.

Segement liabilities do not contain liabilities due to income tax.

Definitions of segment revenues, costs, assets and liabilities regard those balance sheet items that can be directly assigned to the segment and that can be acribed to the segment on the basis of reasonable background. The Group refers to its internal financial reporting system as a starting point to determine which items can be directly assigned or ascribed to the segments on the basis of reasonable background. It means that it is assumed that the amounts separated in segments for the purposes of internal financial reporting may be directly assigned or on the basis of a reasonable background ascribed to segments for valuation of revenues, costs, assets and liabilities of a segment that is subject to reporting obligation.

Segment revenues, costs, assets and liabilities are determined before balance of settlements and transactions conducted between the Group's economic entities are excluded within the framework of the consolidation process, unless the balance of settlements and transactions between the Group's economic entities are made within one segment.

BASIC DIVISION ACCORDING TO BRANCH SEGMENTS

TYPE OF PRODUCTS (SERVICES) AND GOODS WITHIN THE FRAMEWORK OF EVERY BRANCH SEGMENT SHOWN

1. SEGMENT: CONSTRUCTION INDUSTRY

This segment contains construction and assembly services, general engineering contracting and developer activity.

2. SEGMENT: PRODUCTION

This segment contains production of metal products.

3. SEGMENT: TRADE

This segment contains sales of metallurgical products.

Segmentation consolidated profit and loss statement as of 31.12.2008

Description of items	Total	Segment Production	Segment Construction Industry	Segment Trade	Segment Auxiliary Activity
Net revenues from the sales of products and materials	239 905	21 250	194 618	16 224	7 813
Costs of segment products, goods and materials sold	202 796	19 360	164 184	14 517	4 735
gross profit/loss on sales	37 109	1 890	30 434	1 707	3 078
Management costs	15 494				
Costs of sales	956				
Net profit/loss on sales	20 659	1 890	30 434	1 707	3 078
Other revenues	22 032	710	17 674	7	3 641
Other costs	17 359	1 300	11 965	6	4 088
Profit/loss from operating activities	25 332	1 300	36 143	1 708	2 631
Financial revenues	7 923	4 087	2 140	126	1 822
Financial costs	13 358	3 569	8 999	61	729
Gross financial income	19 897	1 818	29 284	1 521	3 724
Income tax unassigned to segments	4 212				
Net financial income	15 685				
Parent entity's profit	15 340				
Minority profits	345				

4. SEGMENT: AUXILIARY ACTIVITY

This segment contains training, laboratory and research services, machine and devices repair, maintenance and control services, equipment services, real estate, equipment, machines and devices hire as well as financial activity.

Balance sheet as of 31 12.2008

Description of item	**Segment Production**	**Segment Construction Industry**	**Segment Trade**	**Segment Auxiliary Activity**	**Other assets (unassigned to the segments)**	**Total**
Assets of the segment	34 313	212 682	11 896	37 903	12 650	**309 444**
Liabilities of the segment	17 849	164 680	10 679	6 913	109 324	**309 444**

Segmentation as of 31.12.2007

Description of items	Total	Segment Production	Segment Construction Industry	Segment Trade	Segment Auxiliary Activity
Net revenues from the sales of products and materials	232 308	17 547	195 246	12 301	7 214
Costs of segment products, goods and materials sold	214 479	19 009	178 854	12 415	4 201
gross profit/loss on sales	17 829	-1 462	16 392	-114	3 013
Management costs	9 243				
Costs of sales	94				
Net profit/loss on sales	8 492	-1 462	16 392	-114	3 013
Other revenues	14 136	616	7 576	165	5 779
Other costs	11 697	917	5 924	23	4 833
Profit/loss from operating activities	10 931	-1 763	18 044	28	3 959
Financial revenues	9 664	34	3 873	73	5 682
Financial costs	4 007	336	2 934	-92	829
Gross financial income	16 588	-2 065	18 985	193	8 812
Income tax unassigned to segments	4 152				
Net financial income	12 436				

31.12.2008

Description of item	**Segment Production**	**Segment Construction Industry**	**Segment Trade**	**Segment Auxiliary Activity**	**Total**
Investment expenditures with those under construction	4 359	8 566	121	46 000	59 046
Amortization	868	2 349	25	1 243	4 485

Balance sheet as of 31 12.2007

Description of item	**Segment Production**	**Segment Construction Industry**	**Segment Trade**	**Segment Auxiliary Activity**	**Other assets (unassigned to the segments)**	**Total**
Assets of the segment	15 318	90 161	7 780	37 442	43 064	**193 765**
Liabilities of the segment	7 302	82 187	4 861	7 726	91 689	**193 765**

31.12.2007

Description of item	**Segment Production**	**Segment Construction Industry**	**Segment Trade**	**Segment Auxiliary Activity**	**Total**
Investment expenditures	360	4 769	51	862	6 042
Amortization	1 363	1 696	33	1 077	4 169

Signatures of the Parent Entity's representatives:

Date: 10.04.2008 **President of the Management Board** *Wojciech Nazarek* **...............................**

Date: 10.04.2008 **Vice President of the Management Board** *Andrzej Hołda* **........................**

Signature of a person, who was entrusted with keeping the books of the parent entity:

Date: 10.04.2008 **Chief Accountant** *Wiesława Późniak* **..................................**