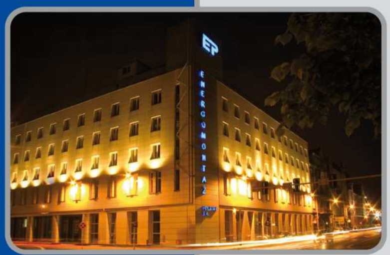
ENERGOMONTAŻ-POŁUDNIE SA

EXTENDED CONSOLIDATED INTERIM REPORT FOR THE FIRST HALF OF 2010



2010

CONTENTS

I. INTRODUCTORY INFORMATION TO THE HALF-YEAR REPORT

This Extended Consolidated Interim Report on Energomontaż-Południe S.A. for the first half of 2010 (HY2010) contains a Management Board Report on the operations of the Energomontaż-Południe S.A. Capital Group for the first half of 2010, and presents information in compliance with the requirements of Article 90 par. 1 pt. 3 of the Regulation of the Minister of Finance on current and periodic information [...] of 19 February 2009, selected financial data as referred to in Article 90 par. 1 pt. 1 of the Regulation, and relevant consolidated and non-consolidated financial statements of Energomontaż-Południe S.A. for the period from 1 January 2010 to 30 June 2010, drawn up in accordance with Article 90 par. 1 pt. 2b read together with Article 83 par. 3 of the Regulation.

Unless stated otherwise, all financial figures are given in thousands of Polish zlotys.

The Company also declares that, acting on the basis of Article 83 par. 3 of the Regulation, Energomontaż-Południe S.A. will not provide a separate non-consolidated quarterly report. Abridged non-consolidated financial statements of Energomontaż-Południe S.A. are included in this extended consolidated half-year report.

The declaration of the Management Board as referred to in Article 90 par. 1 pt. 4 and 5, and the reports by the entity authorised to audit the financial statements, as referred to in Article 90 par. 1 pt. 6 and Article 83 par. 3 of the Regulation, are attached to the Extended Consolidated Interim Report on Energomontaż-Południe S.A. for the first half of 2010.

II. BASIC INFORMATION ON THE CAPITAL GROUP OF THE ISSUER, ITS STRATEGY AND PROSPECTS FOR DEVELOPMENT

1. Selected financial data

SELECTED FINANCIAL DATA OF THE CAPITAL GROUP	First half-year (current year) from 01.01.10 to 30.06.10 (PLN '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (PLN '000)	First half-year (current year) from 01.01.10 to 30.06.10 (EUR '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (EUR '000)
I. Net revenue from sales of products, goods and materials	147 969	121 363	36 953	26 860
II. Operating profit (loss)	4 963	6 113	1 239	1 353
III. Gross profit (loss)	2 050	3 357	512	743
IV. Net profit (loss)	2 066	2 413	516	534
V. Net cash flow from operating activities	-56 275	-34 599	-14 054	-7 657
VI. Net cash flows from investment activities	-13 054	56 637	-3 260	12 535
VII. Net cash flows from financing activities	59 809	-19 052	14 937	-4 217
VIII. Total net cash flows	-9 520	2 986	-2 377	661
IX. Total assets*	481 349	499 677	116 105	121 629
X. Non-current liabilities*	81 717	103 438	19 711	25 178
XI. Current liabilities*	202 497	198 575	48 844	48 336
XII. Equity*	197 135	197 664	47 551	48 115
XIII. Share capital	70 972	48 390	17 119	11 779
XIV. Number of shares	70 972 001	48 390 000	70 972 001	48 390 000
XV. Weighted average number of shares	66 926 133	47 544 346	66 926 133	47 544 346
XVI. Weighted average diluted number of shares	70 972 001	47 544 346	70 972 001	47 544 346
XVII. Basic profit (loss) per share [PLN/EUR]	0.03	0.05	0.01	0.01

SELECTED FINANCIAL DATA OF THE CAPITAL GROUP	First half-year (current year) from 01.01.10 to 30.06.10 (PLN '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (PLN '000)	First half-year (current year) from 01.01.10 to 30.06.10 (EUR '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (EUR '000)
XVIII. Diluted profit (loss) per share [PLN/EUR]	0.03	0.05	0.01	0.01
XIX. Book value per share [PLN/EUR]*	2.95	4.14	0.71	1.01
XX. Diluted book value per share [PLN/EUR]*	2.78	3.92	0.67	0.96

SELECTED FINANCIAL DATA OF THE COMPANY	First half-year (current year) from 01.01.10 to 30.06.10 (PLN '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (PLN '000)	First half-year (current year) from 01.01.10 to 30.06.10 (EUR '000)	First half-year (previous year) from 01.01.09 to 30.06.09 (EUR '000)
I. Net revenue from sales of products, goods and materials	154 236	117 453	38 519	25 994
II. Operating profit/loss	11 941	10 024	2 982	2 218
III. Gross profit (loss)	10 383	10 513	2 593	2 327
IV. Net profit (loss)	10 433	9 887	2 606	2 188
V. Net cash flow from operating activities	-77 371	-2 548	-19 322	-564
VI. Net cash flows from investment activities	-12 605	47 094	-3 148	10 423
VII. Net cash flows from financing activities	79 802	-42 466	19 930	-9 398
VIII. Total net cash flows	-10 174	2 080	-2 540	461
IX. Total assets*	455 857	461 892	109 956	112 432
X. Non-current liabilities*	78 702	82 093	18 984	19 983
XI. Current liabilities*	161 152	171 634	38 871	41 778
XII. Equity*	216 003	208 165	52 102	50 671
XIII. Share capital	70 972	48 390	17 119	11 779
XIV. Number of shares	70 972 001	48 390 000	70 972 001	48 390 000
XV. Weighted average number of shares	66 926 133	47 544 346	66 926 133	47 544 346
XVI. Weighted average diluted number of shares	70 972 001	47 544 346	70 972 001	47 544 346
XVII. Basic profit (loss) per share [PLN/EUR]	0.16	0.21	0.04	0.05
XVIII. Diluted profit (loss) per share [PLN/EUR]	0.15	0.21	0.04	0.05
XIX. Book value per share [PLN/EUR]*	3.23	4.36	0.78	1.06
XX. Diluted book value per share [PLN/EUR]*	3.04	4.13	0.73	1.01

* Pursuant to Article 90 par. 7 pt. 1 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information […], balance-sheet items of selected financial data were presented and converted into euros as at the end of the current half-year and the end of the previous financial year.

Exchange rates applied for converting financial figures into euros:

- for balance-sheet items, the exchange rate of 30 June 2010 was applied, i.e. PLN 4.1458/EUR (for comparative data: 4.1082 PLN/EUR]
- the exchange rate applied for other items was calculated as the average of the rates from the end of the months covered by this report, i.e. PLN 4.0042/EUR (for comparative data: 4.5184 PLN/EUR]

2. Organisation of the Capital Group of the Issuer

As at 30 June 2010, the Energomontaż-Południe Capital Group consists of four entities, of which the parent company, Energomontaż-Południe S.A., holds 100 per cent of the share capital. Those entities are:

- Centrum Kapitałowe-Modus Sp. z o.o. (CK-Modus Sp. z o.o.)
- Amontex Przedsiębiorstwo Montażowe Sp. z o.o. (Amontex PM Sp. z o.o.)
- Modus II Sp. z o.o. ("Modus II")
- EP Hotele i Nieruchomości Sp. z o.o. (EP Hotele i Nieruchomości)

Corporate diagram of the Energomontaż-Południe S.A. Capital Group

The companies referred to above are subject to consolidation by the full method. Units belonging to the Capital Group do not hold shares in the capital of other entities.

<u>CK - Modus</u>

CK-Modus Sp. z o.o. is entered in the National Court Register under KRS 0000112995. Its share capital amounts to PLN 15,900,000, divided into 31,800 shares with a par value of PLN 500 per share. Its core business is general construction work associated with constructing buildings.
The company has started to sell apartments in the first stage of a housing estate in Ligota, Katowice (the Książęce Estate), which consists of six high-standard four-storey buildings. The architectural features of the estate include a multi-bay underground garage, winter gardens, roof terraces and terraces and gardens adjoining houses. The initial offer covered 220 flats of a total usable area of 13,800 square metres.

In the direct vicinity of the estate, the construction of a commercial facility is planned as part of the second phase of the project.

Amontex

Amontex is entered in the National Court Register under KRS 0000154195. Its share capital amounts to PLN 148,000, divided into 296 shares with a par value of PLN 500 per share. Amontex is an assembly/production company which manufactures and assembles steel structures. It has the advantage of having its own modern steel structure manufacturing plant located in Piotrków Trybunalski. Because it has a shot-blasting system and a separate painting plant, it is able to manufacture steel structures of advanced design from start to finish. The company's main customer is the domestic power production industry. Its specialisations include constructing and assembling absorbers and assembling large LPG tanks.

Modus II

The company is entered in the National Court Register under KRS 0000289248. Its share capital amounts to PLN 100,000, divided into 200 shares with a par value of PLN 500 per share. Energomontaż-Południe S.A. holds a 100 per cent interest in the share capital of the entity.
The company's core business is developing and selling real property for its own account.

EP Hotele i Nieruchomości

The company is entered in the National Court Register under KRS 0000134975. Its share capital amounts to PLN 70,500, divided into 141 shares with a par value of PLN 500 per share. Energomontaż-Południe S.A. holds a 100 per cent interest in the share capital of the entity.
The company runs tourism, hotel, recreation and catering operations, based on a holiday resort in Mrzeżyno and a hotel in Łagisza.

3. Effects of changes in the structure of the Capital Group of the Issuer

In the first half-year of 2010, there were no changes in the structure of the Group. In order to strengthen the Capital Group, the management board of the parent company is considering acquiring companies in the sector.

4. Strategy of the Group

Vision

On the basis of the experience and resources of Energomontaż-Południe, to create an important engineering concern in the region specialising in the general contracting of installations and the assembly of power and industrial equipment.

Strategic goals

The strategic goals of the Energomontaż Południe Group are:

- to strengthen its alliance with the PBG Capital Group
- to take advantage of the effects of synergy
- to increase its financial strength
- to grow through mergers and acquisitions
- to reorient its employment structure towards highly-qualified engineering personnel
- to maximise the use of the parent company's assets beyond basic operations (inc. developer activities)
- to invest in its production and assembly base.

In subsequent years, the Energomontaż-Południe Capital Group will concentrate on the activities in the power industry in which it specialises. Thanks to an issue of series E shares, the parent company has acquired a significant investor – PBG S.A.

From the issue of 22,582,001 series E ordinary bearer shares, the Issuer obtained the amount of PLN 77,900,000, which increased the Company's financial strength. The funds obtained increased the Company's ability to undertake large projects. Energomontaż-Południe S.A. also has the financial capacity to carry out operations regarding mergers and takeovers of power industry companies. The Company evaluates the market with an eye towards takeovers of entities whose activities are complementary to its own. To be considered for acquisition, the entity in question must be attractively priced and have an established position in the industry.

In the medium term, the goal is to reorient the Group's employment structure. By 2012, the plan is to practically double the number of engineers through ongoing hiring as well as acquisitions.

