EXTENDED CONSOLIDATED INTERIM REPORT OF ENERGOMONTAŻ-POŁUDNIE S.A. FOR THE FIRST HALF OF 2011

for the period from 1 January 2011 to 30 June 2011

Katowice, 18 August 2011

CONTENTS

CHAPTER I: BACKGROUND INFORMATION

This *Extended consolidated interim report of Energomontaż-Południe S.A. for the first half of 2011* [PSr 2011] contains the Management Board report on the operations of the Energomontaż Południe Capital Group in the first half of 2011, which presents information required under Article 90 par. 1 pt. 3 of the regulation of the Minister of Finance of 19 February 2009 concerning current and periodic information [...] [the Regulation], selected financial data referred to in Article 90 par. 1 pt. 1 of the Regulation and, respectively, the short-form half-yearly consolidated and short-form half-yearly non-consolidated financial statements of Energomontaż-Południe S.A. for the period from 1 January to 30 June 2011, prepared in accordance with Article 90 par. 1 pt. 2 letter b, 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 above-mentioned Regulation, Energomontaż-Południe S.A. will not provide a separate non-consolidated half-yearly report. Short-form non-consolidated financial statements of Energomontaż-Południe S.A. are included in this extended consolidated half-yearly report.

The Management Board statements referred to in Article 90 par. 1 pts. 4 and 5 and the reports of the entity authorised to audit financial statements, referred to, respectively, in Article 90 par. 1 pt. 6 and Article 83 par. 3 of the Regulation, constitute additional appendices to the *Extended consolidated interim report of Energomontaż-Południe S.A. for the first half of 2011*.

CHAPTER II: THE COMPANY'S GOVERNING BODIES

I. COMPOSITION OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD, AND ANY CHANGES THERETO IN THE FIRST HALF OF 2011

1. COMPOSITION OF 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.

Table 1: Composition of the Supervisory Board (as at 30 June 2011)

NAME AND SURNAME	Position
Stanisław Gasinowicz	Chairman of the Supervisory Board /since 18 January 2011, Supervisory Board member since 13 January 2011/
Andrzej Wilczyński	Deputy Chairman of the Supervisory Board
Marek Skibiński	Secretary of the Supervisory Board /since 18 January 2011, Supervisory Board member since 13 January 2011/
Grzegorz Wojtkowiak	Member of the Supervisory Board /since 18 January 2011, earlier Chairman of the Supervisory Board/
Andrzej Kowalski	Member of the Supervisory Board
Tomasz Woroch	Member of the Supervisory Board

Changes to the personal composition of the Supervisory Board

As at 1 January 2011, the Supervisory Board of the Company was composed of five persons. They were: Grzegorz Wojtkowiak as Chairman of the Supervisory Board, Andrzej Wilczyński as Deputy Chairman of the Supervisory Board, Radosław Kamiński as Secretary of the Supervisory Board and members Andrzej Kowalski and Tomasz Woroch.

On 13 January 2011, the Extraordinary General Meeting of Shareholders of the Company adopted Resolutions No. 12 and 13 appointing Mr Stanisław Gasinowicz and Mr Marek Skibiński to the Supervisory Board of the Issuer. On 17 January 2011, Mr Grzegorz Wojtkowiak resigned from his position as Chairman of the Company's Supervisory Board. The resignation did not concern his membership in the Supervisory Board. On the same day, the supervisory body appointed Mr Stanisław Gasinowicz as its Chairman and Mr Marek Skibiński as the Secretary. On 22 March 2011, the Company received Mr Radosław Kamiński's notice of resignation from his position as a Supervisory Board member of Energomontaż-Południe S.A. The notice of resignation was submitted on 22 March 2011.

As at the day of preparing this report, the Supervisory Board was composed as detailed in the table above.

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 entity to act as a 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.

The Audit Committee is composed of the following supervising members: Mr Grzegorz Wojtkowiak [Chairman of the Committee], Mr Tomasz Woroch [Comittee Member], and Mr Marek Skibiński [Committee Member].

In the first half of 2011, during its meetings, the Audit Committee reviewed audit firm offers in terms of recommendations with respect to selecting an entity authorised to audit the 2011 financial statements and, upon review, presented the Supervisory Board with a recommendation to approve the 2010 annual financial statements audited by the auditor. At the Supervisory Board's request, the Committee also audited some of the Group's material business contracts.

Changes to the composition of the Audit Committee

On 1 January 2010, the Audit Committee was composed of Mr Radosław Kamiński, serving as the Chairman of the Audit Committee, and members Mr Tomasz Woroch and Mr Grzegorz Wojtkowiak. Due to Mr Radosław Kamiński's resignation from membership on the Issuer's Supervisory Board, announced on 9 May 2011, the composition of the Audit Committee was supplemented with a new member, Mr. Marek Skibiński.

Remuneration Committee

The Remuneration Committee is an advisory body operating as part of the Supervisory Board of the Company. In the first half of 2011, it was composed of two members. Mr Andrzej Wilczyński is the Chairman of the Committee, and Mr Andrzej Kowalski is its member.

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.

In the first half of 2011, the Remuneration Committee presented the Supervisory Board with remarks and proposals concerning the general rules of remuneration for members of the Management Board, and in particular analysed the level of remuneration for members of the Management Board with reference to their qualifications, skills, and the tasks and duties assigned to them. The Committee also presented the Supervisory Board with remarks and proposals concerning the proper form and content of agreements with members of the Management Board.

2. COMPOSITION OF THE MANAGEMENT BOARD

The Management Board is the Company's executive authority and manages its entire operations. As at 30 June 2011, the Management Board of the Company consisted of one or more members, including the President and Vice-President of the Management Board. Members of the Management Board are appointed for a joint term of office. The term of office of the Management Board is five years. The President of the Management Board, a member of the Management 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.

Table 2: Composition of the Management Board (as at 30 June 2011)

NAME AND SURNAME	Position
Krzysztof Jan Diduch	President of the Management Board /from 28 June 2011/
Jacek Fydrych	Vice-President of the Management Board /from 17 January 2011, previously Member of the Management Board/
Radosław Kamiński	Member of the Management Board /from 28 June 2011, previously President of the Management Board/
Ryszard Radomski	Member of the Management Board /from 4 May 2011/

Changes to the composition of the Management Board

On 1 January 2011, the Company's Management Board consisted of three persons. They were: Mr Radosław Kamiński, temporarily delegated by the Supervisory Board to serve as the Management Board President, and Management Board Members Mr Jacek Fydrych and Mr Dariusz Kowzan.

On 17 January 2011, the Company's Supervisory Board appointed Mr. Jacek Fydrych as the Vice-President of the Management Board. At its 22 March 2011 meeting, the Supervisory Board of Energomontaż-Południe S.A. appointed, as of 22 March 2011, Mr. Radosław Kamiński as the President of the Company's Management Board. Furthermore, at the above meeting, the Company's Supervisory Board appointed, as of 22 March 2011, Mr Ryszard Radomski as a Management Board Member and recalled Mr Dariusz Kowzan from the Company's Management Board. The Supervisory Board resolution concerning the appointment of Mr Ryszard Radomski entered into effect on 4 May 2011. On 28 June 2011, Mr

Radosław Kamiński resigned from his position as the Management Board President. However, the resignation did not affect his membership on the Company's Management Board. On 28 June 2011, the Supervisory Board of the Company appointed Mr Krzysztof Jan Diduch as President of the Management Board of the Issuer. At the same time, on 28 June 2011, the Supervisory Board of the Company appointed Mr Radosław Kamiński and Mr Ryszard Radomski as Vice-Presidents of the Management Board of Energomontaż-Południe S.A., and Mr. Waldemar Barański on 3 August 2011. The resolutions of the Supervisory Board concerning the appointment of the above persons come into effect on the day of registering the amendment of the Statute of the Company made on the basis of Resolution No. 20 of the Ordinary General Meeting of Shareholders of Energomontaż-Południe S.A. of 27 June 2011 on an amendment of the Statute of the Company. Until the day on which the aforementioned amendments are registered in the Statute of the Company, those persons will exercise the functions of Members of the Management Board of Energomontaż-Południe S.A.

As at the date of publication of this report, the Company's Management Board is composed of the five persons named in the table below.

