R E P O R T

OF AN INDEPENDENT CERTIFIED AUDITOR

on the audit of the consolidated financial statements, which supplements the opinion concerning

THE CAPITAL GROUP OF

ENERGOMONTAŻ - POŁUDNIE SPÓŁKA AKCYJNA

in Katowice

1. ***The audit covered the consolidated financial statements***
   for the period from 1 January 2009 to 31 December 2009
   within the period from 29 March 2010 to 15 April 2010

2. ***The financial statements were audited by:***

   Bogusława Zemełka, certified auditor of the group
   domiciled in Sosnowiec, ul. Orkana 9, Reg. No. 9368

3. ***The composition of the Management Board of the parent company*** from 1 January 2009 to the date of completing the audit was as follows:

President of the Management Board	-	**Mr Wojciech Nazarek** – until 29 April 2009
President of the Management Board	-	**Mr Andrzej Hołda** – from 29 April 2009 to date
Vice-President of the Management Board	-	**Ms Alina Sowa** – from 15 July 2009 to date
Member of the	-	**Mr Tadeusz Torbus** – to 5 March 2009

Management Board		
Member of the Management Board	-	**Mr Jacek Fydrych** – from 4 September 2009 to date
Member of the Management Board	-	**Mr Dariusz Kowzan** – from 2 February 2010 to date

The members of the Management Board were appointed or recalled by the following resolutions of the Supervisory Board:

- Resolution No. 6/2009 of 5 March 2009 on recalling Member of the Management Board Mr Tadeusz Torbus;
- Resolution No. 13/2009 of 29 April 2009 on recalling President of the Management Board Mr Wojciech Nazarek;
- Resolution No. 14/2009 of 29 April 2009 on appointing Mr Andrzej Hołda President of the Management Board;
- Resolution No. 1/2009 of 13 July 2009 on appointing Ms Alina Sowa Vice-President of the Management Board;
- Resolution No. 1/2009 of 4 September 2009 on appointing Mr Jacek Fydrych Member of the Management Board;
- Resolution No. 3/2009 of 2 February 2010 on appointing Mr Dariusz Kowzan Member of the Management Board.

4. From 1 September 2007, the ***Chief Accountant*** of the parent company was Ms Wiesława Późniak.

5. ***The composition of the Supervisory Board of the parent company*** on the day of completing the audit of the consolidated financial statements was as follows:

1)	Mr Sławomir Masiuk	- Chairman of the Supervisory Board
2)	Mr Andrzej Wilczyński	Deputy Chairman of the Supervisory Board
3)	Mr Andrzej Kowalski	- Member of the Supervisory Board
4)	Mr Marek Wesołowski	- Member of the Supervisory Board
5)	Mr Tomasz Woroch	- Member of the Supervisory Board

6. The certified auditor of the group audited the financial statements on the basis of Agreement No. 18/09/10 of 16 June 2009, together with Annex 1 of 13 July 2009 and

Annex 2 of 29 December 2009, concluded with ***MW RAFIN Marian Wcisło Spółka Komandytowa*** in Sosnowiec, Al. Zwycięstwa 3 **-** authorised entity No. 3076.

That Agreement was concluded in performance of resolution of the Supervisory Board of Energomontaż-Południe S.A. No. 12/2009 of 29 April 2009, authorised on the basis of Article 17 par. 2 pt. 5 of the Company's Statute.

MW RAFIN Marian Wcisło Spółka Komandytowa in Sosnowiec and ***the certified auditor of the group*** are independent of the entity audited.

A. GENERAL PART

I. Composition of the capital group

1. The capital group covered by the consolidated financial statements consists of:

   The parent company:

   Energomontaż – Południe Spółka Akcyjna

   and its subsidiaries:

   a) subsidiaries included directly in the consolidated financial statements:

      – Centrum Kapitałowe – Modus Sp. z o.o. with its registered office in Katowice
      – EP Hotele i Nieruchomości Sp. z o.o. with its registered office in Katowice
      – Modus II Sp. z o.o. with its registered office in Katowice
      – AMONTEX PM Sp. z o.o. with its registered office in Piotrków Trybunalski

2. The capital group is not a tax capital group within the meaning of the Corporate Income Tax Act.

II. Specific features of entities of the capital group

1. THE PARENT COMPANY:

1.1 Name, address, legal form of parent company

.

Name: **Energomontaż – Południe S.A.**

Address: **40-951 Katowice, ul. Mickiewicza 15**

1.2 Business activities

.

The predominant business activities are:

1) general construction,
2) construction involving erecting steel structures and buildings and building structures made of prefabricated elements,
3) water engineering construction,
4) construction of electricity, gas, water and sewage, central heating and ventilation systems and other building installations,
5) building completion,
6) specialist construction work,
7) renting of construction and demolition equipment with operator,
8) wholesale of construction materials and sanitary equipment,
9) technical tests and analyses,
10) production of metal structures and parts thereof,
11) buying and selling of own real estate.

1.3 Legal basis for the company's business

.

1) The Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended);

2) The Act on Public Offerings, Conditions for Introducing Financial Instruments into an Organised Trading System and Public Companies of 29 July 2005 (Journal of Laws of 2005 No. 184, item 1539, as amended);

3) The Act on Trading in Financial Instruments of 29 July 2005 (Journal of Laws of 2005, No. 183, item 1538, as amended);

4) The Regulation of the Minister of Finance of 19 February 2009 on current and periodic information disclosed by issuers of securities (Journal of Laws of 2009 No. 33, item 259);

5) Statute of a Joint Stock Company (*spółka akcyjna*), drawn up in the form of notarial deed Rep. A No. 1661/92 of 7 March 1992; the last amendment was adopted on 22 September 2009 – Rep. A No. 13435/2009.

1.4 Registration authority and date of registration

.

Ruling of the District Court in Katowice, Commercial Division of the National Court Register of 24 January 2002 on making an entry in the commercial register under No. KRS 0000080906.
An earlier registration was carried out in the District Court in Katowice, 8th Commercial and Register Division, under No. RHB 7927.

1.5 Tax and statistical registration

.

Energomontaż – Południe S.A. holds industry identification number

REGON 270649263

assigned by the Statistical Office in Katowice – certificate of 20 September 2005,
and tax identification number

NIP 634-013-54-81

assigned by the Tax Authority in Katowice on 8 June 1993.
The Head of the First Silesian Tax Authority in Sosnowiec confirmed, on 24

April 2004, the registration of the Company as an EU VAT tax payer with the following number:

PL 6340135481

1.6. Share capital

The share capital of the parent company is PLN 48,390,000 and is divided into 48,390,000 shares with a par value of PLN 1.00 per share.

The shareholders are:

Shareholders	Number of shares	Percentage share in core capital
Renata Gasinowicz	7,578,494	15.66
Stanisław Gasinowicz	4,854,023	10.03
Andrzej Mikucki and Piotr Mikucki	4,390,000	9.07
Others – holding less than 5% of the shares	31,567,483	65.24
Total:	48,390,000	100.00

2nd **SUBSIDIARIES included in the consolidation**

2.1. Name: **Centrum Kapitałowe Modus Sp. z o.o.**

address: **40-951 Katowice, ul. Mickiewicza 15**

The company's **business activities** consist of financial services and general construction works connected with erecting buildings.

Legal basis for the company's business

1) The Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended);

2) Articles of Association of 30 September 1999, drawn up in the form of

notarial deed Rep. A No. 11839/99 – last amendment Rep. A No. 11115/2009 of 2 October 2009.

Registration authority and date of registration

The company was entered in the commercial register under KRS 0000112995 on 20 May 2002.

Tax and statistical registration

NIP	634-23-50-232	issued on 23 November 1999
REGON	276649643	issued on 25 October 1999

Core capital

The share capital amounts to: PLN 15,900,000

All the shares and all the votes belong to Energomontaż - Południe S.A.

2.2. Name: **EP Hotele i Nieruchomości Sp. z o.o.**
address: **40-951 Katowice, ul. Mickiewicza 15**

The company's **business activities** consist of conducting tourism, hotel, recreation and catering activities, mostly in a holiday centre in Mrzeżyno and a hotel in Łagisza.

Legal basis for the company's business

1) The Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended);
2) The Articles of Association of 10 February 2000 – notarial deed Rep. A No. 2315/2000; the last amendment - Rep. A No. 1367/2009 of 6 February 2009 – concerned the change of business name of the company.

Registration authority and date of registration

The company was entered in the commercial register under KRS 0000134975 on 29

October 2002.

Tax and statistical registration

NIP	857-17-93-653	issued on 29 October 2002
REGON	277846660	issued on 3 July 2002

Core capital

The share capital amounts to: PLN 70,500

All the shares and all the voting rights belong to Energomontaż - Południe S.A.

2.3. Name: **Modus II Sp. z o.o.**
address: **40-951 Katowice, ul. Mickiewicza 15**

The company's **business activities** consist of developing and selling real property for its own account.

Legal basis for the company's business

1) The Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended);
2) The Articles of Association of 13 August 2007 – notarial deed Rep. A No. 10969/2007.

Registration authority and date of registration

The company was entered in the commercial register under KRS 0000289248 on 27 September 2007.

Tax and statistical registration

NIP	634-265-1376	issued on 1 October 2007
REGON	240723787	issued on 27 September 2007

Core capital

The share capital amounts to: PLN 50,000

All the shares and all the votes belong to Energomontaż - Południe S.A.