Moreover, the Company intends to optimise how it uses assets currently not utilised in its basic operations, such as land designated for investment. Such land, with a total area of almost 120,000 square metres, will be used in developer operations. The Company is considering building a second and third phase of the developer project in Ligota, Katowice in the future, which would include a commercial facilities part and an additional residential part of about 31,400 square metres. The second phase of the project should get under way this year and be completed in 2011. That phase will involve the construction of a commercial and services facility which will enhance the residential estate. The estimated cost of building that facility is about PLN 10 million. In the longer term, the third phase of construction will depend on how well sales of existing apartments proceed.
Other sites for projects of a similar kind are located near Opole (land with an area of approximately 80,000 m^2) and in Katowice Piotrowice near the city centre (land with an area of approximately 8,400 m^2).

Another strategic goal of the Company is to develop its production and assembly base. The planned average annual outlays designated for this purpose in future years amounts to about PLN 15-25 million and will cover direct purchases of non-current assets. Alternatively, the parent company can acquire companies with well-developed technical support. A description of the designation of planned investment outlays for the second half-year of 2010 can be found in pt. 6 below.

5. The Group's prospects for development

5.1 Important external factors for the development of the Capital Group

The parent company identifies a number of external factors described below, which have an important influence on the development of the Energomontaż-Południe Capital Group.

5.1.1 The growing need for services in the power industry

In accordance with national energy policy (*source: Attachment to Resolution No. 202/2009 of the Council of Ministers of 10 November 2009*), a gradual increase in demand for electricity of about 54 per cent is forecast for the period from 2010 to 2030. This means that in the future the current installed capacity of the Polish power system will be insufficient. The existing capacity should be modernised and power units with a capacity of about 3,000 MW constructed by the end of 2015.

As published in *Rzeczpospolita* (*source: edition No. 57 (8568) of 9 March 2010*), in the coming years, the power industry will be one of the fastest-growing sectors of the economy. According to the newspaper: "The total value of large-scale projects alone in that industry will exceed 42 billion zlotys."

5.1.2 The shaping of prices on the property market

There should not be any dramatic price changes in 2010. As published in *Gazeta Wyborcza* (*source: edition No. 72,6290 of 26 March 2010*): "in the long run, housing prices should increase steadily".

5.1.3 Technical condition of installed capacity

Poland should have a generation system with an installed capacity of over 48 GW by 2025. Most power entities working in the Polish system were opened in the 1960s and '70s. The age and condition of power plants in Poland means that renovation, repair and modernisation work must be continually carried out, and will only increase as power units age further still.

5.1.4 Adaptation to EU ecological norms

In accordance with the climate and energy package approved by the European Commission, the European Union undertook, by 2020, to:

- reduce CO_2 emissions by 20 per cent in comparison with the base year,
- increase the proportion of energy derived from renewable sources (RES) by 20 per cent, and
- to improve the energy efficiency of electricity by 20 per cent.

The EU's aims presented in the aforementioned package will force an extensive modernisation of electricity and heat generation systems in the various EU member states.
Polish combustion plants must also meet standards for combined electricity and heat generation (cogeneration). It is also anticipated that the proportion of electricity generated in high-efficiency cogeneration will increase from the current 16 per cent of domestic demand for electricity to 22 per cent in 2030.

5.1.5 Environmental protection

When Poland negotiated its membership in the European Union, certain time periods were determined for Poland to reach European environmental standards. To meet these obligations, approximately PLN 120-150 billion will have to be invested by 2015 in those sectors of the economy in which the Issuer provides its services. In accordance with the Integrated Pollution Prevention and Control directive, as of 2016, burning coal for energy purposes will no longer be possible without high-efficiency installations for desulphurisation, denitrogenation, fume and dust extraction, and CO_2 reductions. The requirements of the directive may also apply to units of smaller capacity (20-50 MW), which are also served by Energomontaż Południe. It is estimated that, in order to meet the requirements of the updated IPPC Directive, it will be necessary to adapt approximately 1,100 furnaces in 269 power plants, thermal-power plants and thermal plants. Poland will have to make gigantic outlays to fulfil such radically tighter environmental protection regulations.

5.1.6 Competition

One factor determining the possibility of development of the Energomontaż-Południe Capital Group is the tough competition in a particular industry, which affects the margins it is possible to obtain, and the large number of small and medium enterprises which, in a time of crisis and a situation where their desired portfolio of orders is not fulfilled, see their opportunity to place their offers in the power industry's construction sector, thereby lowering market offer prices. The low prices of offers are sometimes dictated by the need for such entities to make up for a lack of appropriate references and experience in carrying out power projects. In a period of increased competition on the domestic market, the parent company develops its export sales. The target export markets are Germany, Holland and Austria. Those markets offer the possibility of attaining higher margins on projects implemented. The Company approaches customers with a comprehensive offer covering both supply and assembly, which significantly improves its competitive position.

5.2 Important internal factors for the development of the Capital Group

The parent company discerns the following internal factors as having an important influence on the development of its Group:

- many years' experience in the industry
- an efficient project inspection system,
- great personnel potential,
- the constant perfecting of organisational structures with a view to increasing management effectiveness,
- a flexible approach to changes in the surrounding market

6. Investments

In the first half-year of 2010, the Energomontaż Południe Capital Group incurred investment outlays of a total of PLN 13,643,000. Those investments mainly concerned property, plant and equipment. The main purchases in the reporting period were made by the parent company, and concerned technical equipment (PLN 4.8 million), general application machines and equipment (PLN 2.8 million) and specialist vehicles used in construction (PLN 2.7 million). The remaining outlays were mainly for buildings and construction (PLN 1.3 million) and low-cost non-current assets . Outlays on intangible assets were incurred for purchasing licenses and software, and capital investments in connection with the additional capitalisation of the subsidiary Modus II. Outlays by the subsidiary Amontex PM Sp. z o.o. were in the amount of about PLN 800,000.

Structure of investment outlays

INVESTMENT OUTLAYS	EP Group First half-year 2010 (PLN '000)	EP First half-year 2010 (PLN '000)	EP Group First half-year 2009 (PLN '000)	EP First half-year 2009 (PLN '000)
Intangible assets	91	91	139	135
Property, plant and equipment	13 502	12 688	11 639	10 549
Capital investments	50	50	1 700	1 700
Total	**13 643**	**12 829**	**13 478**	**12 384**

In the second half of 2010, the Group will continue to invest in property, plant and equipment. The main purchases will be of tools and equipment (PLN 4.3 million), vehicles (PLN 3.8 million), general purpose machines and equipment (PLN 3.1 million) and technical equipment (PLN 2.3 million). The Group will incur the remaining PLN 2.2 million for buildings and construction. Those investments will be financed through the Group's own funds, bank credit and leasing. The estimated value of the investments to be implemented in the second half of 2010 is approximately PLN 15.7 million. They will mainly be investments made by the parent company. The Issuer does not foresee any threats to the possibility of implementing the above investments. The Company is also considering expanding the Capital Group by a new entity, and has funds for that purpose obtained from this year's share issue.

6.1 Information on capital investments outside the group of affiliated companies

The parent company holds shares in other entities which are not subject to consolidation given the lack of control over them or their insignificance (MSR 27).
Such entities mainly include:

- Open Wrocław Sp. z o.o. in liquidation (70.00 per cent of the share capital, total par value of the shares PLN 105,000); the company's assets are insufficient to satisfy the costs of bankruptcy proceedings; the shares are fully covered by a write-down; no control over the entity
- EP Centrum Finansowe Sp. z o.o. (15.8 per cent of the share capital, total par value of shares PLN 95,000)
- KAE Namysłów Sp. z o.o. (15.2 per cent of the share capital, total par value of shares PLN 350,000); the shares are fully covered by a write-down
- WLC Invest Sp. z o.o. in liquidation (6.65 per cent of the share capital, total par value of shares PLN 199,500); the shares are fully covered by a write-down

Energomontaż-Południe S.A. also holds a minority interest in such entities as TAURON Polska Energia S.A. and POLNORD S.A., but these assets are not currently of significant value.

III. BUSINESS ACTIVITIES OF THE CAPITAL GROUP

1. Basic products, goods and services

The Energomontaż-Południe Capital Group operates in the Polish and international construction market for the power sector and industry. The Group's position in the industry is well established. The parent company carries out operations based in plants located in Poland in Łaziski Górne (assembly production) and Będzin-Łagisza (industrial production), with technical offices in Lüdenscheid, Germany. Also belonging to the Group are Amontex PM Sp. z o.o., active on the steel construction market, CK-Modus Sp. z o.o., and Modus II Sp. z o.o., formed for the purpose of developing developer activities involving the construction of residential estates. The company EP Hotele i Nieruchmości Sp. z o.o., which is in the hotel and restaurant business, also forms part of the Group.
The Group's principal activity is services in the field of manufacturing, assembly and the modernisation and repair of equipment as well as of power and industrial installations. This activity is supplemented by special centre services (a training centre and a research and development centre) and the implementation of developer projects. The main customers of the Capital Group's services and products are utilities, industrial power plants, steelworks, coking plants, chemical works and consumer and cement industry plants.

2. Features of the main sales and supply markets

2.1 Sources of supply

The Group's supply system is, to a large extent, diversified. The choice of suppliers is made by individual companies of the Group and by plants of the parents company on the basis of the competitiveness of offers. Part of the need for production materials is met by specialist organisational units of the parent company.
The Capital Group is not dependent on one or more suppliers. During the reporting period, no supplier's share exceeded 10 per cent of the value of consolidated revenues. Deliveries of materials mainly involve steel products necessary for the production process.

2.2 Sales markets

Consolidated sales during the reporting period were PLN 148 million, a 22 per cent year-on-year increase.

In the first half of 2010, 63 per cent of the Group's sales were on the domestic market, with the remaining 37 per cent on the German power market. In the first half of 2010, there was an increase of almost 41 per cent in the value of foreign sales, as compared with the values recorded in the first half of the previous year. This systematic growth in sales on the German power market will continue in the coming reporting periods. The margins obtained from sales on that market are higher than on from domestic sales. The Group provides professional, comprehensive services in the power industry, thereby attracting solid partners such as ALSTOM, E.ON or HITACHI.

In the first half of 2010, the largest recipients of the Energomontaż Południe Capital Group's services were the consortium of Hydrobudowa Polska S.A. and Alpine Construction Polska Sp. z o.o. (almost 29 per cent of the value of consolidated revenues) and companies from the ALSTOM group (the share of ALSTOM Power, the power arm of the concern, was almost 23 per cent of the Group's revenues). A consortium of the Issuer and PBG Technologia Sp. z o.o. is the contractor for the construction of the roof of the football stadium in Gdańsk Letnica (PGE Arena Gdańsk). The Company reported on that contract in current report No. 58/2009 on 21 October 2009.

In terms of value of sales, the leading areas of the Group's activities in the first half of 2010 were contruction and assembly services and industrial production. In the construction sector (construction and assembly services, general contacting and developer activities), there was a 25 per cent increase in sales over the first half of the previous year, due to a strong increase in sales for basic power sector activities. That increase made up for a smaller sales surplus in the general contracting of projects and in developer operations. The weaker results in those areas resulted from the completion of works begun in previous periods on large power industry projects and the Osiedle Książęce developer project in Ligota, Katowice (Phase One).
In the production sector, sales in the half-year periods analysed were at a similar level. Sales growth was also noted in the two remaining sectors identified by the parent company (commerce and auxiliary services).