Table 3: Composition of the Management Board (as on the date of publishing the report)

NAME AND SURNAME	Position
Krzysztof Jan Diduch	President of the Management Board /from 28 June 2011/
Jacek Fydrych	Vice-President of the Management Board /from 17 January 2011, previously Member of the Management Board/
Radosław Kamiński	Vice-President of the Management Board /from 28 June 2011, previously President of the Management Board/
Ryszard Radomski	Member of the Management Board /from 4 May 2011/
Waldemar Barański	Member of the Management Board /from 3 August 2011/

II. SHARES AND RIGHTS TO SHARES OF THE COMPANY HELD BY THE MANAGEMENT AND SUPERVISORY PERSONNEL OF ENERGOMONTAŻ-POŁUDNIE S.A.

Table 4: Shares and rights to shares of the Company held by the management and supervisory personnel of Energomontaż-Południe S.A.

NAME AND SURNAME	Position	Number of shares / votes (16.05.2011)	Increases / decreases in holdings	Number of shares / votes (as on the date of publishing the report)
Radosław Kamiński	Member of the Management Board	2,587,000	- 173,813	2,413,187
Stanisław Gasinowicz	Chairman of the Supervisory Board	6,121,107	- 4,670,904	1,450,203
Total		**8,708,107**		**3,863,390**

In the period from the publication of the report for the first quarter of 2011 until the publication of this report, there have been changes in the share in the parent company held by supervisors or managers.

According to the communication of 27 June 2011 received from the Issuer pursuant to Article 160 par.1 of the Act on Trading in Financial Instruments of 29 July 2005, the Chairman of the Company's Supervisory Board, Mr. Stanisław Gasinowicz, in the invitation announced by PBG S.A., disposed of 4,670,904 shares of the Company at PLN 4.10 per share.

Furthermore, in the first half of 2011, Management Board Member Mr Radosław Kamiński effected transactions that resulted in decreasing the Company's shareholding by 173,813 shares.

CHAPTER III: RISKS AND DANGERS

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.

2. RISK CONNECTED WITH THE SEASONAL NATURE OF SALES

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 third quarter. 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 intensively 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.

3. RISK CONNECTED WITH CHANGES IN PRICES OF GOODS

The impact of this risk on the operations of the Issuer's Capital Group must be considered mainly from the perspective of the increase in steel prices, although 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 completed phase one of the Osiedle Książęce development project in Ligota, Katowice. To reduce that risk, the Issuer has arranged for external financing for employees for the purchase of the flats on preferential terms.

4. RISK CONNECTED WITH CURRENCY RATE FLUCTUATIONS

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 primarily hedges the Group's currency position by applying natural hedging (setting aside foreign currency proceeds for foreign exchange expenses). For the remainder, the parent company hedges the Group's net open currency position by using forward transactions. The Company hedges the future foreign exchange flow concerning specific commercial transactions concluded, and 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 17.5 million, with the maximum settlement date at the end of March 2013. 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.

5. INTEREST RATE RISK

The Capital Group monitors the level of interest rates on selected markets domestically and in other economies. The character or contractual provisions of some financial transactions require these operations to be hedged on the interest rate market with the aid of instruments giving protection against an increase in rates.

In connection with the financial lease transaction concerning the property in Wrocław, in the first quarter of 2009 the parent company concluded a cap floor transaction protecting it from increases in the EURIBOR 1M interest rate. The cap floor transaction was concluded for a three-year term and will expire in the first quarter of 2012. Furthermore, in the first half of 2011 a subsidiary named Amontex had an active range accrual swap transaction to reduce the WIBOR 1M interest rate risk. Some of the loans incurred by Amontex are subject to the above security. The swap referred to above expires in the third quarter of 2011.

Aside from the above transactions, the Group does not use any other types of security aimed at hedging the interest rate risk, primarily due to the cost of concluding these types of hedging transactions and the associated risk.

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.

CHAPTER IV: INFORMATION ABOUT THE ENERGOMONTAŻ-POŁUDNIE S.A. CAPITAL GROUP

I. THE EP CAPITAL GROUP STRUCTURE

As at 30 June 2011, the Capital Group comprised the parent company – Energomontaż-Południe S.A. – and the following subsidiaries:

- Amontex Przedsiębiorstwo Montażowe Sp. z o.o. [Amontex PM Sp. z o.o., Amontex]
- EP Hotele i Nieruchomości Sp. z o.o. [EP Hotele i Nieruchomości]
- Modus II Sp. z o.o. [Modus II]
- Open Sp. z o.o.
- Energomontaż Zachód Sp. z o.o.

Amontex, EP Hotele i Nieruchomości and Modus II are consolidated using the full method.

Energomontaż-Południe S.A. also holds 70 per cent of the shares in Open Sp. z o.o. of Wrocław, and 90.3 per cent of the shares in Energomontaż Zachód Sp. z o.o. of Warsaw. The Company has no control over those two companies on account of pending bankruptcy procedures.

The companies in the EP Capital Group do not hold shares in the capital of other companies.

1. DESCRIPTION OF THE ENTITIES IN THE ENERGOMONTAŻ-POŁUDNIE CAPITAL GROUP

The Parent Company

Energomontaż-Południe S.A.

Energomontaż-Południe S.A. has been operating on the Polish and international market for power-industry-related and industrial construction for over half a century.
Its core business is providing services involving construction and assembly production, general contracting for investments, and assembling, upgrading and refurbishing power production

and industrial equipment and installations. The main customers for its services and products are commercial and industrial power companies, foundries, coking plants and chemical works.

Registered office:	40-951 Katowice, ul. Mickiewicza 15
Contact information:	Phone: +48 32 200 82 40
	Fax: +48 32 258 65 22
Website:	www.energomontaz.pl.
Email:	info@energomontaz.pl.
KRS:	0000080906
REGON	270649263
NIP	634-013-54-81

Organisational units of the parent company

Assembly Plant
43-170 Łaziska Górne
Wyzwolenia 30
Phone: +48 32 736 34 19
Phone/fax: +48 32 736 32 87
E-mail: laziska@energomontaz.pl

Production Plant
42-504 Będzin
Energetyczna 10
Phone: +48 32 267 19 30
Fax: +48 32 267 39 47
E-mail: lagisza@energomontaz.pl

Training Centre
40-725 Katowice
Książęca 12
Phone/fax: +48 32 204 63 66
E-mail: szkolenia@energomontaz.pl

Technical Office - Lüdenscheid
Am Gartenhang 5
58511 Lüdenscheid, Niemcy
Phone: +49 2351 670756
Phone/fax: +49 2351 363037
E-mail: energomontaz-pld@t-online.de

Steel Materials Wholesale
42-504 Będzin
Energetyczna 10
Phone: +48 32 267 19 38 / 42
Fax: +48 32 267 19 32
E-mail: hurtownia@energomontaz.pl

Laboratory & Research Centre
40-725 Katowice
Książęca 12
Phone: +48 32 204 63 79
Phone: +48 32 252 67 19
E-mail: laboratorium@energomontaz.pl;

Commercial Office - Warsaw
00-844 Warszawa
Grzybowska 61/903
Phone: +48 22 403 30 11
E-mail: warszawa@energomontaz.pl;

Subsidiaries

Amontex Przedsiębiorstwo Montażowe Sp. z o.o.

Amontex is an assembly/production company which manufactures and assembles steel structures.

Shareholding structure

100 per cent of Energomontaż-Południe S.A. (as at 30 June 2011)

Address:	97-300 Piotrków Trybunalski, ul. Przemysłowa 25a
Contact information:	Tel. +44 645 20 15
	Fax +48 645 20 17
Website:	www.amontex.eu
Email:	sekretariat@amontex.eu
KRS:	0000154195
REGON	592197700
NIP	772-21-69-137

EP Hotele i Nieruchomości Sp. z o.o.

The entity runs tourism, hotel, recreation and catering operations, based on a holiday resort in Mrzeżyno (until April 2011) and a hotel in Będzin Łagisza. Information about the holiday resort can be found at www.owperla.pl.

Shareholding structure
100 per cent of Energomontaż-Południe S.A.

Address:	40-951 Katowice, ul. Mickiewicza 15
KRS:	0000134975
REGON	277846660
NIP	857-17-93-653

Modus II Sp. z o.o.

The company's core business is developing and selling real property for its own account.