2.4. Name: **AMONTEX Przedsiębiorstwo Montażowe Sp. z o.o.**
address: **97-300 Piotrków Trybunalski, ul. Przemysłowa 25A**

The company's **business activities** consist of the manufacture and assembly of steel constructions.

Legal basis for the company's business

3) The Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended);

4) The Articles of Association of 27 November 2002 – notarial deed Rep. A No. 4993/2002 as amended.

Registration authority and date of registration

The company was entered in the commercial register under KRS 0000154195 on 6 March 2003.

Tax and statistical registration

NIP	772-216-91-37	issued on 27 December 2004
REGON	592197700	issued on 24 February 2004

Core capital

The share capital amounts to: PLN 148,000

All the shares and all the votes belong to Energomontaż - Południe S.A.

III. Average annual employment in the capital group

Total 1,063 employees

of which:

- in the parent company	777	employees
- in other companies	286	employees

of which:

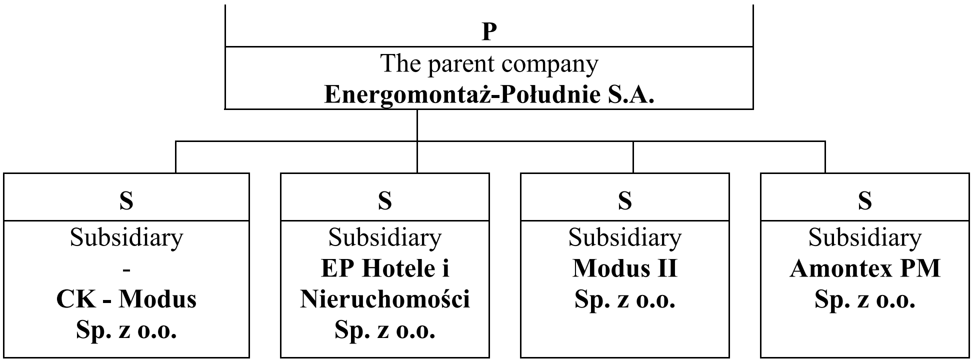
- in individual companies consolidated using the full method:		
- CK-Modus Sp. z o.o.	3	employees
- EP Hotele i Nieruchomości Sp. z o.o.	4	employees
- Modus II Sp. z o.o.	1	employee
- AMONTEX PM Sp. z o.o.	278	employees

IV. Legal basis for preparing and auditing the consolidated financial statements:

1. International Financial Reporting Standards established by the International Accounting Standards Board,
2. Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 concerning the application of international accounting standards,
3. Commission Regulation (EC) No. 1126/2008 of 3 November 2008 accepting specific international accounting standards in accordance with (EC) No. 1606/2002,
4. The Accountancy Act of 29 September 1994 (unified text Journal of Laws of 2009 No. 152, item 1223 as amended) and executive regulations issued on the basis thereof, to the extent not regulated by international financial reporting standards,
5. International financial reporting and quality control standards.

V. Companies connected with the parent company by capital:

1. Outline of the capital group.



2. List of parent company and subsidiaries with data:

– companies consolidated

[PLN '000]

Name	Percentage of shares	Value of shares as at 31 December 2009	Balance sheet total as at 31 December 2009	Percentage share in group	Revenue from sales and financial revenue for 2009	Percentage share in group	Gross financial result for 2009	Percentage share in group	Average annual employment
PARENT COMPANY									
Energomontaż – Płd. S.A.			461,893	78.51	297,399	87.11	25,337	102.65	777
SUBSIDIARIES									
CK – Modus Sp. z o.o.	100.00	15,900	96,449	16.39	806	0.24	- 673	- 2.73	3
EP Hotele i Nieruchomości Sp. z o.o.	100.00	70	832	0.14	2,704	0.79	- 1,402	- 5.68	4
Modus II Sp. z o.o.	100.00	50	146	0.02	2,820	0.83	192	0.78	1
AMONTEX PM Sp. z o.o.	100.00	34,723	29,036	4.94	37,669	11.03	1,229	4.98	278
Total companies consolidated		**50,743**	**588,356**	**100.00**	**341,398**	**100.00**	**24,683**	**100.00**	**1,063**

– subsidiaries not consolidated

Name	Percentage of shares	Value of shares as at 31 December 2009	Balance sheet total as at 31 December 2009	Percentage share in capital group	Revenue from sales and financial revenue for 2009	Percentage share in capital group	Gross financial result for 2009	Percentage share in capital group	Average annual employ-ment
Open Wrocław Sp. z o.o. in bankruptcy	70.00	105							

Energomontaż-Zachód Sp. z o.o. in bankruptcy	90.30	470							
Total consolidated and non-consolidated subsidiaries		**51,318**	**588,356**	**100.00**	**341,398**	**100.00**	**24,683**	**100.00**	**1,063**

Bankruptcy and liquidation procedures are in progress in non-consolidated subsidiaries. Consequently the parent company does not have control over them.

VI. Information concerning the influence of directors in the parent company on companies affiliated with it

The influence of directors in the parent company on companies affiliated to it by capital in the period for which the financial statements were audited is as follows:

1. By sitting on management boards:

CK - Modus Sp. z o.o.

- Mr Tadeusz Torbus

1. By sitting on supervisory boards:

CK - Modus Sp. z o.o.

- Mr Andrzej Hołda
- Ms Alina Sowa

AMONTEX PM Sp. z o.o.

- Mr Jacek Fydrych

VII. The consolidated financial statements of the Energomontaż-Południe S.A. capital group for 2008

1. The statements were audited by MW RAFIN Marian Wcisło Biuro Usług Rachunkowości i Finansów Spółka Jawna in Sosnowiec, which issued a certified auditor's opinion without reservations. It covered the financial statements of the parent company Energomontaż – Południe S.A. and subsidiaries included in the statements.

2. The consolidated financial statements for 2008 of the Energomontaż - Południe S.A. capital group were approved by Resolution No. 5 of the Ordinary General Meeting of Shareholders of Energomontaż - Południe S.A. on 15 May 2009 (notarial deed Rep. A No. 4900/2009).
3. These financial statements were published in *Monitor Polski – B* No. 1564 item 8857 of 8 September 2009.
4. The consolidated financial statements for 2008 and the report on activities of the capital group, the opinion and report on the audit and the notarial deed of the General Meeting of Shareholders approving the above statements were submitted to the District Court in Katowice on 22 May 2009.

VIII. <u>Conclusions and recommendations of the certified auditor of the group, concerning the audit of the consolidated financial statements for the previous year</u>

were not provided.

IX. <u>The audited consolidated financial statements</u> prepared for the period from 1 January 2009 to 31 December 2009, i.e. as at the balance sheet day 31 December 2009, consist of:

a) the consolidated statement of financial position as at 31 December 2009, which discloses a total on both the assets and liabilities side of **PLN 499,677,000**

b) the consolidated statement of comprehensive income for the period from 1 January 2009 to 31 December 2009, showing a **profit** of **PLN 14,331,000**

c) the statement of changes in consolidated equity, showing an **increase** in equity of **PLN 85,807,000**

d) the consolidated cash flow statement, showing an **increase** in the state of net cash and cash equivalents in the course of the financial year of **PLN 14,098,000**

e) additional information.

X. **<u>The director of the parent company</u>** submitted all the declarations, clarifications and information requested by the certified auditor.

Neither the scope nor the methods of the audit were restricted in the course of the audit.

XI. **<u>Audit of financial statements of the consolidated companies:</u>**

1. The financial statements for 2009 of consolidated companies using the full method were audited by MW RAFIN Marian Wcisło Spółka Komandytowa in Sosnowiec, as a result of which opinions without reservations and reports on the audit were issued.

   a) in the parent company Energomontaż – Południe S.A.
      - under Agreement No. 18/09/10 of 16 June 2009
      - opinion without reservations,

   b) in the subsidiary CK - Modus Sp. z o.o.
      - under Agreement No. 178/09/10 of 8 December 2009
      - opinion without reservations,

   c) in the subsidiary EP Hotele i Nieruchomości Sp. z o.o.
      - under Agreement No. 178/09/10 of 8 December 2009
      - opinion without reservations with a note on loss incurred in excess of the total amount of capital,

   d) in the subsidiary Modus II Sp. z o.o.
      - under Agreement No. 177/09/10 of 8 December 2009
      - opinion without reservations with a note on loss incurred in excess of

the total amount of capital,

e) in the subsidiary Amontex PM Sp. z o.o.
   - under Agreement No. 18/09/10 of 16 June 2009
   - opinion without reservations with a note on the rather unreliable measurement of the level of construction and assembly works performed.

2. The following were excluded from consolidation:

   - the subsidiaries:
     - Open Wrocław Sp. z o.o. – bankruptcy rejected by the court
     - Energomontaż - Zachód Sp. z o.o. in bankruptcy and liquidation

   because the parent company lost the possibility of directing the financial and operating policy of those companies in order to achieve economic benefits. This is in keeping with IAS 27 paragraph 21.

XII. Corporate structure and methods of consolidation of financial statements

The consolidated financial statements were prepared on the basis of the financial statements of the companies making up the capital group and were collated as if the group constituted a single economic entity.

The full consolidation method was used for the statements of:

- the parent company Energomontaż – Południe S.A.

and the subsidiaries:

- CK – Modus Sp. z o.o. in Katowice
- EP Hotele i Nieruchomości Sp. z o.o. in Katowice
- Modus II Spółka z o.o. in Katowice
- AMONTEX PM Sp. z o.o. in Piotrków Trybunalski.