2.3 Sales by value

	EP Group First half-year 2010 (PLN '000)	EP First half-year 2010 (PLN '000)	EP Group First half-year 2009 (PLN '000)	EP First half-year 2009 (PLN '000)
Construction and assembly services	101 576	99 848	68 777	52 373
General contracting	5 962	14 189	12 195	25 573
Developer operations	1 850	1 850	6 198	6 198
Industrial production	26 780	26 780	26 883	26 883
Commerce	8 644	8 644	4 727	4 727
Services	3 157	2 925	2 583	1 699
Total operations, of which:	**147 969**	**154 236**	**121 363**	**117 453**
Exports	*54 964*	*54 964*	*39 101*	*38 683*

2.4 Sales by quantity

Because of the specific nature of the Group's operations, the main aspect of which is services, it is only possible to present sales in a quantitative manner with regard to industrial production of the parent company.

In the reporting period, the industrial production of the parent company was mainly sold on the German market. Despite a lack of domestic sales, an increase of 11 per cent in tonnage sold was recorded.

3. Changes in basic Group management principles

In the first half-year, the parent company obtained important authorisations and certificates allowing it to enter new markets.
In February of this year, the DNV issued the Company an SCC** certificate confirming that it meets the stringent health & safety and environmental protection requirements for construction projects abroad.
In April 2010, SLV conducted an audit in Zakład Produkcji Montażowej in Łaziska Górne on the plant's compliance with the German standard DIN 18800 Class C, opening the way for that unit to produce selected welded structures for the German market.
While in May of this year, a TÜV Nord audit was conducted for certifying compliance with Environmental Management System standards (PN-EN ISO 14001), and was connected with an audit of the following supervisory systems: Quality Management (PN_EN ISO 9001) and Occupational Health and Safety

Management (PN-N 18001). The audit confirmed the effectiveness of the functioning of the above systems, and made it possible to obtain an Environmental Management certificate.
Energomontaż-Południe S.A. also holds important authorisations and certificates on welding metallic materials, inspecting welded joints and training welders.

4. Ownership structure and corporate bodies of the parent company

4.1 Shareholders holding, directly or indirectly through subsidiaries, at least 5 per cent of the total number of votes at the General Meeting of Shareholders of the Company

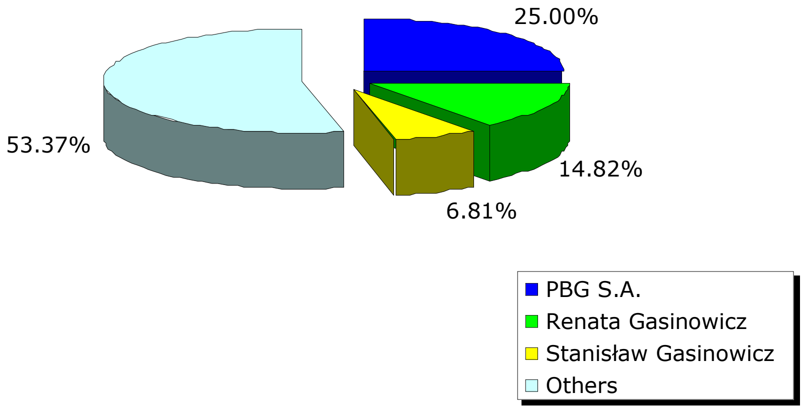
The share capital of Energomontaż-Południe S.A. amounts to PLN 70,972,001, divided into 70,092,001 ordinary bearer shares with a par value of PLN 1 per share.

Shareholding structure (as at 31 August 2010)

SHAREHOLDER	Number of shares / votes	Percentage share in share capital and total number of votes
PBG S.A.	17 743 002	25.00
Renata Gasinowicz	10 516 806	14.82
Stanisław Gasinowicz*	4 831 966	6.81
Others	37 880 227	53.37
Total	**70 972 001**	**100**

* Up to the day of publishing this report, the Issuer has not received information from the shareholder indicated regarding the change of the percentage share in the share capital and in the total number of votes, which occurred in connection with the registration of the increase of the Company's share capital, made in connection with the private placement of Series E shares. The percentage share in the share capital and the total number of votes has been determined on the basis of the number of shares held, specified in the notification on holding shares of the Company which was last received from the shareholder, assuming that this share has not changed since the time of receiving the notification.

Shareholding structure
Energomontaż-Południe S.A.



In the period since the publication of the report for the first quarter of 2010, one change in the ownership structure has taken place, as described in pt. 4.2 below.

4.2 Breakdown of shares in the Issuer or entitlements held by managers or supervisors of the Issuer

Breakdown (as at 31 August 2010)

NAME AND SURNAME	Position	Number of shares / votes	Percentage share in share capital and total number of votes	Par value (PLN '000)
Andrzej Hołda	President of the Management Board	100.138	0.14	100
Radosław Kamiński	Secretary of the Supervisory Board	2 587 000	3.65	2 587
Total		**2 687 138**	**3.79**	**2 687**

In the period from publication of the report for the first quarter of 2010 until the publication of this report, there has been a change in the share in the parent company held by a manager. On 17 May 2010, the President of the Management Board of Energomontaż-Południe S.A. concluded a civil law agreement for the sale of a total of 4,838,999 shares in the Company for an average unit price of PLN 3.59. As a result of the disposal, his shareholding in the Company decreased. At the date of preparing this report, that shareholding is in agreement with that shown in the table above.

5. Corporate bodies of the parent company

5.1 The Supervisory Board

The Supervisory Board supervises all areas of the activities of the Company. It is composed of from five to seven members appointed for a joint term of office. The Supervisory Board's term of office lasts five years. Members of the Supervisory Board are appointed and recalled by the General Meeting of Shareholders. The same person cannot be reappointed a member of the Supervisory Board earlier than one year before the end of the current term of office. The Regulations of the Supervisory Board regulate the basis of its work. The Company makes the Regulations of the Supervisory Board available on its website.

Composition of the Supervisory Board (as at 30 June 2010)

NAME AND SURNAME	Position
Grzegorz Wojtkowiak	Chairman of the Supervisory Board (since 14 June 2010)
Andrzej Wilczyński	Deputy Chairman of the Supervisory Board
Radosław Kamiński	Secretary of the Supervisory Board (since 14 June 2010)
Andrzej Kowalski	Member of the Supervisory Board
Tomasz Woroch	Member of the Supervisory Board

5.1.1 Changes to the personal composition of the Supervisory Board

As at 1 January 2009, the Supervisory Board of the Company was composed of five persons. They were: Mr Sławomir Masiuk as Chairman of the Supervisory Board, Mr Andrzej Wilczyński as Deputy Chairman of the Supervisory Board, and members Andrzej Kowalski, Marek Wesołowski and Tomasz Woroch. In connection with the resignation of Mr Sławomir Masiuk from the Supervisory Board of Energomontaż-Południe S.A. at the General Meeting of Shareholders of the Company on 14 June 2010, and the General Meeting of Shareholders' recall of Mr Marek Wesołowski, the General Meeting of Shareholders appointed Messrs Radosław Kamiński and Grzegorz Wojtkowiak to the Supervisory Board. Mr Radosław Kamiński is a minority shareholder of the Company. He is the Secretary of the Supervisory Board. As at the day of preparing this report, the Supervisory Board was composed as detailed in the table above.

5.1.2 Audit Committee

The Audit Committee is an advisory body operating as part of the Supervisory Board of the Company. The Committee's tasks include advising the Supervisory Board on matters concerning the proper implementation of budget and financial reporting principles, providing internal control over Energomontaż-Południe S.A., and cooperating with the Company's auditors. In particular, the Committee makes a recommendation to the Supervisory Board on the choice of an entity to act as certified auditor. It also reviews the interim and annual financial statements of the Company and the Energomontaż-Południe S.A. Capital Group.
The Audit Committee functions in compliance with the Regulations of the Audit Committee, published by the parent company on its website at www.energomontaz.pl under the Corporate Governance tab.
Currently three members of the Supervisory Board sit on the Audit Committee: Mr Radosław Kamiński (since 22 June 2010) - Chairman of the Committee, Mr Tomasz Woroch - Committee Member, and Mr Grzegorz Wojtkowiak (since 22 June 2010) – Committee Member.

In 2010, there were two meetings of the Audit Committee, during which the Committee performed an interim analysis of the results of the Group and the current portfolio of instructions from the parent company. The Audit Committee also familiarised itself with the scope of the audit of the annual financial statements. During the Committee meetings, the financial control mechanisms of the Company were analysed, in particular in terms of exchange rate risk, and the situation of subsidiaries of the Group was discussed.

5.1.3 Changes to the personal composition of the Audit Committee

On 1 January 2010, the Audit Committee was composed of Messrs Sławomir Masiuk, Tomasz Woroch and Andrzej Kowalski. Because of the resignation from the Supervisory Board of the Issuer submitted by Mr Sławomir Masiuk and the resignation of Mr Andrzej Kowalski from the Audit Committee, on 22 June 2010 the composition of the Audit Committee was completed with newly appointed supervisors. Until the day of preparation of this report, the Audit Committee has continued to function with the three people named above.

5.1.4 Remuneration Committee

The Remuneration Committee is an advisory body operating as part of the Supervisory Board of the Company. It was created relatively recently, on 22 June 2010. It is composed of three people, and those are, currently: Mr Andrzej Wilczyński - Chairman of the Committee, Mr Andrzej Kowalski - Comittee Member, and Mr Radosław Kamiński - Committee Member.
Detailed Committee Regulations, on the basis of which it will function, are in the course of being prepared.

5.2 The Management Board

The Management Board is the Company's executive authority and manages its entire operations. The Management Board of the Company consists of one or more members, including the President and Vice-President of the Management Board, appointed for a joint term of office. The term of office of the Management Board is for five years. The President of the Management Board, a member of the Board or the entire Management Board may be recalled at any moment before the end of their term of office by the Supervisory Board or the General Meeting of Shareholders. The same person cannot be reappointed a member of the Management Board earlier than one year before the lapse of the current term of office. The Regulations of the Management Board regulate the basis of its work. The Company makes the Regulations of the Management Board available on its website.

Personal composition of the Management Board (as at 30 June 2010)

NAME AND SURNAME	Position
Andrzej Hołda	President of the Management Board
Alina Sowa	Vice President of the Management Board
Jacek Fydrych	Member of the Management Board
Dariusz Kowzan	Member of the Management Board /since 02.02.2010/

5.2.1 Changes to the personal composition of the Management Board

On 1 January 2010, the Company's Management Board consisted of three persons. They were: Mr Andrzej Hołda - President of the Management Board and Managing Director, Ms Alina Sowa – Vice President of the Management Board and Financial Director, and Mr Jacek Fydryc – Member of the Management Board and Director of Trade. On 2 February 2010, the Supervisory Board of the Company appointed Mr Darius Kowzan to the Management Board of Energomontaż-Południe S.A. Dariusz Kowzan holds the positions of Member of the Management Board and Director of Contract Implementation and Development.
As at the date of publication of this report, the Company's Management Board is composed of the four persons named above.