Shareholding structure
Energomontaż-Południe S.A. 100 per cent

Address:	40-951 Katowice, ul. Mickiewicza 15
KRS:	0000289248
REGON	240723787
NIP	634-26-51-376

2. THE EFFECTS OF CHANGES IN THE STRUCTURE OF THE CAPITAL GROUP

In the first half of 2011 no changes were made to the structure of the Energomontaż-Południe Capital Group, but the Management Board of the parent company took steps to effect a merger between Energomontaż-Południe S.A. with the subsidiary EP Hotele i Nieruchomości Sp. z o.o. The merger will take place through the takeover by Energomontaż-Południe S.A. (the Acquiring Company) of EP Hotele Nieruchomości Sp. z o.o. (the Target Company) according to the rules set out in Article 492 par. 1 pt. 1 of the Commercial Companies Code (CCC), i.e. through the transfer of all the assets of the Target Company to the Acquiring Company, without a simultaneous increase in the share capital of the Issuer, i.e. taking account of the regulations contained in Article 515 par. 1 CCC.

The Management Board of Energomontaż-Południe S.A. resolved to effect the merger with its subsidiary, EP Hotele i Nieruchomości Sp. z o.o., bearing in mind the fact that the "Perła" holiday resort in Mrzeżyno was under lease and that maintaining a subsidiary to operate an employee hotel had no economic justification. The lease of the holiday resort is assumed to be continued. Through the merger operation, the Issuer wishes to simplify the capital structure of the Group, thereby achieving lower operating costs. The Issuer expects the court registration of the above companies' merger to take place in the third quarter of 2011.
Information about the merger process was provided, among other things, in Current Reports No. 33/2011, 37/2011, 38/2011, 42/2011, 44/2011 and 48/2011.

After the end of the period covered by this report, the Management Board of the parent company decided to sell the subsidiary Amontex, which was approved by the Company's Supervisory Board. The sale took place in August 2011.
In the view of the Company's Management Board, the decision to sell the subsidiary was the most appropriate solution from the point of view of the interests of Energomontaż Południe S.A. and its shareholders. Several changes in the composition of the management board of Amontex and new versions of improvement plans being introduced did not accomplish the results desired. Furthermore, since the subsidiary was not able to settle its liabilities on its own, there were no prospects for rebuilding the negative capital figures and the outlays made in the foreseeable future. The risk that Amontex, on its own, would not be able to generate positive financial results and positive operating cash flows is a real possibility, which also makes possible the continued negative effect of that company on the consolidated results.
The Management Board of the parent company, fully aware of the foregoing, resolved to make a definitive exit from the investment and to sell the subsidiary.

II. THE EP CAPITAL GROUP STRATEGY

The primary goal of the strategy developed by the Energomontaż-Południe Capital Group is building value for the shareholders of the parent company. The Group strives to secure stable growth by intensifying its efforts in the power industry's construction sector, which is its core business. The parent company, generating the majority of the consolidated revenue, has extensive experience in the industry, a good reputation and the requisite credentials in the area of construction and installation for the professional and industrial energy industry.

Due to the changes in the ownership structure of the parent company that took place in the first half of 2011, and as a result of the changes occurring in the area of activity of the PBG Group, it seems beyond question that a new, powerful executive group will emerge, with a portfolio comprising companies that will ensure the provision of global services in the area of full-service construction of power generation units. The PBG Group, which is currently the holding company for Energomontaż-Południe S.A., views the Issuer's area of activity as a prospective segment for its operations and consistently strives to secure a dominant position on that market.

The Issuer ties its expectations of growth to the above structure being created and envisages them in the area of assembly of components of power generation units and in carrying out "design/build" projects.

In May 2010, PBG S.A. entered into a strategic partnership agreement with ALSTOM, a global energy leader. The above companies decided that their complementary offerings, experience, financial backing, staff and infrastructure resources would facilitate effective cooperation in securing and implementing major procurements in the area of power industry construction in Poland. In addition, for the last few years, Alstom has been the largest customer of Energomontaż-Południe S.A., which, in the first half of 2011, accounted for half the value of sales in the EP Group. The partnership covers both Poland and other European markets.

The PBG Group and ALSTOM are currently participating in several tender procedures for the construction of power generation units, both coal-fired and combined cycle. As stated by PBG S.A. in its 2010 report, "PBG is participating in tender procedures for the construction of power generation units for a total value of PLN 30 billion, which accounts for merely 16 per cent of all proposed investments to be developed in this area by 2020. It is estimated that, by 2020, investments in the energy industry in Poland will reach between PLN 150 and 200 billion, and that the power industry will be one of the key drivers of the Polish construction industry *(source: PMR Publications, Report entitled "Budownictwo energetyczne w Polsce 2011 – Prognozy rozwoju i planowane inwestycje" [Power industry construction in Poland 2011 - Growth projections and proposed investments]*. That is a testimony to that market's enormous potential.

The proposed investments of the major energy groups in Poland are listed below:

- PGE Polska Grupa Energetyczna S.A. – PLN 30 billion by 2013 and PLN 63 billion by 2023,
- TAURON POLSKA ENERGIA S.A. – PLN 30 billion by 2020,
- ENERGA S.A. – PLN 20 billion by 2015,
- ENEA S.A. – PLN 20 billion by 2020.

The Company's Management Board assumes that, in an effort to intensify its energy industry presence, the PBG Group will commission the assembly portion of its contracts to the Issuer. As part of the Group, Energomontaż-Południe S.A. will also carry out full turnkey installations and develop its cooperation with international energy solutions companies as a qualified subcontractor. This will result in a rapid growth in consolidated revenue and increased profits. In the next three years, the Company intends to increase its revenue to approximately PLN 100 million a month. In practice, this means a fourfold increase in consolidated sales compared to 2010. The current development project activity, treated as supplementary with respect to the core business, will gradually be eliminated and the assets held will be sold. The EP Group will focus mainly on its core business, which it perceives as a source of higher profits and a more efficient use of its capital.

III. PROFILE OF OPERATIONS

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. The company Modus II, originally established to further developer operations, forms part of the Group. The company EP Hotele i Nieruchomości Sp. z o.o., which is in the hotel and restaurant business, also forms part of the Group. The company is being incorporated. As on 30 June 2011, the EP Group also included Amontex, operating on the steel structure market.

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.

The Energomontaż Południe Group has four major operating segments:

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.

Presented below are detailed financial data concerning the share of each segment in proceeds from sale.

Table 5: Breakdown (as at 30 June 2011)

BY BUSINESS AREA [PLN '000]	Total	Production	Construction	Commerce	Auxiliary activities
Net revenue from sale of products and materials	**145 280**	**25 195**	**110 711**	**7 087**	**2 287**
Costs of products, goods and materials sold	145 410	24 157	113 502	6 853	898
Gross profit (loss) from sales	**-130**	**1 038**	**-2 791**	**234**	**1 389**
Management costs	9 669				
Sales costs	188				
Net profit (loss) on sales	**-9 987**	**1 038**	**-2 791**	**234**	**1 389**
Other revenue	6 134	35	2 001	0	4 098
Other costs	9 886	41	7 515	50	2 280
Operating profit [loss]	**-13 739**	**1 031**	**-8 305**	**184**	**3 208**
Financial revenue	5 224	1 620	2 604	13	987
Finance costs	9 461	1 681	4 503	20	3 257
Gross financial result	**-17 976**	**970**	**-10 204**	**177**	**938**
Income tax not attributed to a particular business area	999				

BY BUSINESS AREA [PLN '000]	Total	Production	Construction	Commerce	Auxiliary activities
Net financial result	**-18 975**				

Table 6: Breakdown (as at 30 June 2010)

BY BUSINESS AREA [PLN '000]	Total	Production	Construction	Commerce	Auxiliary activities
Net revenue from sale of products and materials	**139 344**	**30 866**	**96 677**	**8 644**	**3 157**
Costs of products, goods and materials sold in the area	144 440	24 138	110 177	8 389	1 736
Gross profit (loss) from sales	**-5 096**	**6 728**	**-13 500**	**255**	**1 421**
Management costs	10 119				
Sales costs	221				
Net profit (loss) on sales	**-15 436**	**6 728**	**-13 500**	**255**	**1 421**
Other revenue	7 533	108	3 386	0	4 039
Other costs	4 230	69	1 776	4	2 381
Operating profit [loss]	**-12 133**	**6 767**	**-11 890**	**251**	**3 079**
Financial revenue	5 031	3 773	617	1	640
Finance costs	7 944	1 672	3 802	-80	2 550
Gross financial result	**-15 046**	**8 868**	**-15 075**	**332**	**1 169**
Income tax not attributed to a particular business area	620				
Net financial result	**-15 666**				

IV. CHANGES ON SALES AND SUPPLY MARKETS

1. SALES MARKETS

Consolidated sales in the first half of 2011 were PLN 145.3 million, a 4 per cent year-on-year increase.