B. DETAILED PART OF THE REPORT

The correctness of the accounting system used

1. The parent company and subsidiaries consolidated possess current documents describing the accounting principles (policy) followed by them.

   Since 1 January 2005 the parent company has accepted the accounting principles set out in the International Financial Reporting Standards and associated interpretations published in the form of executive regulations of the European Commission and, to the extent not regulated in those standards, in the Accountancy Act and executive provisions issued on its basis.
   The books of account were opened on the basis of the closing balance which was correctly drawn up, audited and approved.

2. The consolidated companies decided that the financial year was the calendar year, and that the reporting periods were calendar months making up the calendar year.

3. For consolidation purposes, the financial statements were prepared for the period from 1 January 2009 to 31 December 2009, and the figures provided in them were compared with those of the previous year.

4. Subsidiaries prepare their financial statements in accordance with International Financial Reporting Standards.
   The consolidated companies accepted identical methods for the valuation of assets and liabilities and for drawing up the financial statements, in accordance with the accepted principles (policy) specified in IFRS, maintaining comparability and the possibility of a correctly prepared consolidation. The companies accepted the principle of preparing the income statement using the calculation method, and the cash flow statement using the indirect method.

   The companies audited within the consolidated financial statements used accounting principles and methods which were the condition for the correct preparation of the consolidation documents and consolidated statements.

5. In the assessment of the certified auditors auditing the financial statements of the consolidated companies, their IT systems are interconnected, ensuring full efficiency and compliance of the results of processing on the computer with the documentation and accounting evidence.

6. The correctness of the books of account maintained in the companies and their compliance with documents describing the accepted accounting principles was the subject of audit by the certified auditors of the non-consolidated financial statements.

   No irregularities in this respect were ascertained in the course of the audit.

   It was also established that:

   – the books of account are kept at the registered offices of the companies,
   – the companies have a proper system of archiving accounting evidence and books of account.

7. The consolidated financial statements were prepared in accordance with the obligatory form established in the “Accounting policy of Energomontaż - Południe S.A.”, on the basis of IFRS.

   With respect to matters not regulated by IFRS, consolidation is carried out in accordance with the requirements of the Accountancy Act and executive provisions issued on its basis.

8. Consolidation adjustments and exclusions were made in accordance with IAS 27 paragraphs 22 - 36 and clauses 10 – 17 of the regulation of the Minister of Finance of 8 August 2008 concerning detailed principles of preparing consolidated financial statements of capital groups by entities other than banks and insurance companies (Journal of Laws of 2008 No. 162 item 1004).

9. The parent company is in possession of consolidation documents required by law which constitute the basis for the preparation of the consolidated financial statements for 2009, and which consist of:

   – the financial statements of companies comprising the capital group in 2009,
   – all consolidation adjustments and exclusions necessary to prepare the consolidated financial statements,
   – the calculation of the fair value of net assets of a subsidiary,
   – the calculation of goodwill from consolidation.

8. In the companies consolidated using the full method, the certified auditors audited the correctness and reliability of keeping the books of account, as well as valuation and the preparation of the financial statements, providing positive opinions (Article

65 of the Accountancy Act) on the reliability and correctness of those statements as well as the correctness of books of account constituting the basis for preparing them.

C. ASSESSMENT OF ASSETS AND LIABILITIES AND FINANCIAL CONDITION

1. The change in the balance of assets as at 31 December 2009 in relation to the balance as at 31 December 2008 and its structure are as follows:

[PLN '000]

Assets	At the end of the period		At the beginning of the period	
	Amount	Structure %	Amount	Structure %
1	2	3	4	5
Tangible assets	**195,249**	**39.08**	**94,863**	**30.66**
1. Property, plant and equipment	57,268	11.46	49,020	15.84
2. Intangible assets	1,413	0.28	291	0.09
3. Goodwill of subsidiaries	27,919	5.59	26,219	8.48
4. Investment property	93,998	18.81	15,328	4.95
5. Financial assets	333	0.07	398	0.13
6. Non-current receivables	-	-	63	0.02
7. Long-term prepayments and deferred costs	14,318	2.87	3,544	1.15
Current assets	**304,428**	**60.92**	**214,581**	**69.34**
1. Inventories	67,338	13.48	57,704	18.65
2. Current receivables	180,505	36.12	120,751	39.02
3. Short-term prepayments and deferred costs	34,178	6.84	28,298	9.14
4. Current financial assets	293	0.06	-	-
5. Cash and cash equivalents	22,114	4.42	7,828	2.53
Total assets	**499,677**	**100.00**	**309,444**	**100.00**

Assets increased by PLN 190,233,000, which constitutes 61.48 %
of the total assets from the previous year and is:

- an increase in tangible assets by 105.82 %

– an increase in current assets by 41.87 %

The increase in assets occurred mainly in the items:

– property, plant and equipment	8,248,000	PLN
– investment property	78,670,000	PLN
– inventories	9,634,000	PLN
– current receivables	59,754,000	PLN
– cash and cash equivalents	14,286,000	PLN

2. The change in the balance of the sources of origin of assets as at 31 December 2009 in relation to the balance as at 31 December 2008 and its structure are as follows:

[PLN '000]

Liabilities	At the end of the period		At the beginning of the period	
	Amount	Structure %	Amount	Structure %
1	2	3	4	5
Equity	**197,664**	**39.56**	**111,857**	**36.15**
of which:				
1. Core capital	69,725	13.95	69,725	22.53
2. Other capital	123,644	24.74	36,400	11.76
3. Retained loss	- 10,036	- 2.00	- 9,608	- 3.10
4. Net profit (loss)	14,331	2.87	15,340	4.96
5. Minority capital	-	-	-	-
Non-current liabilities	**103,438**	**20.70**	**43,383**	**14.02**
1. Provisions	11,516	2.30	10,228	3.31
2. Financial liabilities	91,922	18.40	33,155	10.71
Current liabilities	**198,575**	**39.74**	**154,204**	**49.83**
1. Provisions	3,197	0.64	649	0.21
2. Financial liabilities	72,660	14.54	50,847	16.43
3. Current liabilities	122,718	24.56	102,708	33.19
TOTAL EQUITY AND LIABILITIES	**499,677**	**100.00**	**309,444**	**100.00**

Equity and liabilities also increased by 190,233,000 PLN

and this increase is mainly due to:

– increase in equity 85,807,000 PLN
– increase in non-current liabilities 60,055,000 PLN
– increase in current liabilities 44,371,000 PLN

3. Financial results of the capital group in the period being audited in relation to the previous year are as follows:

[PLN '000]

Item	Subject	Current year + profit - loss	Previous year + profit - loss	Rate	
				+ improvement - deterioration	% (5 : 4)
1	2	3	4	5	6
1.	Result from sales of products, goods and materials	+ 39,596	+ 37,109	+2,487	+ 6.70
2.	Result from other revenues and costs	- 16,070	- 11,777	- 4,293	- 36.45
3.	Result from financial revenues and costs	- 5,958	- 5,435	- 523	- 9.62
4.	Gross profit	17,568	19,897	- 2,329	- 11.71
5.	Income tax	3,237	4,212	+ 975	x
6.	Minority profits	-	345	+ 345	+100.00
7.	Net profit	14,331	15,340	- 1,009	- 6.58

In 2009 a net balance sheet profit was achieved 14,331,000 PLN
which is lower compared with 2008 by 1,009,000 PLN
It is mainly the outcome of an increase in profit on:
– sales of products, goods and materials by 2,487,000 PLN

and an increase in losses on:
– other revenue and costs 4,293,000 PLN
– revenue and finance costs 523,000 PLN

4. Key profitability, financial liquidity, debt and capital market ratios are as

follows:

Item	Ratio	Current year	Previous year	Improvement + Deterioration –
1	2	3	4	5
1.	Sales profitability ratio	5.20 %	6.39 %	- 1.19 %
2.	Current liabilities coverage ratio	1.53	1.39	+ 0.14
3.	Ratio of payment of liabilities	1.02	0.83	+ 0.19
4.	Receivables turnover rate	60 days	60 days	-
5.	Liabilities turnover rate	65 days	57 days	- 8 days
6.	Debt ratio	0.60	0.64	+ 0.04
7.	Ratio of profit per share	0.30	0.34	- 0.04
8.	Book value per share	4.14	2.47	+ 1.67
9.	Ratio of dividend per share	0.11	0.10	

The profitability ratios are positive. The financial liquidity ratios are at the correct level. The liabilities turnover rate has deteriorated. The debt ratio is still at a good level.

The ratios from the cash flow statement are negative.

5. Final conclusions

The presented assessment of the assets and financial situation shows an increase in the assets of the capital group, but also an increase in equity and liabilities.

Revenue from sales shows an upward trend compared with previous reporting periods.

The profitability, financial liquidity, debt and capital market ratios are at a satisfactory level.

The losses in the economic activity of the subsidiaries Modus II Sp. z o.o. and EP Hotele i Nieruchomości Sp. z o.o. do not significantly influence the assets situation and financial result of the capital group, which is stable and good.