6. Information on the means of utilising funds from the share issue by the parent company and distribution of net profit for financial year 2009

6.1 Use of funds obtained from the series E share issue

The Company obtained the amount of PLN 77.9 million from a private placement of 22,582,001 series E shares. From the funds obtained, so far about PLN 12.7 million (of a planned PLN 16.9 million) has been spent on the purchase of non-current assets, and PLN 11 million on supplementing working capital (as planned). In the second half of 2010, the parent company intends to designate about PLN 4.2 million from the issue for the purchase for essential non-current assets. The Management Board of the Company is also considering acquiring entities in the industry. The Company may designate about PLN 50 million for acquisitions. Currently, potential targets for acquisition are being analysed. At the present moment, however, there is no indication that such capital investments will be made before the end of the current year.

6.2 Distribution of net profit

On 14 June 2010, the Ordinary General Meeting of Shareholders adopted resolution No. 7 on the distribution of net profit from 2009. Under that resolution, the Ordinary General Meeting of Shareholders distributed the net profit from 2009, in the amount of PLN 22,306,496.32, as follows:

- PLN 17,338,456.25 of net profit for capital reserves
- PLN 4,968,040.07 of net profit for reserve capital designated for the payment of a dividend in a future period.

7. List of corporate events important to the Group

In the first half of 2010, certain events occurred on which the parent company reported in current reports. Such events included:

- orders from Alstom Power Systems GmbH for the prefabrication of exhaust and air flues as part of the construction of two supercritical units in Eemshaven, Holland. The value of the orders was about EUR 7 million (current report No. 5/2010).
- an order from Alstom Power Systems GmbH for the production of ventilator mills together with a package of perishable spare part for the Ledvice power station in the Czech Republic. The value of the order was about EUR 3.3 million (current report No. 9/2010).
- Order from Steinmüller Instandsetzung Kraftwerke GmbH for the performance of part of the assembly work as part of the modernisation of power unit No. 5 at Elektrownia Bełchatów S.A. The value of the order was PLN 19.5 million (current report No. 18/2010).
- orders from Alstom Power Systems GmbH for the assembly of the pressurised part of a 910 MW supercritical boiler in the Rheinhafen-Dampfkraftwerk Karlsruhe. The total value of the orders was about EUR 10.1 million (current report No. 22/2010).
- an agreement with Alstom Power Sp. z o.o. on the performance of assembly works as part of the modernisation of power unit No. 6 at Elektrownia Bełchatów S.A. The value of the agreement is PLN 72 million (current report No. 30/2010).
- the conclusion of an issue of series E shares conducted under an investment agreement with PBG S.A. The value of the funds obtained by Energomontaż Południe from the share issue was about PLN 77.9 million (current report No. 8/2010).
- an agreement with Bank PEKAO S.A. – the parent company obtained a working capital facility up to PLN 30 million, designated for financing a commercial contract (current report No. 36/2010).

- an annex to the agreement with Bank PEKAO S.A. - an extension of the financing period of the parent company through credit in its current account in the amount of PLN 13 million (current report No. 38/2010).

8. Factors significantly affecting the operations of the Group

Factors having a significant influence on the operations of the Capital Group in the first half of 2010 include:

- strengthening of market position
- the operations of the parent company and Amontex
- seasonal fluctuations in sales – the heavy winter caused a downturn in sales in Q1.
- a lack of activity on the real property market
- a weakening of the zloty in Q2 - the accrual valuation of transactions limiting exchange rate risk worsened

One factor having a positive impact on the Group's operations is the high number of orders in the portfolio of the parent company. As at the date of publication of this report, the estimated value of the Company's orders portfolio is PLN 515.5 million (the portfolio contains export orders amounting to EUR 65 million). The value of the portfolio was calculated using the euro exchange rate accepted by the Issuer in calculating orders.

9. Transactions of the parent company with affiliates

In the first half of 2010, all key transactions between the parent company and its affiliates were concluded on market terms.

10. Employment

As at 30 June 2010, 1,316 employees were employed at the Energomontaż-Południe Capital Group.

Employment structure in the Capital Group

BREAKDOWN	EP Group 30.06.2010 (persons)	EP 30.06.2010 (persons)	EP Group 30.06.2009 (persons)	EP 30.06.2009 (persons)
Hourly employees	910	688	828	591
Salaried employees	406	338	340	285
Total	**1,316**	**1,026**	**1,168**	**876**

In the first half of 2010, the Group recorded an increase in employment of almost 13 per cent in comparison with the same period of the previous year.

IV. FINANCIAL STATEMENTS

1. Abbreviated consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
ASSETS			
I. Non-current assets	**200 695**	**195 249**	**167 406**
1. Property, plant and equipment	62 128	57 268	57 484
2. Intangible assets	1 474	1 413	355
3. Goodwill	0	0	5
4. Goodwill of subsidiaries	26 219	27 919	27 919
5. Investment properties	96 084	93 998	66 428
6. Financial assets	290	333	407
6a. Investments in affiliated companies	0	0	0
6b. Investments in subsidiaries	0	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN PLN '000)	**Balance as at 30.06.2010 (end of current period)**	**Balance as at 31.12.2009 (end of previous period)**	**Balance as at 30.06.2009 (end of previous period)**
6c. Investments held for sale	195	238	188
6d. Other financial assets	95	95	219
7. Non-current receivables	0	0	0
8. Deferred income tax assets	5 335	4 195	4 270
9. Accruals and deferred income	9 165	10 123	10 538
II. Current assets	**280 654**	**304 428**	**206 288**
1. Inventories	84 590	67 338	74 749
2. Current receivables	182 774	214 683	120 217
2a. Trade receivables	92 352	69 136	60 813
2b. Other receivables	30 295	109 953	23 440
2c. Income tax receivables	2 548	1 416	156
2d. Accruals and deferred income	57 579	34 178	35 808
3. Current financial assets	390	293	0
3a. Loans granted	0	0	0
3b. Financial assets designated for sale	0	0	0
3c. Foreign exchange forward contracts	390	293	0
4. Cash and cash equivalents	12 900	22 114	11 322
III. Non-current assets designated for sale	0	0	0
Total assets	**481 349**	**499 677**	**373 694**
LIABILITIES			
I. Shareholders' equity with minority interests	**197 135**	**197 664**	**109 099**
1. Share capital	92 307	69 725	69 725
- including overvaluation of capital due to hyperinflation	21 335	21 335	21 335
2. Capital reserves	104 308	105 967	26 525
3. Own shares	0	0	-2 254
4. Revaluation reserve	10 402	10 408	10 796
5. Other capital reserves	4 968	7 269	7 269
6. Retained profit (loss)	-16 916	-10 036	-5 375
7. Profit (loss) for the current year	2 066	14 331	2 413
Ia. Shareholders' equity without minority interests	**197 135**	**197 664**	**109 099**
1. Minority capital	0	0	0
II. Non-current liabilities	**81 717**	**103 438**	**91 956**
1. Provisions	11 816	11 516	10 468
1a. Provisions for employee benefits	5 860	5 860	5 650
1b. Provision for deferred income tax	5 818	5 656	4 818
1c. Other provisions	138	0	0
2. Financial liabilities	69 901	91 922	81 488
2a. Credit facilities and loans	8 714	30 487	25 764
2b. Leasing liabilities	61 187	61 435	55 724
2c. Other	0	0	0
III. Current liabilities	**202 497**	**198 575**	**172 639**
1. Provisions	2 197	3 197	976
1a. Provisions for employee benefits	1 197	1 197	976
1b. Other provisions	1 000	2 000	0
2. Financial liabilities	90 829	72 660	55 820
2a. Credit facilities and loans	76 333	57 193	45 370
2b. Leasing liabilities	11 324	11 560	6 327
2c. Foreign exchange forward contracts	3 172	3 907	4 123
3. Current liabilities	109 471	122 718	115 843
3a. Trade liabilities	58 712	56 452	42 743
3b. Other liabilities	31 429	47 399	42 642
3c. Income tax liabilities	0	111	172
3d. Accruals and deferred income	19 330	18 756	30 286

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
IV. Liabilities associated with non-current assets designated for sale	**0**	**0**	**0**
Total liabilities	**481 349**	**499 677**	**373 694**
Number of shares	70 972 001	48 390 000	48 390 000
Weighted average number of shares	66 926 133	47 762 256	47 544 346
Weighted average diluted number of shares	70 972 001	50 360 733	47 544 346
Book value per share (in PLN)	2.95	4.14	2.29
Diluted book value per share (in PLN)	2.78	3.92	2.29

A dilution factor in 2009 was the issue of 22,582,001 series A subscription warrants. Each warrant entitled its holder to take up one series E share in Energomontaż-Południe S.A.

OFF-BALANCE SHEET ITEMS (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
1. Conditional receivables	**22 486**	**14 142**	**14 020**
1.1. From affiliated companies (on account of)	0	0	0
- promissory notes	0	0	0
1.2. From other companies (on account of)	22 486	14 142	14 020
- promissory notes	4 005	4 112	6 567
- guarantees and suretyships	18 481	10 030	7 453
2. Conditional liabilities	**115 904**	**121 285**	**118 924**
2.1. To affiliated companies (on account of)	0	0	0
- guarantees and suretyships granted	0	0	0
2.2. To other companies (on account of)	**115 904**	**121 285**	**118 924**
- guarantees and suretyships granted	109 667	50 845	61 135
- a promissory note as security for the subject of a contract	5 412	70 440	57 789
assignment of debt	825		
3. Other (on account of)	**6 549**	**12 643**	**0**
- liabilities to ZUS	6 549	6 180	0
- letter of credit	0	6 463	0
Total off-balance sheet items	**144 939**	**148 070**	**132 944**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
I. Net revenues from sale of products, goods and materials	**147 969**	**275 650**	**121 363**
II. Costs of products, goods and materials sold	135 919	236 054	104 284
III. Gross profit (loss) from sales	**12 050**	**39 596**	**17 079**
IV. Other revenue	7 019	12 516	2 382
V. Sales costs	221	183	81
VI. General management costs	10 119	17 862	8 847
VII. Other costs	3 766	10 541	4 420
VIII. Operating profit (loss)	**4 963**	**23 526**	**6 113**
IX. Financial revenue	5 031	9 527	8 119
X. Finance costs	7 944	15 485	10 875
XI. Income (losses) from shares in affiliated companies	0	0	0
XII. Gross (pre-tax) profit (loss)	**2 050**	**17 568**	**3 357**
XIII. Income tax	-16	3 237	944
XIV. Net profit (loss) from continuing operations	**2 066**	**14 331**	**2 413**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
XV. Profit (loss) on discontinued operations	**0**	**0**	**0**
XVI. Minority profits	0		
XVII. Net profit (loss) on continuing and discontinued operations	**2 066**	**14 331**	**2 413**