In the first half of 2011, nearly 57 per cent of the Group's sales were on the domestic market, with the remaining 43 per cent on the EU markets. The majority of exports targeted the German energy market. In the first half of 2011, there was an increase of approximately 7 per cent in the value of foreign sales, as compared with the values recorded in the first half of the previous year. The Management Board estimates that in the following reporting period we will see an increase in both domestic and foreign sales, primarily to the German and Dutch markets. On the domestic market, the Issuer participates in tenders organised by Polish energy groups and also takes part in tenders in which its holding company, i.e. the PBG Group, participates. Furthermore, the Management Board notes that operating on the German and Dutch energy markets involves higher sales margins than when operating in Poland. Therefore, the Issuer intends to maintain its sales standing on the above foreign markets.

In the first half of 2011, the largest recipients of the Energomontaż Południe Capital Group's services were companies from the ALSTOM group (the share of ALSTOM Power, the power arm of the concern, was 50 per cent of the Group's revenues).

In terms of value of sales, the leading areas of the Group's activities in the first half of 2011 were contruction and assembly services and industrial production. In the construction sector (construction and assembly services, general contracting and developer activities), there was a nearly 15 per cent increase in sales over the first half of the previous year, due to an 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 other recognised industry sectors. The exception is the development business, which reported an increase as a result of recording the sale of some residential properties from the Osiedle Książęce project in Katowice.

Table 7: Sales by value

BREAKDOWN (PLN '000)	EP Group 1H2011	EP 1H2011	EP Group 1H2010	EP 1H2010
Construction and assembly services	106,322	103,707	92,419	90,690
General contracting	740	740	2,408	10,635
Developer operations	3,649	3,649	1,850	1,850
Industrial production	25,195	25,195	30,866	30,866
Commerce	7,087	7,087	8,644	8,644
Services	2,287	2,253	3,157	2,926
Total operations, of which:	**145,280**	**142,631**	**139,344**	**145,611**
Exports	*63,101*	*63,101*	*59,050*	*59,050*

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.

Table 8: Sales by volume

SALES (Tonnes)	EP 1H2011	EP 1H2010	% Change
Country	672	0	100
Exports	1,425	2,051	-31
Total	**2,097**	**2,051**	**2**

Compared to the first half of 2010, there was an increase of slightly over 2 per cent in the industrial production tonnage sold. Lower export sales were compensated by domestic sales. In the comparative period, the Company sold its entire industrial production on the German market.

2. 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 parent 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 first half of 2011, 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.

V. EMPLOYMENT

As at 30 June 2011, 1,316 employees were employed in the Energomontaż-Południe Capital Group. The number of employees in the Group did not change materially compared to that as on 30 June 2010.

Table 9: Employment structure

BREAKDOWN (persons)	EP Group 30.06.2011	EP 30.06.2011	EP Group 30.06.2010	EP 30.06.2010
Hourly employees	907	695	910	688
Salaried employees	409	343	406	338
Total	**1,316**	**1,038**	**1,316**	**1,026**

CHAPTER V: REPORT ON THE OPERATIONS OF THE ENERGOMONTAŻ-POŁUDNIE CAPITAL GROUP IN THE FIRST HALF OF 2011

I. MATERIAL EVENTS IN THE FIRST HALF OF 2011

In the first half of 2011, the EP Capital Group reported the following material events:

- Changes in the composition of the Supervisory Board [Current Report No. 5/2011 of 14 January 2011]
- Further specification of the principles and commencement of the purchase of own shares [Current Report No. 7/2011 of 18 January 2011]
- Updating of information concerning parameters for the purchase of own shares [Current Report No. 9/2011 of 20 January 2011]
- Changes in the composition of the Management Board and Supervisory Board [Current Report No. 29/2011 of 23 March 2011]
- Information update on the subject of the contractual partner for contracts for the performance of work at the Eemshaven power station in the Netherlands - assignment of rights to Alstom Power Nederland B.V. [Current Report No. 31/2011 of 25 March 2011]
- announcement by PBG S.A. of a tender offer for the Company's shares [8 April 2011]
- The subsidiary Amontex wins the tender [Current Report No. 32/2011 of 20 April 2011]
- Announcement of the proposed merger of the Company with its subsidiary EP Hotele i Nieruchomości Sp. z o.o. [Current Report No. 33/2011 of 29 April 2011]
- Order from Hitachi Power Europe GmbH for the installation of the pressure component of the boiler in the Rotterdam plant [Current Report No. 34/2011 of 6 May 2011]
- Conclusion of a subcontractor agreement with Instal-Rem S.A. for works in the Eemshaven plant in the Netherlands [Current Report No. 35/2011 of 9 May 2011]
- Announcement of the Management Board statement concerning PBG S.A.'s tender offer for the Company's shares [Current Report No. 36/2011 of 11 May 2011],
- Order from Hitachi Power Europe GmbH for the installation of the pressure component of the boiler in the Maasvlakte plant [Current Report No. 41/2011 of 1 June 2011]
- Announcement of the Management Board statement concerning the proposed merger of the Company with its subsidiary EP Hotele i Nieruchomości Sp. z o.o. [Current Report No. 44/2011 of 20 June 2011]
- Acquisition by PBG S.A., by way of a tender offer, of shares carrying 41 per cent of the overall number of votes in the Company, and thus, PBG S.A. securing a 64.84 per cent share in the overall number of votes in Energomontaż-Południe S.A. [Current Report No. 46/2011 of 23 June 2011]
- Ordinary General Meeting of Shareholders of Energomontaż-Południe S.A. of 27 June 2011
- Changes in the composition of the Management Board [Current Report No. 51/2011 of 29 June 2011]

II. MATERIAL OCCURRENCES AFTER THE END OF THE FIRST HALF OF 2011

- The total value of agreements concluded by Energomontaż-Południe S.A. with Południowy Koncern Energetyczny S.A. exceeding the threshold of 10 per cent of the Issuer's equity [Current Report No. 56/2011 of 14 July 2011],
- A change of contractor for the subject of a significant agreement [Current Report No. 57/2011 of 28 July 2011],
- Conclusion of annexes to the cooperation agreement with BRE Bank S.A. [Current Report No. 59/2011 of 2 August 2011],
- Appointment of a managing person of the Issuer [Current Report No. 61/2011 of 4 August 2011],
- Conclusion of annexes to loan agreements with Bank PEKAO S.A. [Current Report No. 62/2011 of 4 August 2011],
- Sale of shares in Amontex.

III. 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 2011 include:

- The operations of the Capital Group, including, in particular, the operations of the subsidiary Amontex,
- Seasonal fluctuations in sales,
- Sales of residential premises on the Książęce Estate,
- Fluctuations in the EUR/PLN exchange rate and this currency pair's market behaviour.

IV. PROSPECTS FOR THE CAPITAL GROUP

1. EXTERNAL FACTORS

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.

The growing need for services in the power industry

In accordance with the assumptions of Poland's energy policy *(source: appendix to Resolution No. 202/2009 of the Council of Ministers of 10 November 2009)*, a gradual increase (of approximately 54 per cent) in the need for electricity by 2030 is anticipated. 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 *"Rzeczpospolita"* states *(source: No. 57 (8568), 9 March 2010)*, the power industry will be one of the most dynamically developing sectors of the economy in the next few years. As the newspaper states: "The total value of big projects alone in this industry exceeds PLN 42 billion".

The shaping of prices on the property market

In the first half of 2011, the Polish primary market reported a slight drop in apartment prices.

Additional factors affecting customers' interest in purchasing apartments included interest rate increases (unfavourable) and the prospective amendment to the "rodzina na swoim" programme [family housing subsidy programme] (unfavourable following the amendment).

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.

Adaptation to EU environmental 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 energy sources (RES) by 20 per cent, and
- 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.

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 in the Polish power industry. Poland will have to make gigantic outlays to fulfil such radically tighter environmental protection regulations.

Competition

One factor determining the possibility of development of the Energomontaż-Południe Capital Group is the tough competition in the 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. It also places particular emphasis on the quality of its services.