D. RESULTS OF THE AUDIT OF ASSETS, THEIR SOURCES OF ORIGIN AND ITEMS AFFECTING THE OPERATING RESULT OF THE CAPITAL GROUP

I. TANGIBLE ASSETS

1. Property, plant and equipment

1) The initial value of consolidated tangible assets is:

– of the parent company	89,274,000	PLN
– of subsidiaries	5,391,000	PLN
Total:	**94,665,000**	**PLN**
– consolidation adjustment	18,000	PLN
Initial value after adjustments	94,683,000	PLN

2) The depreciation of consolidated tangible assets is:

– of the parent company	40,409,000	PLN
– of subsidiaries	1,930,000	PLN
Total:	**42,339,000**	**PLN**
– consolidation adjustment	- 1,000	PLN
Depreciation after adjustments	42,338,000	PLN

3) The net value of tangible assets after consolidation adjustments, shown

in the financial statements as at 31 December 2009 is (1-2) 52,345,000 PLN

The total net value of tangible assets is broken down into:

a)	land (including right of perpetual usufruct of land)	410,000	PLN
b)	constructions, premises and civil engineering projects	30,586,000	PLN
c)	technical equipment and machinery	10,168,000	PLN
d)	means of transport	8,790,000	PLN
e)	other tangible assets	2,391,000	PLN
	Total tangible assets	**52,345,000**	**PLN**
f)	tangible assets under construction	4,923,000	PLN
	Total property, plant and equipment shown in the balance sheet as at 31 December 2009	**57,268,000**	**PLN**
	Percentage share in the balance-sheet total	11.46	%

4) The increase in the balance of tangible assets compared with the previous year is due to:

–	purchase and modernisation of tangible assets	19,328,000	PLN
–	acceptance of tangible assets under lease	8,934,000	PLN

No write-downs were made due to loss of value of tangible assets.

5) In 2009 outlays for the construction of tangible assets and intangible assets are, according to the non-consolidatd statements:

a) Outlays in:

– the parent company	22,983,000	PLN
– subsidiaries	1,919,000	PLN
Total outlays	**24,902,000**	**PLN**

b) Sources of finance 24,902,000 PLN

of which:

– amortisation/depreciation	6,711,000	PLN
– profit from sale of tangible assets	69,000	PLN
– leasing	8,356,000	PLN
– own funds	9,766,000	PLN

Financing of outlays for the construction of tangible assets is as follows:

– liabilities at beginning of period	8,697,000	PLN
– outlays for the construction of tangible assets	24,902,000	PLN
Total funds needed	**33,599,000**	**PLN**
– liabilities at end of period	23,026,000	PLN
– outlays financed	10,573,000	PLN

Liabilities from the construction of tangible assets at the end of the period, amounting to PLN 70,000, are overdue.

2. Intangible assets

1) The initial value of consolidated intangible assets is:

– of the parent company	3,451,000	PLN
– of subsidiaries	38,000	PLN

Total:	**3,489,000**	**PLN**

2) The depreciation of intangible assets of the consolidated companies is as follows:

– of the parent company	1,198,000	PLN
– of subsidiaries	17,000	PLN
Total:	**1,215,000**	**PLN**

3)	The write-down due to permanent loss of goodwill amounts to:	2,015,000	PLN
4)	The net value of intangible assets shown as at 31 December 2009 is (1 - 2 - 3)	259,000	PLN
5)	Outlays on intangible assets	1,154,000	PLN
6)	Total net value as at 31 December 2009	1,413,000	PLN
	Percentage share in the balance-sheet total	0.28	%

Tangible assets, intangible assets and tangible and intangible assets under construction have been shown correctly in the consolidated financial statements at the end of the period.

3. Goodwill of subsidiaries

amounts to:	27,919,000	PLN
Percentage share in the balance-sheet total	5.59	%
and concerns:		
- AMONTEX PM Sp. z o.o.	27,919,000	PLN

We confirm that the goodwill of subsidiaries has been correctly calculated and shown in the consolidated financial statements.

4. **Investments in real property** amount to:

[PLN '000]

	Gross value	Depreciation	Balance-sheet value
Real property	93,998	-	93,998
Percentage share in the balance-sheet total			18.81 %

Investments in real property have been shown at fair value, on the basis of a market valuation provided by a property valuer.
Profits or losses resulting from changes of fair value have been recognised in the income statement.
Investments in real property have been correctly disclosed in the consolidated financial statements.

5. **Financial assets** *amount to:*

PLN '000

	Gross value	Write-downs	Balance-sheet valuation	Book value
Non-current financial assets	1,562	1,251	- 22	333
a) in subsidiaries and companies which are not trading companies, and jointly controlled companies, not measured by the full or proportional consolidation method	576	576	-	-
- ownership interests or shares	576	576	-	-
b) in other companies	986	675	- 22	333
- shares held for sale	216	-	- 22	238
- other shares	770	675	-	95
Total shown in statements	**1,562**	**1,251**	**- 22**	**333**

Percentage share in the balance-sheet total 0.07 %

As a result of consolidation by the full method, shares acquired by the parent company in the consolidated subsidiaries referred to below were excluded from non-current financial assets:

	Gross value	Write-downs	Net value	
– CK-Modus Sp. z o.o.	15,900	15,422	478	PLN '000
– EP Hotele i Nieruchom. Sp. z o.o.	70	70	-	PLN '000
– Modus II Sp. z o.o.	50	-	50	PLN '000
AMONTEX PM Sp. z o.o.	34,723	-	34,723	PLN '000
Total	**50,743**	**15,492**	**35,251**	**PLN '000**

Total ownership interests and shares held by the parent company and sudsidiaries 52,305,000 PLN

Non-current loans granted in the amount of PLN 28,137,000 were also subject to consolidation exclusion.

Non-current financial assets have been correctly disclosed in the consolidated financial statements.
The exclusions and adjustments in value of ownership interests and shares were determined in accordance with the required consolidation procedure.

6. Long-term prepayments and deferred costs:

Shown in the consolidated statements in the amount of 14,318,000 PLN
Percentage share in the balance-sheet total 2.87 %
consist of:
Deferred income tax

assets	4,195,000	PLN
Accruals and deferred income	10,123,000	PLN

Deferred income tax assets were determined on the basis of negative temporary differences occurring between the book value and the tax amount of balance-sheet assets and liabilities in the parent company and subsidiaries.

Other accruals and deferred income are finance costs from finance leases, to be paid after 31 December 2010.

Long-term prepayments and deferred costs have been correctly disclosed in the consolidated financial statements.

II. CURRENT ASSETS

1. Inventories

Inventories at the end of the period amount to	67,338,000	PLN
Percentage share in the balance-sheet total	13.48	%

of which:

1) materials	5,527,000	PLN
2) semi-finished products and products in progress	56,022,000	PLN
3) finished products	1,850,000	PLN
4) goods	4,139,000	PLN
5) write-down of materials	- 200,000	PLN

The aforementioned total inventories are broken down as follows:

– parent company	14,062,000	PLN
– subsidiaries	53,276,000	PLN
Total:	67,338,000	PLN

Inventories shown in the consolidated financial statements were adjusted by:

– exclusions of unrealised profits from interest on loans	1,899,000	PLN
– exclusions of unrealised margin on inventories	6,053,000	PLN

– consolidation write-down		15,422,000	PLN
	Total:	23,374,000	PLN

The value of inventories was correctly determined and disclosed in the consolidated financial statements.

1.1. Non-rotating inventories amount to 323,000 PLN

A write-down of PLN 200,000 was made in relation to non-rotating inventories.

2. Current receivables

Gross current receivables disclosed in the non-consolidated statements of companies amount to:	214,770,000	PLN
reduced by:		
– gross exclusions and consolidation adjustments	27,958,000	PLN
Gross current receivables after exclusions	186,812,000	PLN
reduced by:		
– revaluation write-downs	6,307,000	PLN
Current receivables as at 31 December 2009	180,505,000	PLN
Percentage share in the balance-sheet total	36.12	%
of which:		
– receivables from affiliated companies	-	PLN
– receivables from other companies	180,505,000	PLN
Gross trade receivables amount to:	79,866,000	PLN
– reduced by consolidation exclusions	8,125,000	PLN
Trade receivables after exclusions	71,741,000	PLN
reduced by:		
– revaluation write-downs	2,605,000	PLN

Net trade receivables	69,136,000	PLN

Write-downs counted towards other costs were made in the companies for doubtful and disputed receivables.

In accordance with the certified auditors' reports, receivables were measured at the required payment value.

Receivables disclosed in the financial statements of the companies in the capital group were adjusted by exclusions of mutual settlements made between the consolidated companies, and also by adjustments resulting from mutual settlements.

The amount of gross trade receivables consists of:

– not overdue	52,321,000	PLN
– overdue	27,545,000	PLN

of which, payable:

a) up to three months	11,610,000	PLN
b) from 3 to 6 months	13,246,000	PLN
c) from 6 to 12 months	383,000	PLN
d) over 12 months	2,306,000	PLN
Total:	**79,866,000**	**PLN**

The balance of trade receivables as at 31 December 2009 disclosed in the non-consolidated statements of companies amounts to:	77,261,000	PLN
Exclusions of settlements made between companies of the capital group from receivables for mutual services and consolidation adjustments amount to:	8,125,000	PLN
The balance of trade receivables after making adjustments and consolidation exclusions as at 31 December 2009 amounts to:	**69,136,000**	**PLN**

Adjustments and exclusions were determined in accordance with IAS 27 and provisions of the regulation of the Minister of Finance of 8 August 2008 concerning detailed principles of preparing consolidated statements of capital groups by entities other than banks and insurance companies (Journal of Laws No. 162 item 1004).

Consolidated trade receivables were disclosed in the correct amount in the financial statements.