ITEM (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.09	6-month period 01.01.2009 to 30.06.2009
Net profit (loss)	**2 066**	**14 331**	**2 413**
Other total income	**-6**	**-380**	**9**
Available-for-sale financial assets	-6	17	9
Cash flow hedging	0	0	0
Effects of updates of non-current assets	0	-490	0
Tax on reassessments	0	93	0
Total overall income	**2 060**	**13 951**	**2 422**
Number of shares	70 972 001	48 390 000	48 390 000
Weighted average number of shares	66 926 133	47 762 256	47 544 346
Weighted average diluted number of shares	70 972 001	50 360 733	47 544 346
Basic profit (loss) per share (in PLN)	0,03	0,30	0,05
Diluted profit (loss) per share (in PLN)	0,03	0,28	0,05
Attributed to:			
Owners of the parent company's capital	2 066	14 331	2 413
Minority interest in equity	0	0	0

The profit (loss) per ordinary share was determined as the quotient of the net profit (loss) for a given financial period and the average weighted number of shares appearing within that period.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN PLN '000)

1 JANUARY 2010	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Profit (loss) from previous years and current year	Shareholders' equity without minority interests	Minority capital	Equity with minority interests	Equity held by shareholders of the parent company
Balance at beginning of period	**69 725**	**105 967**	**10 408**	**7 269**	**0**	**4 295**	**197 664**	**0**	**197 664**	**197 664**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335	0	21 335	21 335
Changes in accounting principles	0	0	0	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0	0	0	0
Opening balance after changes	0	0	0	0	0	0	0	0	0	0
Transition to IAS	0	0	0	0	0	0	0	0	0	0
Opening balance according to IAS	**69 725**	**105 967**	**10 408**	**7 269**	**0**	**4 295**	**197 664**	**0**	**197 664**	**197 664**
Increases (+) / decreases (-) from redemption of own shares	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	18 140	0	0	0	-21 211	-3 071	0	-3 071	-3 071
Net profit (loss)	0	0	0	0	0	2 066	2 066	0	2 066	2 066
Increases (+) / decreases (-) from revaluation of financial assets	0	0	-6	0	0	0	-6	0	-6	-6
Creation of capital reserve for dividend payment	0	0	0	4 968	0	0	4 968	0	4 968	4 968
Exchange of warrants for shares	22 582	-22 582	0	0	0	0	0	0	0	0
- dissolution of reserve for sale of own shares	0	5 372	0	- 7 269	0	0	- 1 897	0	-1 897	- 1 897
Cost of exchanging warrants for shares	0	-2 589	0	0	0	0	-2 589	0	-2 589	-2 589
30 JUNE 2010	**92 307**	**104 308**	**10 402**	**4 968**	**0**	**-14 850**	**197 135**	**0**	**197 135**	**197 135**

1 JANUARY 2009	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Profit (loss) from previous years and current year	Shareholders' equity without minority interests	Minority capital	Equity with minority interests	Equity held by shareholders of the parent company
Balance at beginning of period	**69 725**	**20 597**	**10 788**	**7 269**	**-2 254**	**5 732**	**111 857**	**0**	**111 857**	**111 857**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335	0	21 335	21 335
Changes in accounting principles	0	0	0	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0	0	0	0
Opening balance after changes	0	0	0	0	0	0	0	0	0	0
Transition to IAS	0	0	0	0	0	0	0	0	0	0
Opening balance according to IAS	**69 725**	**20 597**	**10 788**	**7 269**	**-2 254**	**5 732**	**111 857**	**0**	**111 857**	**111 857**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335	0	21 335	21 335
Increases (+) / decreases (-) on account of deferred income tax on the valuation of non-current assets	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	3 995	0	0	0	-8 278	-4 283	0	-4 283	-4 283
Increases (+) / decreases (-) from loss accounting	0	0	0	0	0	0	0	0	0	0
Issue of warrants	0	77 908	0	0	0	0	77 908	0	77 908	77 908
Net profit (loss)	0	0	0	0	0	14 331	14 331	0	14 331	14 331
Increases (+) / decreases (-) from revaluation of financial assets	0	0	16	0	0	0	16	0	16	16
Consolidation adjustments	0	1 933	0	0	0	-2 549	-616	0	-616	-616
Expansion of the capital group	0	0	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	2 254	0	2 254	0	2 254	2 254
Premium on the sale of own shares	0	1 534	0	0	0	0	1 534	0	1 534	1 534
Other increases (+) / decreases (-)	0		-396	0	0	-4 941	- 5 337	0	- 5 337	- 5 337
31 DECEMBER 2009	**69 725**	**105 967**	**10 408**	**7 269**	**0**	**4 295**	**197 664**	**0**	**197 664**	**197 664**

1 JANUARY 2009	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Profit (loss) from previous years and current year	Shareholders' equity without minority interests	Minority capital	Equity with minority interests	Equity held by shareholders of the parent company
Balance at beginning of period	**69 725**	**20 597**	**10 788**	**7 269**	**-2 254**	**5 732**	**111 857**	**0**	**111 857**	**111 857**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335	0	21 335	21 335
Changes in accounting principles	0	0	0	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0	0	0	0
Opening balance after changes	0	0	0	0	0	0	0	0	0	0
Transition to IAS	0	0	0	0	0	0	0	0	0	0
Opening balance according to IAS	**91 060**	**20 597**	**10 788**	**7 269**	**-2 254**	**5 732**	**133 192**	**0**	**133 192**	**111 857**
Increases (+) / decreases (-) on account of deferred income tax on the valuation of non-current assets	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	5 928	0	0	0	-11 107	-5 179	0	-5 179	-5 179
Increases (+) / decreases (-) from loss accounting	0	0	0	0	0	0	0	0	0	0
Net profit (loss)	0	0	0	0	0	2 413	2 413	0	2 413	2 413
Increases (+) / decreases (-) from revaluation of financial assets	0	0	8	0	0	0	8	0	8	8
Consolidation adjustments	0	0	0	0	0	0	0	0	0	0
Valuation of financial assets	0	0	0	0	0	0	0	0	0	0
Other increases (+) / decreases (-)	0	0	0	0	0	0	0	0	0	0
30 JUNE 2009	**69 725**	**26 525**	**10 796**	**7 269**	**-2 254**	**-2 962**	**109 099**	**0**	**109 099**	**109 099**

CONSOLIDATED CASH FLOW STATEMENT (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
A. CASH FLOW FROM OPERATING ACTIVITIES – INDIRECT METHOD			
I. Net profit (loss)	**2 066**	**14 331**	**2 413**
II. Total adjustments	**-58 341**	**-37 900**	**-37 012**
1. Minority profits (losses)	0	0	0
2. Share in net (profits) losses of subordinated companies valued by the equity method	0	0	0
3. Amortisation/depreciation	4 192	6 711	3 243
4. Profits (losses) from exchange rate differences	-306	-188	-508
5. Interest and profit distribution (dividends)	2 328	2 321	14
6. Profit (loss) on investment activity	2	-5 253	-37
7. Change in provisions	-700	3 837	567
8. Change in inventory	-15 786	-7 808	-16 408
9. Change in receivables	55 009	-116 058	-25 937
10. Change in current liabilities, excluding credit facilities and loans	-2 187	17 332	3 660
11. Change in prepayments and accruals	-23 010	-9 760	968
12. Other adjustments	-77 883	70 966	-2 574
III. Net cash flow from operating activities (I+/-II)	**-56 275**	**-23 569**	**-34 599**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Inflows	**2 763**	**72 134**	**66 308**
1. Sale of intangible assets and property, plant and equipment	638	5 816	40
2. Sale of investments in real property and intangible assets	0	66 242	66 242
3. From financial assets, of which:	2 125	76	26
a) in affiliated companies	0	0	0
- sale of financial assets	0	0	0
- dividends and profit distribution	0	0	0
- repayment of loans granted	0	0	0
- interest	0	0	0
- other inflows from financial assets	0	0	0
b) in other entities	2 125	76	26
- sale of financial assets	0	0	0
- dividends and profit distribution	0	27	0
- repayment of loans granted	0	0	0
- interest	425	49	26
- other inflows from financial assets	1 700	0	0
4. Other investment inflows	0	0	0
II. Outflows	**15 817**	**12 273**	**9 671**
1. Purchase of intangible assets and property, plant and equipment	15 817	10 573	7 971
2. Investments in real property and intangible assets	0	0	0
3. On financial assets, of which:	0	1 700	1 700
a) in affiliated companies	0	1 700	1 700
- purchase of financial assets	0	1 700	1 700
- short-term loans granted	0	0	0
b) in other entities	0	0	0
- purchase of financial assets	0	0	0
- loans granted	0	0	0
4. Other investment outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**-13 054**	**59 861**	**56 637**
C. CASH FLOW FROM FINANCIAL OPERATIONS			
I. Inflows	**108 837**	**120 218**	**66 044**
1. Net inflow on issue of shares and other capital instruments and additional payments to capital	75 319	0	0
2. Borrowings	33 518	118 684	66 044
3. Issue of debt securities	0	0	0
4. Sale of own shares	0	1 534	0

CONSOLIDATED CASH FLOW STATEMENT (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
II. Outflows	**49 028**	**142 412**	**85 096**
1. Purchase of own shares	0	0	0
2. Dividends and other payments to owners	0	5 230	0
3. Profit distribution outflows other than payments to owners	0	0	0
4. Repayment of borrowings	36 345	101 803	65 903
5. Redemption of debt securities	0	0	0
6. Other financial outflows	0	0	0
7. Payment of liabilities from finance lease agreements	8 658	27 794	15 852
8. Interest	4 025	7 585	3 341
9. Other financial outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**59 809**	**-22 194**	**-19 052**
D. Total net cash flow (A.III+/-B.III+/-C.III)	**-9 520**	**14 098**	**2 986**
E. Balance-sheet change in cash, of which:	**-9 214**	**14 286**	**3 494**
- change in cash from foreign exchange differences	306	188	508
F. Cash at the beginning of the period	**22 114**	**7 828**	**7 828**
G. Cash at the end of the period (F+/- D)	**12 594**	**21 926**	**10 814**

2. Selected financial data of units subject to consolidation

ITEM (IN PLN '000)	CK - Modus	Amontex	Modus II	EP Hotele i Nieruchomości
Sales revenues	275	10.050	0	840
Other revenue: (operating and financial)	14	340	0	3
Net profit (loss)	-472	-6.309	-22	50
Balance-sheet total	90.969	16.235	28	1.098

3. Abbreviated non-consolidated financial statements

STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
ASSETS			
I. Non-current assets	**234 736**	**228 846**	**188 946**
1. Property, plant and equipment	57 994	53 669	46 398
2. Intangible assets	1 459	1 397	343
3. Goodwill	0	0	0
4. Investment properties	96 084	93 998	66 428
5. Financial assets	62 093	63 721	61 052
5a. Investments in subsidiaries	33 601	35 251	35 251
5b. Investments held for sale	196	238	187
5c. Other financial assets	95	95	219
5d. Loans granted	28 201	28 137	25 395
6. Non-current receivables	0	0	0
7. Deferred income tax assets	5 250	4 076	4 199
8. Accruals and deferred income	11 856	11 985	10 526
II. Current assets	**221 121**	**233 046**	**142 861**
1. Inventories	28 613	14 062	25 596
2. Current receivables	183 442	200 147	104 851
2a. Trade receivables	95 489	68 624	59 440
2b. Other receivables	31 851	100 510	21 114
2c. Income tax receivables	2 097	586	0

STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
2d. Accruals and deferred income	54 005	30 427	24 297
3. Current financial assets	390	293	3 120
3a. Loans granted	0	0	3 120
3b. Financial assets designated for sale	0	0	0
3c. Foreign exchange forward contracts	390	293	0
4. Cash and cash equivalents	8 676	18 544	9 294
III. Non-current assets designated for sale	0	0	0
Total assets	**455 857**	**461 892**	**331 807**
LIABILITIES			
I. Equity	**216 003**	**208 165**	**114 041**
1. Share capital	92 307	69 725	69 725
- including overvaluation of capital due to hyperinflation	21 335	21 335	21 335
2. Own shares	0	0	-2 254
3. Capital reserves	97 492	99 953	20 511
4. Revaluation reserve	10 803	10 809	10 801
5. Other capital reserves	4 968	7 269	7 269
6. Retained profit (loss)	0	-1 897	-1 898
7. Profit (loss) for the current year	10 433	22 306	9 887
II. Non-current liabilities	**78 702**	**82 093**	**78 868**
1. Provisions	11 517	11 355	10 250
1a. Provisions for employee benefits	5 708	5 708	5 533
1b. Provision for deferred income tax	5 809	5 647	4 717
1c. Other provisions	0	0	0
2. Financial liabilities	67 185	70 738	68 618
2a. Credit facilities and loans	6 425	9 764	13 103
2b. Leasing liabilities	60 760	60 974	55 515
III. Current liabilities	**161 152**	**171 634**	**138 898**
1. Provisions	1 909	2 909	649
1a. Provisions for employee benefits	909	909	649
1b. Other provisions	1 000	2 000	0
2. Financial liabilities	52 926	35 345	33 269
2a. Credit facilities and loans	38 740	20 254	23 055
2b. Leasing liabilities	11 014	11 184	4 122
2c. Foreign exchange forward contracts	3 172	3 907	6 092
3. Current liabilities	106 317	133 380	104 980
3a. Trade liabilities	60 154	75 017	37 782
3b. Other liabilities	28 581	40 695	38 296
3c. Income tax liabilities	0	0	171
3d. Accruals and deferred income	17 582	17 668	28 731
III. Liabilities associated with non-current assets designated for sale	**0**	**0**	**0**
Total liabilities	**455 857**	**461 892**	**331 807**
Number of shares	70 972 001	48 390 000	48 390 000
Weighted average number of shares	66 926 133	47 762 256	47 544 346
Weighted average diluted number of shares	70 972 001	50 360 733	47 544 346
Book value per share (in PLN)	3,23	4,36	2,40
Diluted book value per share (in PLN)	3,04	4,13	2,40

OFF-BALANCE SHEET ITEMS (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)

OFF-BALANCE SHEET ITEMS (IN PLN '000)	Balance as at 30.06.2010 (end of current period)	Balance as at 31.12.2009 (end of previous period)	Balance as at 30.06.2009 (end of previous period)
1. Conditional receivables	**105 591**	**113 736**	**67 043**
1.1. From affiliated companies (on account of)	83 105	99 594	53 023
- promissory notes	83 105	99 594	53 023
1.2. From other companies (on account of)	22 486	14 142	14 020
- promissory notes	4 005	4 112	7 453
- guarantees granted	18 481	10 030	6 567
2. Conditional liabilities	**96 112**	**120 287**	**118 056**
2.1. To affiliated companies (on account of)	34 072	51 000	51 000
- guarantees and suretyships granted	34 072	51 000	51 000
2.2. To other companies (on account of)	**62 040**	**69 287**	**67 056**
- guarantees and suretyships granted	58 402	50 845	61 135
- a promissory note as security for the subject of a contract	3 638	18 442	5 921
3. Other (on account of)	**6 549**	**12 643**	**0**
- liabilities towards the Social Security Office (ZUS)	6 549	6 180	0
- letter of credit	0	6 463	0
Total off-balance sheet items	**208 252**	**246 666**	**185 099**

REPORT ON TOTAL INCOME (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
I. Net revenues from sale of products, goods and materials	**154 236**	**284 833**	**117 453**
II. Costs of products, goods and materials sold	138 146	243 264	100 127
III. Gross profit (loss) from sales	**16 090**	**41 569**	**17 326**
IV. Other revenue	7 723	9 964	3 921
V. Sales costs	225	277	128
VI. General management costs	7 899	14 169	6 916
VII. Other costs	3 748	10 683	4 179
VIII. Operating profit (loss)	**11 941**	**26 404**	**10 024**
IX. Financial revenue	5 831	12 566	10 655
X. Finance costs	7 389	13 633	10 166
XI. Gross (pre-tax) profit (loss)	**10 383**	**25 337**	**10 513**
XII. Income tax	-50	3 031	626
XIII. Net profit (loss) from continuing operations	**10 433**	**22 306**	**9 887**
XIV. Profit (loss) on discontinued operations	**0**	**0**	**0**
XV. Net profit (loss) on continuing and discontinued operations	**10 433**	**22 306**	**9 887**

ITEM (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
Net profit (loss)	**10 433**	**22 306**	**9 887**
Other total income	**-6**	**17**	**9**
Available-for-sale financial assets	-6	17	9
Cash flow hedging	0	0	0
Profits from revaluation of real property	0	0	0
Share in other income of affiliated companies	0	0	0
Total overall income	**10 427**	**22 323**	**9 896**
Number of shares	70 972 001	48 390 000	48 390 000
Weighted average number of shares	66 926 133	47 762 256	47 544 346
Weighted average diluted number of shares	70 972 001	50 360 733	47 544 346
Basic profit (loss) per share (in PLN)	0.16	0.47	0.21

ITEM (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.2009
Diluted profit (loss) per share (in PLN)	0.15	0.44	0.21

The profit per ordinary share was determined in the same manner as for the consolidated data.

STATEMENT OF CHANGES IN EQUITY (IN PLN '000)

1 JANUARY 2010	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Profit (loss) from previous years and current year	Own shares	Equity
Balance at beginning of period	**69 725**	**99 953**	**10 809**	**7 269**	**20 409**	**0**	**208 165**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0
Opening balance after changes	0	0	0	0	0	0	0
Transition to IAS	0	0	0	0	0	0	0
Opening balance according to IAS	**69 725**	**99 953**	**10 809**	**7 269**	**20 409**	**0**	**208 165**
Increases (+) / decreases (-) from liquidation and sale of non-current assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) from revaluation of non-current assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) – deferred tax from revaluation of non-current assets	0	0	0	0	0	0	0
Dissolution of capital reserves from sale of own shares	0	5 372	0	- 7 269	0	0	-1 897
Increases (+) / decreases (-) from profit distribution	0	17 338	0	4 968	-22 306	0	0
Cost of exchanging warrants for shares	0	- 2 589	0	0	0	0	- 2 589
Dividend	0	0	0	0	0	0	0
Net profit (loss)	0	0	0	0	10 433	0	10 433
Exchange of warrants for shares	22 582	-22 582					
Valuation of financial assets	0	0	-6	0	0	0	-6
- coverage of retained loss	0	0	0	0	1 897	0	1 897
30 JUNE 2010	**69 725**	**97 492**	**10 803**	**4 968**	**10 433**	**0**	**216 003**

1 JANUARY 2009	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Profit (loss) from previous years and current year	Own shares	Equity
Balance at beginning of period	**69 725**	**20 511**	**10 792**	**7 269**	**3 281**	**-2 254**	**109 324**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0
Opening balance according to IAS	**69 725**	**20 511**	**10 792**	**7 269**	**3 281**	**-2 254**	**109 324**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	0
Increases (+) / decreases (-) from share issues	0	0	0	0	0	0	0
Increases (+) / decreases (-) from liquidation and sale of non-current assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	77 908	0	0	0	0	77 908
Increases (+) / decreases (-), valuation of non-current assets	0	0	0	0	0	0	0
Dividend	0	0	0	0	-5 178	0	-5 178
Transfer from the Share Purchase Support Fund	0	0	0	0	0	0	0
Valuation of financial assets	0	0	17	0	0	0	17
Net profit (loss)	0	0	0	0	22 306	0	22 306
Premium on the sale of own shares	0	1 534	0	0	0	0	1 534
Other increases (+) / decreases (-)	0	0	0	0	0	2 254	2 254
31 DECEMBER 2009	**69 725**	**99 953**	**10 809**	**7 269**	**20 409**	**0**	**208 165**

1 JANUARY 2009	Share capital	Own shares	Capital reserves	Revaluation reserve	Other capital reserves	Profit (loss) from previous years and current year	Equity
Balance at beginning of period	**69 725**	**-2 254**	**20 511**	**10 792**	**7 269**	**3 281**	**109 324**
- including overvaluation of capital due to hyperinflation	21 335	0	0	0	0	0	21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	0	0	0	0
Opening balance according to IAS	**69 725**	**-2 254**	**20 511**	**10 792**	**7 269**	**3 281**	**109 324**
Increases (+) / decreases (-) from liquidation and sale of non-current assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	0	0	0	0	-5 179	-5 179
Increases (+) / decreases (-), valuation of non-current assets	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Transfer from the Share Purchase Support Fund	0	0	0	0	0	0	0
Valuation of financial assets	0	0	0	9	0	0	9
Net profit (loss)	0	0	0	0	0	9 887	9 887
Correction of basic errors	0	0	0	0	0	0	0
Other increases (+) / decreases (-)	0	0	0	0	0	0	0
30 JUNE 2009	**69 725**	**-2 254**	**20 511**	**10 801**	**7 269**	**7 989**	**114 041**