2. INTERNAL FACTORS

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,
- synergies resulting from the potential tightening of the partnership with the PBG Group.

V. RELATED PARTY TRANSACTIONS

In the first half of 2011, the EP Capital Group effected a number of related party transactions. The transactions were typical and resulted from the day-to-day operations conducted by the parent company and the subsidiaries, and were concluded on market terms.

VI. MAJOR ACHIEVEMENTS IN THE AREA OF RESEARCH AND DEVELOPMENT

In the reporting period, the Energomontaż Południe Capital Group did not report any achievements in the area of research and development that would have a material effect on its results.

VII. INFORMATION ON THE SYSTEM OF INSPECTING EMPLOYEE SHARE PROGRAMMES

The Energomontaż Południe Capital Group does not have any employee share programmes in place.

VIII. PROCEEDINGS PENDING BEFORE A COURT, AN AUTHORITY COMPETENT TO CONDUCT ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY

Energomontaż-Południe S.A. is party to proceedings pending before the court, the value of which represents at least 10 per cent of the Company's equity.

On 17 January 2011, the Company received a copy of a claim by Martifer Polska Sp. z o.o. with its registered office in Gliwice (the "claimant") for payment, together with a motion for granting security of the claim. The value of the dispute indicated by the claimant was PLN 90,753,000. The claimant maintained that it was owed the requested amount as payment for the completed construction works on the basis of the construction works agreement of 29 October 2009, contractual penalties for rescinding the agreement and damages for other breaches of the construction works agreement.

The defendants are: Energomontaż-Południe S.A., Hydrobudowa Polska S.A., Hydrobudowa 9 S.A., Alpine Construction Polska Sp. z o.o. and PBG Technologia Sp. z o.o.

The Company's Management Board believes that the statement of claims contains unjustified claims with no legal or factual basis. The Management Board believes that the statement of claims filed by Martifer Polska Sp. z o.o. was an example of strategic behaviour, aimed at improving the negotiating position of Martifer Polska Sp. z o.o. in connection with flagrant breaches by Martifer Polska Sp. z o.o. of the construction works agreement concluded with the Issuer, from which the Issuer, for reasons attributable to Martifer Polska Sp. z o.o., withdrew on 2 September 2010, as announced in Current Report No. 41/2010 of 3 September 2010.

The Company announced the conclusion of an agreement with the consortium of Hydrobudowa Polska S.A. and Alpine Construction Polska Sp. z o.o. for the construction of the steel roof structure of Arena Bałtycka (currently PGE Arena Gdansk) in Current Report No. 58/2009 of 21 October 2009. The performance of part of the work, of a value of PLN 44 million, was subcontracted to the consortium of Martifer Polska Sp. z o.o. and Ocekon Engineering s.r.o. Slovakia. The work was to have been completed by 30 June 2010.

Martifer Polska Sp. z o.o. failed to meet the work completion deadline, which led to the pending dispute. Currently, the amount of the claim has been reduced to PLN 60,313,000, mainly as a result of providing Martifer with a support structure.

Apart from what is set out above, in the first half of 2011 neither the Issuer nor its subsidiary were parties to any proceedings or 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 for one, two or more proceedings regarding liabilities or debts whose total value would equal 10 per cent or more of the Issuer's equity.

CHAPTER VI: SHARES AND SHAREHOLDING

I. SHARE CAPITAL STRUCTURE AND SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY, MAJOR BLOCKS OF SHARES

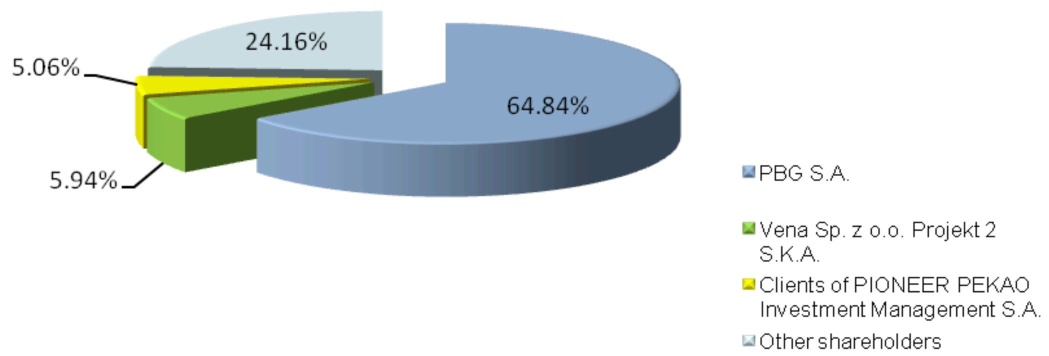
The share capital of Energomontaż-Południe S.A. amounts to PLN 70,972,001 and is divided into 70,972,001 ordinary bearer shares with a par value of PLN 1 per share.

The dominant shareholder of the Company is PBG S.A. with its registered office in Wysogotowo near Poznań (address: ul. Skórzewska 35, 62-081 Przeźmierowo). PBG S.A. is a public company and a leader in Poland's construction industry. For more information about PBG S.A., go to www.pbg-sa.pl

Table 1: Shareholders of Energomontaż-Południe S.A. holding more than 5 per cent of the shares [as on the date of publication of the report]

SHAREHOLDER	Number of shares / votes	Percentage share in share capital and total number of votes
PBG S.A.	46,021,520	64.84
Vena Sp. z o.o. Projekt 2 S.K.A.	4,214,296	5.94
Customers of PIONEER PEKAO Investment Management S.A.	3,594,619	5.06
Others	17,141,566	24.16
Total	**70,972,001**	**100.00**

Figure 1: Shareholders of Energomontaż-Południe S.A. holding more than 5 per cent of the shares [as on the date of publication of the report]



II. CHANGES IN THE SHAREHOLDING OF ENERGOMONTAŻ-POŁUDNIE S.A.

In the period since the publication of the report for the first quarter of 2011, material changes in the ownership structure have taken place, as described below.

On 8 April 2011, PBG S.A. (the Offeror) announced a tender offer for the sale or exchange of the Issuer's shares. The price stated in the tender offer was PLN 4.10 per share in the Company. The Offeror's intention was to exceed the threshold of 33 per cent of the overall number of votes at the Company's general meeting, as a result of which the Offeror intended to purchase in the tender offer no more than 29,098,518 shares carrying the right to exercise no more than 29,098,518 votes, i.e. giving entitlement to no more than 41 per cent of the overall number of votes at the Company's general meeting, so that the final number of shares purchased, including the Company's shares held by the Offeror, would carry the right to exercise no more than 66 per cent of the overall number of votes at the Company's general meeting. In view of the fact that the tender offer was successful [a 23.06 per cent subscription reduction was effected; *source: PBG S.A. - Current Report No. 40/2011 of 17 June 2011*], PBG S.A. became the parent company for the Issuer, holding directly 46,021,520 shares carrying the right to exercise 46,021,520 votes, which represents a 64.84 per cent share in the Company's share capital and accounts for 64.84 per cent of the overall number of votes at the Company's general meeting. The Company published its Current Report No. 46/2011 concerning PBG S.A.'s notification of a change in the share in the overall number of votes in Energomontaż-Południe S.A. on 23 June 2011. The Company's existing shareholders responded to the tender offer, as a result of which the Issuer received notices of reducing their commitment, as notified in its Current Report No. 47/2011 of 27 June 2011.

On 8 July 2011, the Company was notified by Pioneer Pekao Investment Management S.A. (PPIM) of an increase in the joint commitment of PPIM to 5.06 per cent of the overall number of votes at the General Meeting of the Issuer with respect to the financial instruments covered by the portfolios managed as part of PPIM's financial instrument portfolio management services. The notification concerned all the customers of PPIM (with respect to the portfolios managed by PPIM).

The full wording of the notification is set forth in Current Report No. 54/2011 of 8 July 2011.

On 3 August 2011, it received a notification from Vena Sp. z o.o. Projekt 2 spółka komandytowo-akcyjna (Vena) of exceeding the 5 per cent threshold in the overall number of votes in Energomontaż-Południe S.A. Pursuant to the notification, in connection with the purchase of a total of 691,298 shares in the company, settled in the National Depository for Securities on 28 July 2011 and 2 August 2011, Vena holds a total of 4,214,296 shares in the Company, constituting a 5.94 per cent share in the share capital of the Company and providing entitlement to 4,214,296 votes at the General Meeting of Shareholders, which constitutes 5.94 per cent of the total number of votes.