2.1. Receivables referred to courts are as follows:

	Balance as at 31 December 2009		Balance as at 31 December 2008	
- receivables referred to court	3,063,000	PLN	3,437,000	PLN
- revaluation write-down	3,063,000	PLN	3,437,000	PLN
- balance of receivables after reduction by revaluation write-downs	-	PLN	-	PLN
- in the parent company, disputed receivables amount to:	3,042,000	PLN	3,172,000	PLN

Other gross receivables amount to:	131,841,000	PLN
The following were made in this item:		
– consolidation exclusions	19,833,000	PLN
– revaluation write-downs	639,000	PLN
Other receivables were disclosed in the consolidated statements for the amount of	111,369,000	PLN
consisting of:		
– receivables of the parent company in the amount of	101,096,000	PLN
– receivables of subsidiaries in the amount of	10,273,000	PLN

The item was correctly disclosed in the consolidated financial statements.

3. Short-term prepayments and deferred costs

amount to	34,178,000	PLN
Percentage share in the balance-sheet total	6.84	%

of which:

– insurance	596,000	PLN
– subscription	13,000	PLN
– costs of the next period	291,000	PLN
– costs of long-term contracts	3,672,000	PLN
– uninvoiced sales relating to long-term contracts	24,816,000	PLN
– lease charges	3,019,000	PLN
– bank guarantee costs	152,000	PLN
– valuation of long-term loans	57,000	PLN
– others	1,562,000	PLN

The aforementioned items of accruals and deferred income are correctly measured. In this item, consolidation exclusions in the amount of PLN 2,000 were made. The item was disclosed correctly in the consolidated financial statements.

4. **Current financial assets** amount to 293,000 PLN
Percentage share in the balance-sheet total 0.06 %
and constitute foreign exchange forward contracts.

No consolidation exclusions were made in this item.
Current financial assets have been correctly disclosed in the consolidated financial statements.

5. **Cash and cash equivalents** amount to

	Gross value	Write-downs	Book value	
Cash and other pecuniary assets	22,114	-	22,114	PLN '000
- cash in hand and in accounts	8,585	-	8,585	PLN '000

- current term deposits	13,529	-	13,529	PLN '000

Percentage share in the balance-sheet total	4.42	%

Cash and cash equivalents were disclosed correctly in the consolidated financial statements. No consolidation exclusions were made in this item.

III. EQUITY

1. Equity amounts to 197,664,000 PLN

Percentage share in the balance-sheet total 39.56 %

and consists of:

1) Core capital	69,725,000	PLN
2) Supplementary capital	105,967,000	PLN
3) Revaluation reserve	10,408,000	PLN
4) Own shares	-	PLN
5) Other capital reserves	7,269,000	PLN
6) Retained loss	- 10,036,000	PLN
7) Net profit	14,331,000	PLN
8) Minority capital	-	PLN

2. The core capital of the capital group

amounts to: 85,893,000 PLN

Exclusions and value adjustments of ownership interests of subsidiaries in the capital group as at 31 December 2009 amount to 16,168,000 PLN

The core capital as at 31 December 2009 disclosed in the consolidated balance-sheet has been correctly determined and amounts to 69,725,000 PLN

Exclusions concerning ownership interests in subsidiaries constitute:

– CK-Modus Sp. z o.o.	15,900,000	PLN
– EP Hotele i Nieruchomości Sp. z o.o.	70,000	PLN

–	Modus II Sp. z o.o.	50,000	PLN
–	AMONTEX PM Sp. z o.o.	148,000	PLN
	Total	16,168,000	PLN

3. Capital reserves 105,967,000 PLN

The total capital of the parent company and subsidiaries of the capital group as at 31 December 2009 amounts to 109,433,000 PLN

- consolidation exclusions concerning ownership interests acquired 5,399,000 PLN
- consolidation adjustment of due dividend - 1,933,000 PLN

Capital reserves were correctly disclosed in the consolidated financial statements.

4. Revaluation reserve in the amount of 10,408,000 PLN

The total capital of the parent company and subsidiaries in the capital group as at 31 December 2009 amounts to 10,843,000 PLN

- consolidation exclusions concerning ownership interests acquired 435,000 PLN

The revaluation reserve as at 31 December 2009 was disclosed correctly in the consolidated financial statements.

5. Other reserves in the amount of 7,269,000 PLN apply to the parent company.

Other reserves as at 31 December 2009 were disclosed correctly in the consolidated financial statements.

6. Retained loss

The total retained loss of the parent company and subsidiaries of the capital group as at 31 December 2009 amounts to 7,474,000 PLN

Exclusions and consolidation adjustments amount to	2,562,000	PLN

The retained loss disclosed in the consolidated financial statements was determined correctly and amounts to PLN 10,036,000.

7. Net profit	14,331,000	PLN
of which:		
– profit of the parent company	22,306,000	PLN
– loss of subsidiaries	- 860,000	PLN
of which:		
• CK-Modus Sp. z o.o.	- 670,000	PLN
• EP Hotele i Nieruchomości Sp. z o.o.	- 1,401,000	PLN
• Modus II Sp. z o.o.	81,000	PLN
• AMONTEX PM Sp. z o.o.	1,130,000	PLN
– exclusions and consolidation adjustments	7,115,000	PLN
of which:		
• dividend adjustment	1,933,000	PLN
• unrealised profit margin recognised in inventories	3,558,000	PLN
• interest on loans, activated in inventories	1,428,000	PLN
• unrealised profits recognised in tangible assets	- 20,000	PLN
• adjustment of revenues, credited to Company Social Benefits Fund	26,000	PLN
• unrealised profit on sale of goods	260,000	PLN
• revaluation adjustment of ownership interests in subsidiary	- 70,000	PLN

IV. LIABILITIES AND PROVISIONS FOR NON-CURRENT LIABILITIES

1. Provisions for liabilities amount to	11,516,000	PLN
Percentage share in the balance-sheet total	2.30	%

Provisions for liabilities consist of:

1) provision for deferred income tax 5,656,000 PLN
2) provisions for employee benefits 5,860,000 PLN

of which:

– parent company 11,355,000 PLN
– subsidiaries 161,000 PLN

No consolidation adjustments were made with respect to provisions.

Provisions for non-current liabilities were disclosed correctly in the consolidated financial statements.

2. Financial liabilities

in the audited capital group, amount to	91,922,000	PLN
Percentage share in the balance-sheet total	18.40	%
and concern:		
- other companies	91,922,000	PLN
on account of:		
a) borrowings	30,487,000	PLN
b) finance leases	61,435,000	PLN
Consolidation exclusions of loans granted to subsidiaries amount to	30,036,000	PLN

Non-current financial liabilities were disclosed correctly in the consolidated financial statements.

V. LIABILITIES AND PROVISIONS FOR CURRENT LIABILITIES

1. Provisions for liabilities amount to 3,197,000 PLN

Percentage share in the balance-sheet total	0.64	%

Provisions for liabilities consist of:

1) provisions for employee benefits	1,197,000	PLN
2) other provisions	2,000,000	PLN

<u>of which:</u>

– parent company	2,909,000	PLN
– subsidiaries	288,000	PLN

No consolidation adjustments were made with respect to provisions.

Provisions for liabilities were disclosed correctly in the consolidated financial statements.

2. Financial liabilities

amount to	72,660,000	PLN
Percentage share in the balance-sheet total	14.54	%

and concern liabilities on account of:

1) borrowings	57,193,000	PLN
2) leasing liabilities	11,560,000	PLN
3) long-term currency contracts	3,907,000	PLN

No consolidation exclusions were made with respect to short-term financial liabilities.

Financial liabilities were correctly disclosed in the consolidated financial statements.

3. Current liabilities

amount to	122,718,00 0	PLN
Percentage share in the balance-sheet total	24.56	%

and concern liabilities:

1)	Towards associated companies	-	PLN
2)	Towards other companies	103,962,00 0	PLN
	a) trade liabilities	56,452,000	PLN
	b) advance payments received for deliveries	26,022,000	PLN
	c) promissory note liabilities	-	PLN
	d) on account of taxes, customs duty, insurance and other fees	10,229,000	PLN
	e) income tax	111,000	PLN
	f) on account of remuneration	4,284,000	PLN
	g) other	6,864,000	PLN
3)	Accruals and deferred income	18,756,000	PLN

From the total amount of short-term liabilities, for:

–	parent company	133,381,00 0	PLN
–	subsidiaries	18,233,000	PLN
	Total:	**151,614,00 0**	**PLN**

Consolidation exclusions amount to 28,896,000 PLN and were correctly determined.

3.1. The time structure of trade liabilities

is as follows:

a)	not overdue	40,812,000	PLN
b)	overdue	15,640,000	PLN

payable:

– up to three months	11,269,000	PLN
– from 3 to 6 months	550,000	PLN
– from 6 to 12 months	1,902,000	PLN

– over 12 months	1,919,000	PLN
Total (a + b)	56,452,000	PLN

In trade liabilities, exclusions were made amounting to	23,961,000	PLN

As a result of the audit, the certified auditor acknowledges that trade liabilities were disclosed in correct amounts in the consolidated statements.

3.2. Significant detailed items of current liabilities are:

Advance payments received for deliveries	26,022,000	PLN
concern:		
– of the parent company	25,775,000	PLN
– of subsidiaries	247,000	PLN

There were no consolidation exclusions on account of advance payments received for deliveries.