CASH FLOW STATEMENT (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.09
A. CASH FLOW FROM OPERATING ACTIVITIES – INDIRECT METHOD			
I. Net profit (loss)	**10 433**	**22 306**	**9 887**
II. Total adjustments	**-87 804**	**7 035**	**-12 435**
1. Share in net (profits) losses of subordinated companies valued by the equity method	0	0	0
2. Amortisation/depreciation	3 667	5 719	2 759
3. Profit (loss) from exchange rate differences	-306	-188	-508
4. Interest and profit distribution (dividends)	981	735	-597
5. Profit (loss) on investment activity	2	-69	-16
6. Change in provisions	-838	3 578	213
7. Change in inventory	-14 551	14 100	2 566
8. Change in receivables	40 485	-104 887	-16 103
9. Change in current liabilities, excluding credit facilities and loans	-15 478	37 949	2 234
10. Change in prepayments and accruals	-24 710	-20 361	-515
11. Other adjustments	-77 056	70 459	-2 468
III. Net cash flow from operating activities (I+/-II)	**-77 371**	**29 341**	**-2 548**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Inflows	**2 763**	**72 218**	**66 286**
1. Sale of intangible assets and property, plant and equipment	638	747	19
2. Sale of investments in real property and intangible assets	0	66 242	66 242
3. From financial assets, of which:	2 125	5 229	25
a) in affiliated companies	1 700	5 180	0
- sale of financial assets	0	0	0
- dividends and profit distribution	0	1 960	0
- repayment of loans granted	0	3 220	0
- other inflows	1 700		
- interest	0	0	0
b) in other entities	425	49	25
- sale of financial assets	0	0	0
- dividends and profit distribution	0	0	0
- repayment of loans granted	0	0	0
- interest	425	49	25
- other inflows from financial assets	0	0	
4 . Other investment inflows	0	0	0
II. Outflows	**15 368**	**23 771**	**19 192**
1. Purchase of intangible assets and property, plant and equipment	14 754	8 574	6 837
2. Investments in real property and intangible assets	0	0	0
3. On financial assets, of which:	614	15 197	12 355
a) in affiliated companies	614	15 197	12 355
- purchase of financial assets	50	1 700	1 700
- loans granted	564	13 497	10 655
b) in other entities	0	0	0
- purchase of financial assets	0	0	0
- loans granted	0	0	0
4. Other investment outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**-12 605**	**48 447**	**47 094**
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
I. Inflows	**108 837**	**60 991**	**33 485**
1. Net inflow on issue of shares and other capital instruments and additional payments to capital	75 319	0	0
2. Borrowings	33 518	59 457	33 485
3. Issue of debt securities	0	0	0
4. Sale of own shares	0	1 534	0
II. Outflows	**29 035**	**127 129**	**75 951**

CASH FLOW STATEMENT (IN PLN '000)	6-month period 01.01.2010 to 30.06.2010	12-month period 01.01.2009 to 31.12.2009	6-month period 01.01.2009 to 30.06.09
1. Purchase of own shares	0	0	0
2. Dividends and other payments to owners	0	5 230	0
3. Profit distribution outflows other than payments to owners	0	0	0
4. Repayment of borrowings	18 370	90 207	58 096
5. Redemption of debt securities	0	0	0
6. Other financial outflows	0	0	0
7. Payment of liabilities from finance lease agreements	8 431	27 520	15 750
8. Interest	2 234	4 172	2 105
9. Other financial outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**79 802**	**-66 138**	**-42 466**
D. Total net cash flow (A.III+/-B.III+/-C.III)	**-10 174**	**11 650**	**2 080**
E. Balance-sheet change in cash, of which:	**-9 868**	**11 838**	**2 588**
- change in cash from foreign exchange differences	306	188	508
F. Cash at the beginning of the period	**18 544**	**6 706**	**6 706**
G. Cash at the end of the period (F+/- D)	**8 370**	**18 356**	**8 786**

V. ECONOMIC AND FINANCIAL CONDITION OF THE GROUP

1. Analysis of the Capital Group's economic and financial results

1.1 Analysis of the comprehensive income statement

In the first half of 2010, the Capital Group's revenue from the sale of products, goods and materials was PLN 147,969,000, a growth in consolidated revenue of 22 per cent over the first half of the previous year. Nevertheless, due to the continuing small number of new investments in the domestic power industry and stiff competition on the market, in the first half of 2010 the Group operated on lower margins than in the same period of the previous year. Worthy of note in the reporting periods analysed is an increase in operating profit of the parent company of more than 19 per cent year-on-year (an increase in value of PLN 1.917,000). The increase in the basic operations of the Company was due in large measure to an improvement in sales of services to the power industry. At the same time, the Company saw an increase in net profit of just under 6 per cent year-on-year.
The Group's net profit for the first half of 2010 was PLN 2,066,000. Its net result is PLN 347,000 lower than in the previous year.

Net result structure

BREAKDOWN (IN PLN '000)	EP Group First half-year 2010	EP First half-year 2010	EP Group First half-year 2009	EP First half-year 2009
Gross profit/loss from sales	12 050	16 090	17 079	17 327
Operating profit (loss)	4 963	11 941	6 113	10 024
Financial activities result	-2 913	-1 558	-2 756	489
Gross profit (loss)	2 050	10 383	3 357	10 513
Income tax	-16	-50	944	626
Net profit (loss)	**2 066**	**10 433**	**2 413**	**9 887**

The differences between the non-consolidated result and the consolidated result are mainly caused by the operational loss recorded during the reporting period by Amontex. Despite the downward trend on the steel construction market on which Amontex operates, the parent company is ensuring some work for that subsidiary. This should improve its margin. On a difficult and competitive market where some businesses opt to lower their prices drastically, it is difficult to gain new contracts which guarantee the profitability of operations.
Moreover, Amontex's portfolio contains orders from previous periods, which have low profitability. An insufficient number of new orders led to the state where that entity was not able to cover its costs and suffered a loss on basic operations. The parent company carried out key personnel changes

and, in Q2 of this year, began a restructuring process in Amontex. The effects of the restructuring should be evident by the end of this year.

1.2 Analysis of the statement of financial condition

When compared with the state as at 31 December 2009, during the reporting period the value of non-current assets grew by PLN 5,446,000. In the property structure, its share was 41.7 per cent, an increase of 2.6 per cent.
At the end of the first half of 2010, current assets constituted 58.3 per cent of total assets, and had dropped by PLN 23,774,000 in comparison with the end of 2009. This decrease in current assets resulted from a decline in other receivables. At the end of 2009, other receivables included receivables on account of a subscription warrant issue of a value of PLN 77 million. In the first half of 2010, those warrants were taken up and the shares issued were paid for. The funds from the issue came into the Company and were distributed in accordance with the goals of the issue. With regard to sources of financing in the first half of 2010, there was a drop in foreign capital of PLN 17,799, mainly due to the repayment of bank credit. In the liabilities structure, the share of equity at the end of June 2010 was 41 per cent, having grown by 1.4 per cent compared with the end of 2009. In absolute terms, there was a decrease in equity of PLN 529,000.

1.3 Analysis of cash flow statement

As at 30 June 2006, cash and equivalents had reached a level of PLN 12,594. During the reporting period, there was a reduction in net cash of PLN 9,520 in comparison with the end of 2009.

Cash flow structure

BREAKDOWN (IN PLN '000)	EP Group First half-year 2010
Cash flows from operating activities	-56 275
Cash flows from investment activities	-13 054
Cash flows from financial activities	+59 809
Change in state of net cash and equivalents	**-9 520**

1.4 Selected financial indicators

INDICATOR	First half-year 2010	End of 2009	First half-year 2009	Calculation algorithm
EBITDA	9.155	30.237	9.356	Operating activity result + amortization/depreciation (PLN '000)
Financial liquidity indicators				
Current liquidity ratio	1.39	1.53	1.19	Current assets/current liabilities
Quick liquidity ratio	0.97	1.19	0.76	(Current assets – reserves)/current liabilities
Debt ratios				
Liabilities to assets ratio (total)	0.59	0.60	0.71	Non-current and current liabilities / assets (total)
Liabilities to equity ratio	1.44	1.53	2.43	Non-current and current liabilities/ equity
Ratio of covering debt with non-current assets	2.46	1.89	1.82	Non-current assets/non-current liabilities
Profitability indicators				
ROA	0.4%	2.9%	0.6%	Net profit (loss) / assets * 100%
ROE	1.0%	7.3%	2.2%	Net profit (loss) / equity * 100%
Profitability of sales	1.4%	5.2%	2.0%	Net profit (loss) / sales revenue * 100%

2. Financial resources management

BREAKDOWN (IN PLN '000)	First half-year 2010	End of 2009	First half-year 2009
Equity	**197 135**	**197 664**	**109 099**

BREAKDOWN (IN PLN '000)	First half-year 2010	End of 2009	First half-year 2009
+ non-current liabilities	81 717	103 438	91 956
Constant capital	**278 852**	**301 102**	**201 055**
- non-current assets	200 695	195 249	167 406
Working capital	**78 157**	**105 853**	**33 649**

The parent company does not anticipate the possibility of threats occurring in connection with financial resources management.

3. Financial instruments used by the Capital Group

The Capital Group secures commercial currency transactions using forward transactions. The parent company has no problems with meeting its obligations towards banks which have intermediated in concluding transactions. To secure commercial transactions, the parent company did not make use of other instruments because of the cost and risk involved. Information on the risks involved in such financial transactions can be found in point 7.4 of this report.
The sale and leaseback transaction on the office space in Wrocław was secured by the purchase of a three-year cap/floor option at the EURIBOR 1M percentage rate. That security was required by the leasing company, and will be maintained until the expiry of the lease.

4. Financial results forecasts

No financial results forecasts were published during the reporting period.

5. Information on contracted credit or loans, and suretyships and guarantees obtained or granted

Credit agreements contracted by the Capital Group in the first half of 2010

CREDITOR	Amount (PLN '000 / EUR '000)	Interest rate	Maturity date	Type
Pekao S.A.	PLN 30 000	WIBOR 1M + bank margin	30.11.2010	Working capital facility
Bank Gospodarki Żywnościowej S.A.	PLN 2 000	WIBOR 1M + bank margin	25.03.2011	Credit facility in a current account
Kredyt Bank S.A.	PLN 5 000	WIBOR 1M + bank margin	29.06.2011	Credit facility in a current account
Pekao S.A.	PLN 13 000	WIBOR 1M + bank margin	30.06.2011	Credit facility in a current account
Pekao S.A.	EUR 1 000	EURIBOR 1M + bank margin	30.06.2011	Credit facility in a current account
Total	**PLN 50 000** **EUR 1 000**			

All agreements detailed in the above table were concluded by the parent company. The margins of credit institutions do not differ from market standards.

Companies forming part of the Capital Group did not take out any bank loans in 2010.
During the reporting period, not credits or loans granted to units of the Energomontaż Południe Capital Group were terminated.

Loans and suretyships granted in the first half of 2010

During the first half of 2010, the Group did not grant any loans or suretyships.

Guarantees granted in the first half of 2010

TYPE	Amount (IN PLN '000)
Bank	4 612
Insurance	19 731
Total	**24 343**

Energomontaż-Południe S.A. did not grant any guarantees to affiliated entities. During the reporting period, no loans, guarantees or suretyships were granted to management and supervisory personnel of the parent company or persons related to them.

Guarantees obtained in the first half of 2010

TYPE	Amount (IN PLN '000)
Bank	1 316
Insurance	7 783
Total	**9 099**

6. Information on proceedings before a court, arbitration body or public administration body

During the first half of 2010, neither the Company nor its subsidiaries were parties to proceedings underway before a court, an arbitration body or a public administration body regarding the issuer's or its subsidiary's liabilities or debts whose value would equal 10 per cent or more of the issuer's equity, or to two or more proceedings regarding liabilities or debts whose total value would equal 10 per cent or more of the issuer's equity.

7. Basic risk factors and threats

7.1 Operating risk

The parent company insures receivables with an insurance company of good repute. In the event of a refusal to provide insurance cover for a given contracting party's receivable, the decision on the transaction with that contracting party is made after its financial condition has been analysed and the security submitted by it assessed. The parent company also makes use of a broad range of financial instruments such as bank and insurance guarantees, security deposits and promissory notes as security for the correct performance of contracts.