The full wording of the notification is set forth in Current Report No. 60/2011 of 3 August 2011.

III. EPD SHARE LISTINGS

Diagram 1: Prices of the shares of Energomontaż Południe S.A. against the WIG-Construction index (WIGBUD) in the first half of 2011

As on 30 June 2011, the price of the EPD shares was PLN 3.73 and despite a reported drop in the WIG-Budownictwo index it varied slightly from the price level noted in early 2011. The Company's capitalisation at the end of the reporting period was at PLN 264.7 million.

IV. INFORMATION ABOUT ACQUIRING OWN SHARES

On 20 December 2010, the Extraordinary General Meeting of Shareholders of the Company adopted Resolution No. 7 on authorising the Management Board of the Company to acquire own shares in the Company under the procedure of Article 362 par. 1 pt. 8 of the Commercial Companies Code. In accordance with the above resolution, the Company can acquire up to 20 per cent of its own shares, i.e. 14,194,400 shares, by 20 December 2012. The maximum payment for the shares must not exceed PLN 65 million. In accordance with a decision made by the Company's governing bodies on 17 January 2011, the acquisition of the Company's own shares was spread out over three stages. In the first stage, the Company's own shares will be acquired in an amount of no more than PLN 20 million. The first stage will take place over a period of one year from 17 January 2011 to 17 January 2012. The buyback of own shares will not be possible for a price higher than the market price. The Company's own shares may be acquired in regulated trading, in off-session transactions, and also outside regulated trading. Further stages of the acquisition of own shares, including the time periods and quantity of own shares of the Company being acquired, will be detailed by the Supervisory Board of the Company in a separate resolution to be adopted not later than within one month from the end of the first stage of acquiring own shares, i.e. not later than 17 February 2012. In connection with the low liquidity of the Company's shares on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), as of 21 January 2011 the level of the daily volume of shares being acquired by the Company under the purchase of own shares programme can exceed 25 per cent of the average daily amount of trading within 20 days preceding the day of purchase, and the level of the daily volume of shares being acquired will not exceed 50 per cent of that daily average.

Transactions carried out by the Company as part of the buy-back of its own shares are set out in the diagram below.

Table 2: Breakdown of transactions carried out in connection with repurchasing own shares

Date	Purchase / sale	Number of shares/ votes	Average price [PLN]
25.01.2011	purchase	450,000	3.75
25.01.2011	purchase	350,000	3.79
25.01.2011	purchase	49,000	3.79
31.01.2011	purchase	40,000	3.80
01.02.2011	purchase	1,099,414	3.80
03.02.2011	purchase	50,217	3.79
07.02.2011	purchase	81,000	3.80
08.02.2011	purchase	54,000	3.79
11.02.2011	purchase	109,000	3.79
16.02.2011	purchase	116,000	3.80
21.02.2011	purchase	114,000	3.79
28.02.2011	purchase	115,000	3.80
03.03.2011	purchase	101,929	3.79
08.03.2011	purchase	106,521	3.77
15.03.2011	purchase	104,729	3.76
Total		**2,940,810**	**3.79**

Furthermore, as part of the tender offer to subscribe for the purchase of the Issuer's shares announced on 8 April 2011 by PBG S.A., the Company disposed of 2,262,560 own shares. The disposal occurred after the Issuer's Management Board obtained the approval of the Company's Supervisory Board for the disposal of its own shares acquired to date, at no less than PLN 4.10 per share. The unit price of own shares purchased was PLN 4.10. Settlement of the above transaction for the sale of own shares in the above tender offer was made on 21 June 2011.

On 11 July 2011, the Company sold, in a block session transaction, the remaining 678,250 own shares at a price of PLN 4.10 per share. The shares sold constituted 0.96 per cent of the share capital, providing 678,250 votes at the General Meeting of Shareholders of the Issuer, which is 0.96 per cent of the total number of votes in the Company.

As at the date of publishing these statements, the Issuer has no own shares. The Company's Management Board concluded the first stage of repurchasing own shares and suspended any further efforts involved in purchasing own shares until a decision is made with respect to a potential second stage of repurchasing own shares. The above decisions were approved by the Issuer's Supervisory Board.

V. INDICATION OF HOLDERS OF ANY SECURITIES CARRYING SPECIAL INSPECTION RIGHTS

There are no securities carrying special inspection rights with respect to the Company.

VI. ANY RESTRICTIONS ON EXERCISING VOTING RIGHTS

The Statute of Energomontaż-Południe S.A. does not contain any provisions restricting the exercise of voting rights by holders of a specific portion or number of votes.

VII. RESTRICTIONS ON ASSIGNING THE OWNERSHIP TITLE TO THE SECURITIES OF ENERGOMONTAŻ-POŁUDNIE S.A. AND RESTRICTIONS ON EXERCISING THE ASSOCIATED VOTING RIGHTS

The Company's shares do not carry any restrictions on assigning the ownership title or restrictions on exercising voting rights.

VIII. INFORMATION ON AGREEMENTS AS A RESULT OF WHICH THERE COULD BE FUTURE CHANGES IN THE PROPORTIONS OF SHARES HELD

As on the report publication date, the Management Board is not aware of any agreements that could result in changes in the proportions of shares held.

IX. COMMUNICATION WITH THE INVESTOR RELATIONS DEPARTMENT

Figure 2: Contact information of the person in charge of investor relations

ENERGOMONTAŻ-POŁUDNIE SA
PBG Group

Piotr Musial
Investor Relations Specialist

+48 661 311 221
piotr.musial@energomontaz.pl

Energomontaż-Południe S.A.
ul. Mickiewicza 15
40-951 Katowice
phone +48 32 2008 240, fax +48 32 258 65 22
www.energomontaz.pl

CHAPTER VII: FINANCIAL STATEMENTS

I. SELECTED FINANCIAL DATA

Table 3: Selected financial data of the EP Capital Group, together with a conversion to EUR

	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010
	PLN '000			[EUR '000]		
Income statement	-	-				
Sales revenues	145 280	139 344	313 687	36 619	34 799	78 336
Operating profit (loss)	(13 739)	(12 133)	(17 748)	(3 463)	(3 030)	(4 432)
Profit (loss) before tax	(17 976)	(15 046)	(19 294)	(4 531)	(3 758)	(4 818)
Net profit (loss)	(18 975)	(15 666)	(19 804)	(4 783)	(3 912)	(4 946)
Net profit (loss) attributable to shareholders of the parent company	(18 975)	(15 666)	(19 804)	(4 783)	(3 912)	(4 946)
Profit (loss) per share (PLN)	(0,28)	(0,23)	(0,29)	(0,07)	(0,06)	(0,07)
Diluted profit (loss) per share (PLN)	(0,28)	(0,23)	(0,29)	(0,07)	(0,06)	(0,07)
Average PLN / EUR exchange rate in the reporting period	X	X	X	3.9673	4.0042	4.0044

	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010
	PLN '000			[EUR '000]		
Cash flow statement						
Net cash generated from operating activities	15 631	(56 275)	(5 426)	3 940	(14 054)	(1 355)
Net cash flows from investing activities	(6 032)	(13 054)	(27 434)	(1 520)	(3 260)	(6 851)
Net cash flows from financial activities	(18 041)	59 809	24 091	(4 547)	14 937	6 016
Net change in cash and cash equivalents	(8 442)	(9 520)	(8 769)	(2 128)	(2 378)	(2 190)
Average PLN / EUR exchange rate in the reporting period	X	X	X	3.9673	4.0042	4.0044
Balance sheet						
Assets	392 825	444 998	431 463	98 536	107 337	108 947
Non-current liabilities	75 825	83 049	79 148	19 020	20 032	19 985
Current liabilities	207 988	231 427	222 410	52 172	55 822	56 160
Equity	109 012	130 522	129 905	27 345	31 483	32 802
Equity attributable to shareholders of the parent company	109 012	130 522	129 905	27 345	31 483	32 802
PLN / EUR exchange rate at the end of the reporting period	X	X	X	3.9866	4.1458	3.9603

Table 4: Selected financial data of the Company, together with a conversion to EUR