Liabilities from taxes, customs duty, insurance and other fees amount to	10,229,000	PLN
and constitute:		
– personal income tax	939,000	PLN
– settlements with the Social Security Office	3,759,000	PLN
– settlements with the State Fund for the Rehabilitation of the Disabled	36,000	PLN
– VAT settlements	5,125,000	PLN
– others	370,000	PLN

Liabilities from remuneration in the amount of	4,284,000	PLN

concern employee remuneration for December 2009 paid in January 2010

Other liabilities amounting to	6,864,000	PLN
concern:		
– deductions from remuneration	139,000	PLN
– insurance	207,000	PLN

	– construction in progress	5,694,000	PLN
	– contractual penalties	429,000	PLN
	– other liabilities	395,000	PLN

3.3.	**Accruals and deferred income** amount to	18,756,000	PLN
	and consist of:		
	1) accrued expenses	1,983,000	PLN
	2) settlement of long-term contracts	14,387,000	PLN
	3) revenues of future periods	2,971,000	PLN
	4) subsidies	453,000	PLN
	5) consolidation exclusions	-1,038,000	PLN

Accruals and deferred income were correctly disclosed in the consolidated financial statements.

VI. FINANCIAL RESULT

The consolidated statement of comprehensive income of the capital group was prepared by:

– ***combining,*** in a full amount, individual items of non-consolidated statements of comprehensive income of the parent company and subsidiaries and making exclusions of amounts of transactions occurring between companies, determined in accordance with IAS 27 and executive regulations of the Accountancy Act,

– ***determining*** goodwill from consolidation,

– ***making*** consolidation adjustments concerning: the release of write-downs, the valuation of shares, write-downs of unrealised profits in inventories and tangible assets.

The statement of comprehensive income was prepared in accordance with IAS 27, IAS 28 and provisions of the regulation of the Minister of Finance of 8 August 2008 concerning detailed principles of preparing consolidated financial statements of capital groups by entities other than banks and insurance companies (Journal of Laws of 2008 No. 162 item 1004).

1. Revenues and costs and the financial result as stated in the statement of comprehensive income are as follows:

PLN '000

Subject	**Sales and other revenues**	**Correspondin g costs**	**Result + profit - loss**
1	2	3	4
A. Revenues from the sale of products, goods and materials and costs incurred	275,650	236,054	
I. Products	260,500	218,774	
II. Goods and materials	15,150	17,280	
B. Gross profit on sales (I+II)			39,596
C. Other revenue	12,516		
D. Sales costs		183	
E. General management costs		17,862	
F. Other costs		10,541	
G. Operating profit (B+C-D-E-F)			23,526
H. Financial revenue	9,527		
I. Financial expenses		15,485	
J. Gross pre-tax profit (G+H-I)			17,568
K. Current income tax			3,028
L. Deferred income tax			209
M. Minority profits			-
N. Net profit (J-K+/-L-M)			14,331
O. Other comprehensive income			- 380
P. Total comprehensive income			13,951

1.1.	Revenue from sales as at 31 December 2009 recognised in non-consolidated statements of comprehensive income amounts to	328,372,000	PLN
	Exclusions and adjustments of revenue from activities of consolidated companies amount to	52,722,000	PLN
	Revenue from sales, disclosed in the consolidated income statement, amounts to	275,650,000	PLN

Revenue from sales was correctly determined and disclosed in the consolidated statement of comprehensive income.

1.2.	Costs of operating activities as at 31 December 2009 recognised in non-consolidated statements of comprehensive income amount to	287,067,000	PLN
	Exclusions and adjustments of costs of activities of companies amount to	51,013,000	PLN
	Costs of operating activities disclosed in the consolidated statement of comprehensive income	236,054,000	PLN
	Profit from sales of the capital group (1.1. – 1.2.)	39,596,000	PLN

Costs of operating activities were correctly determined and disclosed in the consolidated statement of comprehensive income.

2. Other revenue and costs

Other revenue according to non-consolidated

financial statements amounts to:	15,617,00 0	PLN
Exclusions and consolidation adjustments	3,101,000	PLN
Other revenue after exclusions	12,516,00 0	PLN
Costs of sales before exclusions	277,000	PLN
Exclusions and consolidation adjustments	94,000	PLN
Costs of sales after exclusions	183,000	PLN
Costs of general management before exclusions	18,087,00 0	PLN
Exclusions and consolidation adjustments	225,000	PLN
Costs of general management after exclusions	17,862,00 0	PLN
Other costs before exclusions	11,318,00 0	PLN
Exclusions and consolidation adjustments	777,000	PLN
Other costs after exclusions	10,541,00 0	PLN
Loss on other revenue and costs disclosed in statement of comprehensive income	16,070,00 0	PLN
<u>Other revenue</u>	12,516,00 0	PLN
consists of:		
– receivables revaluation write-downs released	560,000	PLN
– provisions released for employee benefits	714,000	PLN
– provisions released for unused leave	13,000	PLN
– reimbursement of court costs	29,000	PLN
– valuation of real property	1,177,000	PLN

– accident and other compensation	760,000	PLN
– profit from the sale of non-financial fixed assets	5,253,000	PLN
– revenues from investments	3,613,000	PLN
– liabilities written off	19,000	PLN
– consideration for the use of passenger cars	97,000	PLN
– accounting for subsidies	41,000	PLN
– other revenue	240,000	PLN

<u>Other costs</u>	10,541,000	PLN

consist of:

– receivables revaluation write-downs made	561,000	PLN
– provisions created for employee benefits	1,149,000	PLN
– provisions created for future liabilities	2,000,000	PLN
– revaluation of inventories	383,000	PLN
– goodwill write-down	5,000	PLN
– compensation allowances	60,000	PLN
– court and attorneys' costs	135,000	PLN
– contributions to organisations	49,000	PLN
– contractual penalties	433,000	PLN
– costs relating to investments in real property	4,002,000	PLN
– entering of irrecoverable debts	192,000	PLN
– costs of liquidating inessential assets	128,000	PLN
– costs of post-accident repairs	175,000	PLN
– write-off of receivables	158,000	PLN
– costs of enforcement	33,000	PLN
– other loss	579,000	PLN
– donations made	35,000	PLN
– other costs	464,000	PLN

3. <u>Financing activities</u>

Financial revenue according to non-consolidated

financial statements	13,026,00 0	PLN
Exclusions and consolidation adjustments	3,499,000	PLN
Financial revenue after exclusions	9,527,000	PLN
Finance costs before exclusions	15,582,00 0	PLN
Exclusion and consolidation adjustments	97,000	PLN
Finance costs after exclusions	15,485,00 0	PLN
Loss on financial activities disclosed in statement of comprehensive income	5,958,000	PLN
<u>Financial revenue</u>	9,527,000	PLN
consists of:		
– other interest	553,000	PLN
– release of write-down from interest	121,000	PLN
– overdue and written off interest	39,000	PLN
– dividend	27,000	PLN
– cash discounts and reductions	19,000	PLN
– cancelled valuation of FX forward transactions	7,361,000	PLN
– valuation of FX forward transactions	293,000	PLN
– positive exchange rate differences	741,000	PLN
– compensation on account of debt recovery	179,000	PLN
– valuation of long-term loans	142,000	PLN
– other revenue	52,000	PLN
<u>Finance costs</u>	15,485,00 0	PLN
consist of:		
– interest from borrowings	3,320,000	PLN
– other interest	2,454,000	PLN
– write-downs of interest from receivables	136,000	PLN

–	valuation of long-term loans	20,000	PLN
–	negative exchange rate differences	152,000	PLN
–	loss from sale of FX forward transactions	4,139,000	PLN
–	valuation of FX forward transactions	3,907,000	PLN
–	commission on borrowings	617,000	PLN
–	costs of selling receivables	205,000	PLN
–	write-off of interest on loans	280,000	PLN
–	revaluation of long-term investments	124,000	PLN
–	valuation of foreign-currency debts	57,000	PLN
–	other costs	74,000	PLN

4. **<u>Obligatory reductions in profit due to:</u>**

1)	current income tax	3,028,000	PLN
2)	deferred income tax	207,000	PLN
3)	tax on dividend	2,000	PLN
4)	other obligatory reductions in profit (increase in loss)	-	PLN
	Total:	3,237,000	PLN

Income tax is payable in the following companies:

–	Energomontaż – Południe S.A.	2,917,000	PLN
–	Modus II Sp. z o.o.	111,000	PLN

5. **The net profit of the capital group** for 2009 amounts to 14,331,000 PLN

and has been correctly determined and disclosed in the consolidated statement of comprehensive income.