7.2 Seasonal sales during the second half-year

The market for construction and assembly services is subject to seasonal cycles, largely due to the weather. A decisive majority of the Capital Group's sales are generated in the Q3. Seasonal fluctuations are magnified by the cyclical nature of the power industry. Refurbishment and modernisation work on power production facilities are mostly carried out in summer, because they operate in the winter period. Winter months are associated with reduced activity in the construction industry. To limit seasonal fluctuations, the parent company diversifies its operations by providing general contracting services and gaining orders for production activities. During the second half of 2010, those seasonal fluctuations may be further limited by sales of flats as part of the developer project in Ligota, Katowice.

7.3 Risk connected with changes in prices of goods

This risk mainly pertains to an increase in steel prices. The Group is exposed to the risk of changes in the prices of goods to a limited extent, since the units belonging to the Group have concluded agreements with steel suppliers at prices that guarantee the profitability of contracts. To a certain degree, the Group is exposed to the risk of falling prices on the real estate market. Falling prices on that market could harm the profitability of the three-phase Osiedle Książęce developer project in Ligota, Katowice. To reduce that risk, the Issuer has arranged for financing for the purchase of the flats it is offering for sale.

7.4 Risk connected with changes in foreign exchange rates

In connection with the activities it pursues, the Company is exposed to the risk of a change in the EUR/PLN exchange rate. The greater the variability of EUR/PLN on the market, the greater that risk. The parent company partially hedges its currency position by applying natural hedging (setting aside foreign currency proceeds for foreign exchange expenses). The open net currency position of the Group secures its use of forward exchange transactions. The Company does not use options to limit the risk of exchange rate changes. As at the date of preparing the financial statements (the balance sheet date), the parent company held forward currency sale transactions in a total amount of EUR 24.1 million, with a maximum settlement date of at the end of June 2012. As an exporter, the parent company is exposed to a strengthening of the zloty against the euro. That is why it holds the stated hedge on its net currency position.

7.5 Interest rate risk

The Capital Group constantly monitors the level of interest rates on a given market, and reacts flexibly to changes occurring domestically and in other economies. The character of some financial transactions (financial leasing of property in Wrocław) also requires these operations to be hedged on the interest rate market with the aid of instruments giving protection against an increase in rates. Such a hedging transaction against rising interest rates (EURIBOR) was concluded in Q1 2009. The parent company is now considering concluding further transactions to hedge against interest rate risk (WIBOR, EURIBOR). Concluding such transactions will depend on market trends and the costs of such security.

7.6 Risk connected with liquidity

The Group maintains a balance by adapting sources of financing to expenses. Purchases of non-current assets are financed either from equity, leasing, credit, or non-current loans. The parent company has credit limits in various financial institutions, which considerably lowers the risk of a concentration.

VI. ADDITIONAL INFORMATION TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

1. Information on the principles under which the half-year abbreviated consolidated financial statements were prepared

The extended consolidated report for the first half of 2010 was drawn up in accordance with Article 90 par. 1 pt. 3 of the Regulation (Journal of Laws No. 33 item 259), and covers financial data of the company Energomontaż-Południe S.A. (the Company, the Issuer) and its subsidiaries. The non-consolidated and consolidated financial statements set out in this report were drawn up in accordance with the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS).

The report was prepared on the assumption that the activities of the companies comprising the Energomontaż-Południe S.A. Capital Group (the Capital Group, the Group) will continue in the foreseeable future. As at the date of preparing this report, there are no circumstances threatening the continuity of the activities of the companies comprising the Capital Group.

2. The accounting principles used to draw up the financial statements

The non-consolidated and consolidated financial statements in this report were drawn up in accordance with the International Financial Reporting Standards (IFRS). Detailed information on the principles accepted in preparing the Report for the first half of 2010 was included in the non-consolidated and consolidated interim report for 2009. The reports were published with the aid of the ESPI system on 30 April 2010. The Company is making the content of the reports available on its website at www.energomontaz.pl.

3. Description of significant changes in accounting principles in relation to those applied in the previous financial year

During the reporting period, the same accounting principles (policy) and calculation methods were used as in the previous annual financial statements. The abbreviated financial statements do not contain all information and disclosures required in annual financial statements, and should be read together with the financial statements of the Company for the financial year ending on 31 December 2009.

4. Events after the balance-sheet date that are not reflected in the financial statements which could have a material effect on the future results of the Company or Energomontaż-Południe Capital Group

After the balance-sheet date, no events occurred which could have a material effect on the future results of the Company or the Energomontaż-Południe S.A. Capital Group.

5. Types and amounts of items that affect assets, liabilities, capital, the net financial result or cash flow which are extraordinary in terms of their type, quantity or effect

There are no significant items related to the operations of Energomontaż-Południe and its Capital Group that affect assets, liabilities, capital, the net financial result or cash flow which are extraordinary in terms of their type, quantity or effect.

6. Types and amounts of changes in estimated values that were specified in previous interim periods of 2010 or changes in estimated values specified in previous financial years, if they have a material effect on the first half of 2010

There were no changes in estimated values related to the operations of Energomontaż-Południe and its Capital Group which, due to their types and amounts, had a material effect on the results for the first half of 2010.

7. Information on changes in contingent liabilities

The contingent liabilities of the Energomontaż Południe Capital Group amount, at the end of the first half-year of 2010, to PLN 115,904,000, having decreased by PLN 5,381,000 in comparison with their state as at 31 December 2009.
As at 30 June 2010, the contingent liabilities of the Company are PLN 96,112,000, having decreased by PLN 24,175,000 in comparison with their state as at 31 December 2009. In the case of the Issuer, contingent liabilities are mainly bank guarantees or security required for carrying out operational activities.

8. Write-downs from revaluations of assets and provisions for liabilities

WRITE-DOWNS FROM REVALUATIONS OF ASSETS AND PROVISIONS FOR LIABILITIES (as at 30 June 2010)

Item	Subject	Goodwill	Non-current assets	Long-term investments	Reserves of current funds	Amount due principal	Amount due interest	Provision for employee benefits	Provision for deferred income tax	Other provisions	Total
1.	**Balance at beginning of period**	**2 016**	**0**	**1 299**	**15 622**	**6 107**	**200**	**7 057**	**5 656**	**2 000**	**39 887**
2.	Revaluation write-downs charged to expenses	0	0	37	0	99	0	0	0	0	**136**
3.	Creation of provisions charged to expenses	0	0	0	0	0	0	0	1 130	138	**1 268**
4.	Other	0	0	6	0	162	0	0	0	0	**168**
Total	**(2+3+4)**	**0**	**0**	**43**	**0**	**261**	**0**	**0**	**1 130**	**138**	**1 572**
5.	Utilisation	0	0	0	0	0	5	0	0	0	**5**
6.	Cessation of the reasons for:	0	0	0	0	0	0	0	0	0	**0**
a	the write-downs	0	0	0	0	0	0	0	0	0	**0**
b	creating the provision	0	0	0	0	0	0	0	0	0	**0**
7.	Dissolution of write-downs and provisions	0	0	0	0	1 259	0	0	968	1 000	**3 227**
8.	Other	0	0	0	0	5	0	0	0	0	**5**
Total	**(5+6+7+8)**	**0**	**0**	**0**	**0**	**1 264**	**5**	**0**	**968**	**1 000**	**3 237**
9.	**Balance at the end of the period**	**2 016**	**0**	**1 272**	**15 622**	**5 104**	**195**	**7 057**	**5 818**	**1 138**	**38 222**

9. Information on revenues and results attributable to areas of the Energomontaż Południe Capital Group's operations

The Issuer divides the Group's activities into the following operating areas:

Construction

This area involves construction and assembly services (performed for industry), general contracting services for buildings, and developer activities. This area also includes the activities of Amontex PM Sp. z o.o.

Production

This area covers the production of metal products (industrial production).

Commerce

This area covers the sale of foundry products.

Auxiliary activities

This area includes training services, laboratory and research services, refurbishment, maintenance and inspection of machines and equipment, renting real property, equipment and machines, and financial activities.

30 JUNE 2010

BY BUSINESS AREA (IN PLN '000)	Total	Production	Construction	Commerce	Auxiliary Activities
Net revenue from sale of products and materials	**147 969**	**26 780**	**109 388**	**8 644**	**3 157**
Costs of products, goods and materials sold	135 919	22 648	103 210	8 389	1 672
Gross profit (loss) from sales	**12 050**	**4 132**	**6 178**	**255**	**1 485**
Management costs	10 119				
Sales costs	221				
Net profit (loss) on sales	**1 710**	**4 132**	**6 178**	**255**	**1 485**
Other revenue	7 019	108	2 872	0	4 039
Other costs	3 766	69	1 312	4	2 381
Operating profit (loss)	**4 963**	**4 171**	**7 738**	**251**	**3 143**
Financial revenue	5 031	3 773	617	1	640
Financial expenses	7 944	1 672	3 802	-80	2 550
Gross financial result	**2 050**	**6 272**	**4 553**	**332**	**1 233**
Income tax not attributed to business areas	-16				
Net financial result	**2 066**				

30 JUNE 2009

BY BUSINESS AREA (IN PLN '000)	Total	Production	Construction	Commerce	Auxiliary Activities
Net revenue from sale of products and materials	**121 363**	**26 883**	**87 170**	**4 727**	**2 583**
Costs of products, goods and materials sold	104 284	22 370	75 963	4 611	1 340
Gross profit (loss) from sales	**17 079**	**4 513**	**11 207**	**116**	**1 243**
Management costs	8 847				
Sales costs	81				
Net profit (loss) on sales	**8 151**	**4 513**	**11 207**	**116**	**1 243**
Other revenue	2 382	564	158	3	1 657
Other costs	4 420	749	1 591	4	2 076

30 JUNE 2009 BY BUSINESS AREA (IN PLN '000)	Total	Production	Construction	Commerce	Auxiliary Activities
Operating profit (loss)	**6 113**	**4 328**	**9 774**	**116**	**824**
Financial revenue	8 119	5 033	2 551	20	515
Financial expenses	10 875	7 301	2 649	74	851
Gross financial result	**3 357**	**2 060**	**9 676**	**61**	**488**
Income tax not attributed to business areas	944				
Net financial result	**2 413**				

10. Supplementary information

10.1 Information on agreements with the entity authorised to review and audit the financial statements

On 14 May 2010, the parent company concluded an agreement with the auditor MW RAFIN Marian Wcisło Spółka Komandytowa with its registered office in Sosnowiec on auditing the non-consolidated and consolidated financial statements for the first half of 2010.

10.2 Other information which is significant for evaluating the Issuer's employment, asset or financial condition, its financial results and changes to them, as well as information that is significant for evaluating the Issuer's ability to meet its obligations

The Management Board of the Company does not see any threats in connection with the Company meeting its obligations, including currency obligations arising as a result of exchange rate risk transactions concluded with banks.

In the opinion of the Management Board of the Issuer, there is no other information than that presented in this report which is significant for assessing the Issuer's personnel situation, asset or financial condition, financial result and changes thereto, or information which is significant for assessing the Company's ability to meet its obligations.

Signatures of persons representing the parent company:

President of the Management Board *..........Andrzej Hołda..*

Vice-President of the Management Board *....Alina Sowa.....*