	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010
	PLN '000			[EUR '000]		
Income statement						
Sales revenues	142 631	145 611	308 935	35 952	36 365	77 149
Operating profit (loss)	(16 190)	(5 669)	(12 297)	(4 081)	(1 416)	(3 071)
Profit (loss) before tax	(25 443)	(7 227)	(15 862)	(6 413)	(1 805)	(3 961)
Net profit (loss)	(25 471)	(7 544)	(15 811)	(6 420)	(1 884)	(3 948)
Net profit (loss) attributable to shareholders of the parent company	(25 471)	(7 544)	(15 811)	(6 420)	(1 884)	(3 948)
Profit per share (PLN)	(0,37)	(0,11)	(0,23)	(0,09)	(0,03)	(0,06)
Diluted profit per share (PLN)				-	-	-
Average PLN / EUR exchange rate in the reporting period	X	X	X	3.9673	4.0042	4.0044
Cash flow statement						
Net cash generated from operating activities	15 299	(77 371)	(51 792)	3 856	(19 322)	(12 934)
Net cash flows from investing activities	(5 925)	(12 605)	(36 563)	(1 493)	(3 148)	(9 131)
Net cash flows from financial activities	(17 574)	79 802	82 814	(4 430)	19 930	20 681
Net change in cash and cash equivalents	(8 200)	(10 174)	(5 541)	(2 067)	(2 541)	(1 384)
Average PLN / EUR exchange rate in the reporting period	X	X	X	3.9673	4.0042	4.0044
Balance sheet						

	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010	from 1 January to 30 June 2011	from 1 January to 30 June 2010	from 1 January to 31 December 2010
	PLN '000			[EUR '000]		
Assets	378 159	413 321	428 880	94 858	99 696	108 295
Non-current liabilities	73 849	79 370	77 615	18 524	19 145	19 598
Current liabilities	195 593	185 449	215 158	49 063	44 732	54 329
Equity	108 717	148 502	136 107	27 271	35 820	34 368
PLN / EUR exchange rate at the end of the period	X	X	X	3.9866	4.1458	3.9603

II. SHORT-FORM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2011	Balance as at 31.12.2010	Balance as at 30.06.2010
ASSETS			
I. Non-current assets	**173 089**	**171 893**	**170 021**
1. Property, plant and equipment	72 663	75 345	72 244
2 . Intangible assets	1 657	1 693	1 474
3. Goodwill	0	0	0
4. Goodwill of subsidiaries	0	0	0
5. Investment properties	83 984	83 887	85 898
6. Financial assets	480	309	290
6a. Investments in affiliated companies	0	0	0
6b. Investments in subsidiaries	0	0	0
6c. Investments held for sale	184	214	195
6d. Other financial assets	95	95	95
6e. Loans granted	201		
7. Non-current receivables	7 441	4 010	3 169
8. Deferred income tax assets	6 760	6 546	6 911
9. Prepayments and accrued income	104	103	35
II. Current assets	**219 736**	**259 570**	**274 977**
1. Inventories	104 818	114 218	99 736
2. Current receivables	107 431	128 744	161 951
2a. Trade receivables	42 420	84 162	88 617
2b. Other receivables	22 248	19 133	30 295
2c. Income tax receivables	1 121	5 014	2 548
2d. Prepayments and accrued income	41 642	20 435	40 491
3. Current financial assets	2 323	3 024	390
3a. Loans granted	37	0	0
3b. Financial assets designated for sale	0	0	0
3c. Foreign exchange forward contracts	2 286	3 024	390
4. Cash and cash equivalents	5 164	13 584	12 900
III. Non-current assets designated for sale	0	0	0
Total assets	**392 825**	**431 463**	**444 998**
LIABILITIES			
I. Shareholders' equity with minority interests	**109 012**	**129 905**	**130 522**
1. Share capital	92 307	92 307	92 307
- including revaluation of capital due to hyperinflation	21 335	21 335	21 335
2. Capital reserves	39 993	39 308	104 308
3. Own shares	-2 573	0	0
3. Revaluation reserve	19 002	19 032	15 522
4. Other capital reserves	69 968	69 968	4 968

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN PLN '000)	Balance as at 30.06.2011	Balance as at 31.12.2010	Balance as at 30.06.2010
5. Retained profit (loss)	-90 710	-70 906	-70 917
6. Profit (loss) for the current year	-18 975	-19 804	-15 666
Ia. Shareholders' equity without minority interests	**109 012**	**129 905**	**130 522**
7. Minority capital	0	0	0
II. Non-current liabilities	**75 825**	**79 148**	**83 049**
1. Provisions	20 201	19 269	18 352
1a. Provisions for employee benefits	6 177	6 177	5 860
1b. Provision for deferred income tax	14 024	13 092	12 354
1c. Other provisions	0	0	138
2. Financial liabilities	50 928	56 075	61 379
2a. Credit facilities and loans	3 125	4 831	8 714
2b. Leasing liabilities	47 803	51 244	52 665
3. Other non-current liabilities	4 696	3 804	3 318
III. Current liabilities	**207 988**	**222 410**	**231 427**
1. Provisions	4 991	2 806	2 197
1a. Provisions for employee benefits	1 199	1 060	1 197
1b. Other provisions	3 792	1 746	1 000
2. Financial liabilities	60 107	63 187	87 952
2a. Credit facilities and loans	51 308	54 303	76 333
2b. Leasing liabilities	8 516	8 599	8 447
2c. Foreign exchange forward contracts	283	285	3 172
3. Current liabilities	142 890	156 417	141 278
3a. Trade liabilities	40 011	45 729	54 990
3b. Other liabilities	84 263	84 562	53 859
3c. Income tax liabilities	0	0	0
3d. Accruals and deferred income	18 616	26 126	32 429
IV. Liabilities associated with non-current assets designated for sale	**0**	**0**	**0**
Total liabilities	**392 825**	**431 463**	**444 998**
Book value	**109 012**	**129 905**	**130 522**
Average weighted number of ordinary shares (in '000)	**68 739**	**68 966**	**66 926**
Book value per share (in PLN)	**1.59**	**1.88**	**1.95**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [PLN '000]	6-month period 1 January 2011 to 30 June 2011	12-month period 1 January 2010 to 31 December 2010	6-month period 1 January 2010 to 30 June 2010
I. Net revenues from the sale of products, goods and materials	**145 280**	**313 687**	**139 344**
II. Costs of products, goods and materials sold	145 410	304 787	144 440
III. Gross profit (loss) from sales	**-130**	**8 900**	**-5 096**
IV. Other revenue	6 134	15 002	7 533
V. Sales costs	188	470	221
VI. General management costs	9 669	20 535	10 119
VII. Other costs	9 886	20 645	4 230
VIII. Operating profit (loss)	**-13 739**	**-17 748**	**-12 133**
IX. Financial revenue	5 224	9 144	5 031
X. Finance costs	9 461	10 690	7 944
XI. Income (loss) from shares in affiliated companies	0	0	0
XII. Gross (pre-tax) profit (loss)	**-17 976**	**-19 294**	**-15 046**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [PLN '000]	6-month period 1 January 2011 to 30 June 2011	12-month period 1 January 2010 to 31 December 2010	6-month period 1 January 2010 to 30 June 2010
XIII. Income tax	999	510	620
XIV. Net profit (loss) from continuing operations	**-18 975**	**-19 804**	**-15 666**
XV. Profit (loss) on discontinued operations	**0**	**0**	**0**
XVI. Minority profits	**0**	**0**	**0**
XVII. Net profit (loss) on continuing and discontinued operations	**-18 975**	**-19 804**	**-15 666**
ITEM			
Net profit (loss)	**-18 975**	**-19 804**	**-15 666**
Other comprehensive income	**-30**	**3 504**	**-6**
Financial assets held for sale	**-30**	**-11**	**-6**
Cash flow hedging			
Effect of property adjustment	**0**	**3 515**	**0**
Tax on reassessments	**0**		**0**
Total comprehensive income	**-19 005**	**-16 300**	**-15 672**
Net profit (loss)	**- 18 975**	**- 19 804**	**- 15 666**
Average weighted number of ordinary shares (in '000)	**68 739**	**68 966**	**66 926**
Profit (loss)/Diluted profit per ordinary share (in PLN)	**-0,28**	**-0,29**	**-0,23**
Attributed to:			
Owners of the parent company's capital	-18 975	-19 804	-15 666
Minority interest in equity	0	0	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