The net profit comprises:

–	net profit of the parent company	22,306,000	PLN
–	net loss of subsidiaries	860,000	PLN
–	exclusions and consolidation adjustments	7,115,000	PLN

VII. CONTINGENT LIABILITIES AND RESTRICTIONS ON OWNERSHIP RIGHTS

1. List of groups of liabilities secured with the capital group's assets

Secured liability	Balance as at 31 December 2009			Balance as at 31 December 2008		
	Amount of credit facility, loan and others	Amount of security	Amount of security expressed as % of assets	Amount of credit facility, loan and others	Amount of security	Amount of security expressed as % of assets
Mortgages	78,670,000 PLN	124,061,000 PLN		48,955,000 PLN	78,755,000 PLN	
Registered pledge on tangible assets	7,630,000 PLN	1,032,000 PLN		961,000 PLN	1,635,000 PLN	
Registered pledge on inventories	10,500,000 PLN	5,000,000 PLN		22,600,000 PLN	13,400,000 PLN	
Assignment of claims	130,003,000 PLN	183,095,000 PLN		59,222,000 PLN	63,511,000 PLN	
Pledge on shares	10,500,000 PLN	148,000 PLN		15,000,000 PLN	148,000 PLN	
Total		**313,336,000 PLN**	**62.71**		**157,449,000 PLN**	**50.88**

2. **Contingent liabilities,** including guarantees and suretyships granted (also promissory notes):

Type of liabilities, guarantees and suretyships	Balance as at 31 December 2009		Balance as at 31 December 2008	
	Amount	% % of assets	Amount	% % of assets
Guarantees and suretyships granted	50,845,000 PLN		42,418,000 PLN	
Blank promissory notes	70,440,000 PLN		7,786,000 PLN	
Letter of credit granted	6,464,000 PLN		- PLN	

Liabilities towards the Social Security Office (ZUS)	6,179,000 PLN			
Total contingent liabilities	**133,928,000 PLN**	**26.80**	**50,204,000 PLN**	**16.22**

VIII. CONSOLIDATED CASH FLOW STATEMENT, ADDITIONAL INFORMATION AND REPORT ON OPERATIONS

The cash flow statement was drawn up correctly and discloses the relationship with the statement of financial condition, the total income statement and the books of account.

The additional information for the consolidated financial statements correctly and completely records the amounts and problems connected with the activities of the capital group.

The report on operations contains the information specified in Article 49 par. 2 and 3 of the Accountancy Act and corresponds to the audited financial statements.

IX. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

No events occurred after the date of the financial statements that could significantly affect operating results in subsequent periods.

X. VIOLATIONS OF THE LAW

In the companies subject to the audit, no cases of a material breach of tax law, the Commercial Companies Code, or the Statute or the Articles of Association of the companies were identified.

E. ASSESSMENT OF CONSOLIDATED FINANCIAL STATEMENTS FOR 2009

We find that the consolidated financial statements and the documents on which they are based comply with the provisions of law and the accounting rules generally applied in the accounting profession.

We find that the consolidated financial statements are correct and accurate in that they give a substantively true representation of the results of the capital group's overall operations and its assets and financial situation.

F. FINAL FINDINGS

1. This Report consists of 47 typed pages numbered consecutively.
   Each page contains a page number and the signature of the certified auditor alongside it.

2. The following are attached to the Report:

   1) Conclusions and comments – none
   2) Economic and financial results
   3) Profitability, liquidity and debt indicators
   4) Capital market indicators
   5) Indicators from the cash flow statement
   6) Balance of asset revaluation write-downs and provisions for liabilities as at 31 December 2009
   7) Management report on the operations of the capital group
   8) Confirmation of receipt (in the auditor's copy).

Certified auditor of group

Bogusława Zemełka
Reg. No. 9368

Sosnowiec, 15 April 2010

Auditor

MW RAFIN Marian Wcisło
SPÓŁKA KOMANDYTOWA
41-200 Sosnowiec, al. Zwycięstwa 3
Podmiot uprawniony nr 3076 [2]

PREZES
Biegły Rewident
Marian Wcisło
nr ewid. 5424

Appendix No. 2

Economic and financial results

PLN '000

Item	INDICATOR	Performance in current prices			Rate %	
		2009	2008	2007	3/4	3/5
1	2	3	4	5	6	7
1.	**Total revenue of which for:**	**297 693**	**269 860**	**256 119**	**110,31%**	**116,23%**
	- sales of products	260 500	222 941	216 797	116,85%	120,16%
	- sales of goods and materials	15 150	16 964	15 511	89,31%	97,67%
	- other revenue	12 516	22 032	14 136	56,81%	88,54%
	- financial revenue	9 527	7 923	9 675	120,24%	98,47%
	- extraordinary profits					
2.	**Operating costs of which for:**	**280 125**	**249 963**	**239 531**	**112,07%**	**116,95%**
	- products sold	218 806	187 411	199 942	116,75%	109,43%
	- goods and materials sold	17 248	15 385	14 537	112,11%	118,65%
	- selling costs	183	956	94	19,14%	194,68%
	- general management costs	17 862	15 494	9 243	115,28%	193,25%
	- other costs	10 541	17 359	11 697	60,72%	90,12%
	- financial costs	15 485	13 358	4 018	115,92%	385,39%
	- extraordinary losses					
3.	**Gross profit**	**17 568**	**19 897**	**16 588**	**88,29%**	**105,91%**
4.	Income tax	3 237	4 212	4 152	76,85%	77,96%
5.	Other expense					
6.	Minority profits		345			
7.	**Net profit**	**14 331**	**15 340**	**12 436**	**93,42%**	**115,24%**

Appendix No. 3

PROFITABILITY, FINANCIAL LIQUIDITY AND DEBT RATIOS
(asset financing structures)
for 2009

[PLN '000]

Type of ratio and calculation method		Amounts		Rate		Change in the rate + improvement - deterioration
		Current year	Previous year	Current year	Previous year	
1		2	3	4	5	6
PROFITABILITY RATIOS [1]						
1.	**Sales profitability ratio** Net profit x 100 / Revenues from sales of products, goods and materials	14,331 x 100 / 275,650	15,340 x 100 / 239,905	5.20	6.39	- 1.19
2.	**Gross profitability of sales** Gross earnings from sales x 100 / Revenues from sales of products, goods and materials	39,596 x 100 / 275,650	37,109 x 100 / 239,905	14.36	15.47	- 1.11
3.	**Return on assets (ROA)** Net profit x 100 / Average balance of assets	14,331 x 100 / 404,561	15,340 x 100 / 251,605	3.54	6.10	- 2.56
4.	**Adjusted return on assets (ROA_1)** Net profit + net paid interest (i.e. excluding corporate income tax) x 100 / Average balance of assets	14331+6144x100 / 404,561	15340+2876x100 / 251,605	5.06	7.24	- 2.18
5.	**Non-current asset turnover** Revenues from sales of products, goods and materials / Average balance of non-current assets	275,650 / 145,056	239,905 / 72,274	1.90	3.32	- 1.42
6.	**Return on equity (ROE)** Net profit x 100 / Average balance of equity	14,331 x 100 / 154,761	15,340 x 100 / 101,634	9.26	15.09	- 5.83
7.	**Scale of leverage** Return on equity (item 6) – adjusted return on assets (item 4)	9.26 – 5.06	15.09 – 7.24	4.20	7.85	- 3.65

1		2	3	4	5	6
FINANCIAL LIQUIDITY RATIOS						
8.	**Coverage of current liabilities** Current assets / Current liabilities	304,428 / 198,575	214,581 / 154,204	1.53	1.39	+ 0.14
9.	**Ratio of payment of liabilities** Current assets – (inventories + short-term accruals and deferred income costs)[x] / Current liabilities	202,912 / 198,575	128,579 / 154,204	1.02	0.83	+ 0.19
10.	**Cash ratio** Cash and other assets / Current liabilities	22,114 / 198,575	7,828 / 154,204	0.11	0.05	+ 0.06
11	**Receivables turnover ratio in times per year** Revenues from sales of products and goods / Average balance of receivables minus VAT [2)]	275,650 / 45,240	239,905 / 39,346	6.09	6.10	- 0.01
12.	**Receivables turnover ratio in days** Number of days in the period (365) / Receivables turnover ratio in times per year	365 / 6.09	365 / 6.10	59.93	59.84	- 0.09
13.	**Liabilities turnover ratio in times per year** Own costs of sold goods and materials + cost of manufacturing products / Average balance of trade liabilities minus VAT	236,054 / 42,320	202,796 / 31,905	5.58	6.36	- 0.78
14.	**Liabilities turnover ratio in days** Number of days in the period (365) / Liabilities turnover rate in times per year	365 / 5.58	365 / 6.36	65.41	57.39	- 8.02
15.	**Materials inventory turnover ratio in times per year** Cost of materials used / Average balance of materials inventory	49,412 / 5,411	67,877 / 4,218	9.13	16.09	- 6.96
16.	**Materials inventory turnover ratio in days** Number of days in the period (365) / Materials inventory turnover ratio in times per year	365 / 9.13	365 / 16.09	39.98	22.68	- 17.30
17.	**Product inventory turnover ratio in times per year** Revenues from sales of products / Average balance of inventory of finished products					
18.	**Product inventory turnover ratio in days** Number of days in the period (365) / Turnover ratio in times per year					

x) Short-term accruals and deferred income

1		2	3	4	5	6
DEBT RATIOS (asset financing structures)						
19.	**Debt ratio** Total liability [3)] / Total assets	302,013 / 499,677	197,587 / 309,444	0.60	0.64	+ 0.04
20.	**Equity to assets ratio** **:** Equity / Total assets	197,664 / 499,677	111,857 / 309,444	0.40	0.36	+ 0.04
21.	**Ratio of non-current assets to equity and long-term provisions** Equity + long-term liabilities + long-term provisions / Tangible assets	301,102 / 195,249	155,240 / 94,863	1.54	1.64	- 0.10
22.	**Sustainability of financing ratio** Equity + long-term liabilities + long-term provisions / Total assets	301,102 / 499,677	155,240 / 309,444	0.60	0.50	+ 0.10
23.	**Ratio of net profit plus amortisation and depreciation to total liabilities** Net profit + annual amortisation/depreciation / Average balance of total liabilities (non-current + current)	14,331+6,711 / 249,800	15,340+4,485 / 115,730	0.08	0.17	- 0.09

1) If there is a net balance-sheet loss we only calculate ratios 1 and 2 (we do not calculate ratios 3, 4, 6, 7 or 23 if the net balance-sheet loss exceeds amortisation/depreciation).

2) We “net” the average balance of trade receivables (B.II.1a + B.II.2a) by dividing it by the average rate of output VAT, e.g. by dividing by 122 % if all sales are taxed at to the basic rate.

3) Excluding long-term revenues of future periods + bonuses granted from profits of the current year (dividends in joint stock and limited liability companies).

4) **<u>Specify the improvement or deterioration (+|-) of a particular ratios with the financial details, not an arithmetic symbol.</u>**

Appendix No. 4

CAPITAL MARKET RATIOS

Ratio and calculation method		Amounts [PLN]		Rate		Change in rate
		for the audited year	for the previous year	for the audited year	for the previous year	+ improvement - deterioration
1		2	3	4	5	6
Internal ratios (data from the company) – counted on the basis of the number of shares						
1.	**Sales per share** Sales revenues	275,649,512.98	239,905,619.52	5.77	5.31	+ 0.46
	Weighted average number of shares	47,762,000	45,203,000			
2.	**Earnings per share** Net profit	14,330,991.79	15,339,702.45	0.30	0.34	- 0.04
	Weighted average number of shares	47,762,000	45,203,000			
3.	**Dividend per share** Net profit designated for distribution among shareholders	5,230,000.00	4,400,000.00	0.11	0.10	
	Number of shares in circulation	48,390,000	47,544,346			
4.	**Cash flow per share** Net profit + amortisation/depreciation	21,041,572.49	19,824,378.78	0.44	0.44	-
	Weighted average number of shares	47,762,000	45,203,000			
5.	**Book value per share** Equity	197,663,424.30	111,856,980.54	4.14	2.47	+ 1.67
	Weighted average number of shares	47,762,000	45,203,000			
6.	**Dividend cover ratio (CR)** Net profit per share	0.30	0.34	2.73	3.40	- 0.67
	Net profit designated for distribution among shareholders (dividend/share)	0.11	0.10			
7.	**Payout rate** Dividend per share	0.11	0.10	0.37	0.29	+ 0.08

	Net profit per share	0.30	0.34			

1		2	3	4	5	6
External ratios (data from the capital market) – counted on the basis of the market value of shares						
8.	**Earnings per share to market price** Net profit per share x 100	0.30 x 100	0.34 x 100	6.98	12.83	- 5.85
	Market price per share	4.30	2.65			
9.	**Dividend yield** Dividend per share x 100	0.11 x 100	0.10 x 100	2.56	3.77	- 1.21
	Market price per share	4.30	2.65			
10.	**Price to dividend ratio** Market price per share	4.30	2.65	39.09	26.50	+ 12.59
	Dividend per share	0.11	0.10			
11	**Price to earnings ratio** Market price per share	4.30	2.65	14.33	7.79	+ 6.54
	Net profit per share	0.30	0.34			
12.	**Cash flow per share to price** Net profit + amortisation/depreciation per share x 100	0.44 x 100	0.44 x 100	10.23	16.60	+ 6.37
	Market price per share	4.30	2.65			
13.	**Price to cash flow per share** Market price per share	4.30	2.65	9.77	6.02	- 3.75
	Net profit + amortisation/depreciation per share	0.44	0.44			
14.	**Stock exchange share price ratio** Market price per share	4.30	2.65	4.30	2.65	+ 1.65
	Par value per share	1.00	1.00			
15.	**Price to book value per share** Market price per share	4.30	2.65	1.04	1.07	- 0.03
	Book value per share	4.14	2.47			

[1] In the event of a net loss, we do not calculate the ratios, except for 4,12 and 13, if the net loss does not exceed the level of amortisation/depreciation write-downs, and those ratios in which the financial result does not figure directly

[2] When a ratio has changed we give the improvement or deterioration (+|-) of a particular ratio according to its financial content, not the arithmetical symbol.

Appendix No. 5

Ratios from the cash flow statement

Item	Ratio	Manner of calculating ratio	Period		Improvement + Deterioration – (4-5)
			audited	previous	
1	2	3	4	5	6
1.	Ratio of share of net profit in balance of cash generated from operating activities	Net profit / cash generated from operating activities	- 0.61	2.06	
2.	Ratio of share of amortisation/depreciation in balance of cash generated from operating activities	. amortisation/depreciation / cash generated from operating activities	-	0.60	
3.	Ratio of capability of generating cash from operating activities	net cash from operating activities / net cash from operating activities + proceeds from financing activities	-	0.08	
4.	Ratio of financing investments in property, plant and equipment and intangible assets	outlays for fixed and intangible assets / cash generated from operating activities	-	1.28	
5.	Ratio of general sufficient amount of cash	cash generated from operating activities / expenditure for investment and financing activities	-	0.06	
6.	Ratio of coverage of interest	interest from financing activities / cash generated from operating activities	-	0.39	
7.	Ratio of performance of capital invested from operating activities	cash generated from operating activities / capital invested	-	0.02	
8.	Ratio of performance of assets	cash generated from operating activities / total assets	-	0.02	
9.	Ratio of performance of sales	cash generated from operating activities / revenue from sales of products, goods and materials	-	0.03	

ECONOMIC CONTENT OF RATIOS

from cash flow statement

1. The higher the value of such a ratio, the better the net profit reflects the actual surplus achieved by an entity.

2. A high and increasing value of this ratio is interpreted negatively. It denotes the entity's poor ability to generate its own sources. Funds from amortisation and depreciation should be used for new investments in fixed assets of an entity, and not serve to finance current activities or to meet liabilities from credit and dividends.

3. An increase in the value of this ratio should convey a positive impression about the company's possibilities with respect to self-financing. At the same time, the analysis of other data must be borne in mind (e.g. contracting new credit to finance construction-in-progress reduces the value of the ratio, which should not immediately be interpreted as a negative signal regarding the company's situation).

4. A smaller value of the ratio shows that the company has bigger surpluses to cover other expenses.

5. A ratio which is at a level higher than 1 suggests that the entity is generating a sufficient amount of cash to cover expenses connected with investment and financing activities.

6. If the ratio is below 1, this shows that the entity is unable to gain cash from its basic operating activities to pay off assets or contract new credit. This can definitely not be assessed in positive terms. It should be pointed out that cash from operating activities should cover not only interest, but also amortisation and depreciation, which serves to regenerate tangible and intangible assets.

7.

$$\begin{array}{c}\text{capital}\\\text{invested}\end{array} = \begin{array}{c}\text{equity}\\\text{and outside}\\\text{capital}\end{array} - \begin{array}{c}\text{non-current}\\\text{and current investments}\\\text{(without cash)}\end{array}$$

   This ratio measures how much cash has been obtained from basic operating activities from capital invested in this capital area.

8. If the ratio increases, it means that the performance of assets is increasing.

9. This ratio shows what part of the revenue from sales (on an accrual basis) is covered in cash revenue. The higher this ratio is, the better. The difference between 1 and the ratio denotes the lack of cash coverage in cash in revenue.

Note:

One cannot approach the cash flow statement uncritically. A positive cash surplus does not yet mean solvency, just as a negative surplus cannot be interpreted as a lack of cash to settle liabilities. A negative value often arises in the case of a considerable share of credit sale in the entire turnover, which is connected with an increase in receivables. A positive surplus arises when use is made of accumulated materials without the simultaneous regeneration of inventories. The situation will be similar in the case of purchasing materials for trade credit. The cash flow statement must therefore be analysed in association with an assessment of the balance of receivables, liabilities, the level of inventories, etc.

As can be seen from the aforementioned description, one cannot unambiguously interpret the values of individual ratios and draw clear conclusions on their basis. However, a comprehensive analysis makes it possible to generally determine the condition of an entity and at the same time the risk of arriving at an inappropriate decision.

Appendix No. 6

Balance of revaluation write-downs of assets and provisions for liabilities
as at 31 December 2009

in PLN '000

Item	Description	Goodwill	Tangible assets	Non-current investments	Inventories of current assets	Debt		Employee benefits provision	Deferred income tax expense provision	Other provisions	Total
						principal	interest				
1	2	3	4	5	6	7		9	10	11	12
1.	**Balance at beginning of period**	**2 010**		**1 121**	**15 622**	**6 623**	**310**	**6 272**	**4 605**	**-**	**36 563**
2.	Revaluation write-downs charged to expenses	5	-	124	-	561	136	-	-	-	**826**
3.	Establishment of provision charged to expenses	-	-	-	-			1 598	1 429	2 000	**5 027**
4.	Other	-	-	- 16	-	5		-	36	-	**25**
Total (2+3+4)		**5**	**-**	**108**	**-**	**566**	**136**	**1 598**	**1 465**	**2 000**	**5 878**
5.	Utilisation	-	-	-	-	522	125	99	-	-	**746**
6.	Cessation of reasons for which were made:	-	-	-	-	-		-		-	**-**
a).	write-downs	-	-		-			-	-	-	**-**
b).	establishment of a provision	-	-	-	-			-	-		**-**
7.	Dissolution of write-downs and provisions	-	-		-	560	121	714	414		**1 809**
8.	Other	-	-	-	-					-	**-**
Total (5+6+7+8)		**-**	**-**	**-**	**-**	**1 082**	**246**	**813**	**414**	**-**	**2 555**
10.	**Balance at end of period**	**2 015**	**-**	**1 229**	**15 622**	**6 107**	**200**	**7 057**	**5 656**	**2 000**	**39 886**