01.01.2011	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Retained profit (loss) from previous years and the current year	Shareholders' equity without minority interests	Minority capital	Shareholders' equity with minority interests	Equity attributable to equity holders of the Company
Balance at beginning of period	**92 307**	**39 308**	**10 397**	**69 968**	**0**	**-49 539**	**162 441**	**0**	**162 441**	**162 441**
- including revaluation of capital due to hyperinflation	21 335						21 335		21 335	21 335
Changes in accounting principles	0	0	0	0	0	0	0	0	0	0
Correction of basic errors	0	0	8 635	0	0	-41 171	-32 536	0	-32 536	-32 536
Opening balance after changes	**92 307**	**39 308**	**19 032**	**69 968**	**0**	**-90 710**	**129 905**	**0**	**129 905**	**129 905**
Increases (+) / decreases (-) on account of deferred income tax on the valuation of fixed assets	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from loss accounting	0	0	0	0	0	0	0	0	0	0
Net profit (loss)	0	0	0	0	0	-18 975	-18 975	0	**-18 975**	**-18 975**
Increases (+) / decreases (-) from revaluation of financial assets		0	-30		0	0	-30	0	-30	-30
Consolidation adjustments	0	0	0	0	0	0	0	0	0	0
Buy-back of own shares	0	0	0	0	-2 573	0	-2 573	0	-2 573	-2 573
Premium on the sale of own shares		685	0	0	0	0	685	0	685	685
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
30.06.2011	**92 307**	**39 993**	**19 002**	**69 968**	**-2 573**	**-109 685**	**109 012**	**0**	**109 012**	**109 012**

01.01.2010	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Retained profit (loss) from previous years and the current year	Shareholders' equity without minority interests	Minority capital	Shareholders' equity with minority interests	Equity attributable to equity holders of the 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 revaluation of capital due to hyperinflation	21 335				0		21 335		21 335	21 335
Changes in accounting principles	0	0	0	0	0	0	0	0	0	0
Correction of basic errors	0	0	5 120	0	0	-54 000	- 48 880	0	- 48 880	- 48 880
Opening balance after changes	**69 725**	**105 967**	**15 528**	**7 269**	**0**	**-49 705**	**148 784**	**0**	**148 784**	**148 784**
Increases (+) / decreases (-) from valuation of fixed assets	0	0	3 515	0	0	0	3 515	0	3 515	3 515
Increases (+) / decreases (-) from profit distribution	0	18 468	0	0	0	-16 162	2 306	0	2 306	2 306
Increases (+) / decreases (-) from loss accounting	0	-328	0	0	0	-81	-409	0	-409	-409
Exchange of warrants for shares	22 582	-25 171	0	0	0		-2 589	0	-2 589	-2 589
Net profit (loss)	**0**	**0**	**0**	**0**	**0**	**-19 804**	**-19 804**	**0**	**-19 804**	**-19 804**
Increases (+) / decreases (-) from revaluation of financial assets		0	-11		0	0	-11	0	-11	-11
Merger with subsidiary	0	0	0	0	0	7 647	7 647	0	7 647	7 647
Expansion of the capital group	0	0	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	0	0	0	0
Liquidation of reserve for purchase of own shares	0	5 372	0	-7 269	0	0	-1 897	0	-1 897	-1 897
Creation of capital reserve for dividend payment	0	0	0	4 968	0	-4 968	0	0	0	0
Creation of reserve for purchase of own shares	0	-65 000		65 000	0	0	0	0	0	0
Merger with subsidiary	0	0	0	0	0	-7 648	-7 648	0	-7 648	-7 648
Other increases (+) / decreases (-)	0	0	0	0	0	11	11	0	11	11
31.12.2010	**92 307**	**39 308**	**19 032**	**69 968**	**0**	**-90 710**	**129 905**	**0**	**129 905**	**129 905**

01.01.2010	Share capital	Capital reserves	Revaluation reserve	Other capital reserves	Own shares	Retained profit (loss) from previous years and the current year	Shareholders' equity without minority interests	Minority capital	Shareholders' equity with minority interests	Equity attributable to equity holders of the 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 revaluation 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	5 120	0	0	-54 001	-48 881	0	-48 881	-48 881
Opening balance after changes	**69 725**	**105 967**	**15 528**	**7 269**	**0**	**-49 706**	**148 783**	**0**	**148 783**	**148 783**
Increases (+) / decreases (-) on account of deferred income tax on the valuation of fixed assets		0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from buy back of own shares	0	0	0	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	18 468	0	0	0	-18 468	0	0	0	0
Net profit (loss)	**0**	**0**	**0**	**0**	**0**	**-15 666**	**-15 666**	**0**	**-15 666**	**-15 666**
Increases (+) / decreases (-) from revaluation of financial assets	0	0	-6	0	0	0	-6	0	-6	-6
Consolidation adjustments	0	0	0	0	0	0	0	0	0	0
Exchange of warrants for shares	22 582	-22 582	0	0	0	0	0	0	0	0
Sale of tangible assets	0	0	0	0	0	0	0	0	0	0
Other increases (+) / decreases (-)	0	2 455	0	-2 301	0	-2 743	-2 589	0	-2 589	-2 589
30.06.2010	**92 307**	**104 308**	**15 522**	**4 968**	**0**	**-86 583**	**130 522**	**0**	**130 522**	**130 522**

CONSOLIDATED CASH FLOW STATEMENT [PLN '000]	6-month period 01.01.2011 to 30 June 2011	12-month period 01.01.2010 to 31 December 2010	6-month period 01.01.2010 to 30.06.2010
A. Cash flow from operating activities (indirect method)			
Gross profit (loss)	**-17 976**	**-19 294**	**-15 046**
II. Total adjustments	**33 607**	**13 868**	**-41 229**
1. Minority profit (loss)	0	0	0
2. Share in net (profit) loss of subordinated companies valued by the equity method	0	0	0
3. Amortisation/depreciation	4 281	9 981	4 192
4. Profit (loss) from exchange rate differences	-22	-239	-306
5. Interest and profit distribution (dividends)	3 445	5 588	2 328
6. Profit (loss) on investment activity	139	95	2
7. Change in provisions	2 185	-73	-862
8. Change in inventories	9 400	-62 302	-28 537
9. Change in receivables	39 828	67 632	57 087
10. Change in current liabilities, excluding credit facilities and loans	-289	47 089	19 837
11. Change in prepayments and accruals	-28 719	19 210	3 941
12. Income tax paid	3 904	-5 003	- 2473
13. Other adjustments	-545	- 68 110	- 96 438
III. Net cash flow from operating activities (I+/-II)	**15 631**	**-5 426**	**-56 275**
B. Cash flow from investing activities			
I. Inflows	**503**	**5 922**	**2 763**
1. Sale of intangible assets and property, plant and equipment	227	3 520	638
2. Sale of investments in real property and intangible assets	0	0	0
3. From financial assets, of which:	276	2 402	2 125
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	276	2 402	2 125
- sale of financial assets	0	0	0
- dividends and profit distribution	23	39	0
- repayment of loans granted	12	0	0
- interest	241	663	425
- other inflows from financial assets	0	1 700	1 700
4. Other investment inflows	0	0	0
II. Outflows	**6 535**	**33 356**	**15 817**
1. Purchase of intangible assets and property, plant and equipment	6 285	27 448	15 817
2. Investments in real property and intangible assets	0	0	0
3. On financial assets, of which:	250	5 908	0
a) in affiliated companies	0	5 908	0
- purchase of financial assets	0	0	0
- loans granted	0	5 908	0
b) in other entities	250	0	0

CONSOLIDATED CASH FLOW STATEMENT [PLN '000]	6-month period 01.01.2011 to 30 June 2011	12-month period 01.01.2010 to 31 December 2010	6-month period 01.01.2010 to 30.06.2010
- purchase of financial assets	0	0	0
- loans granted	250	0	0
4. Other investment outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**-6 032**	**-27 434**	**-13 054**
C. Cash flow from financial activities			
I. Inflows	**9 276**	**75 319**	**75 319**
1. Net inflow from issue of shares and other capital instruments and additional payments to capital	0	75 319	75 319
2. Borrowings	0	0	0
3. Issue of debt securities	0	0	0
Sale of own shares	9 276	0	0
II. Outflows	**27 317**	**51 228**	**15 510**
1. Purchase of own shares	11 165	0	0
2. Dividends and other payments to owners	0	0	0
3. Profit distribution outflows other than payments to owners	0	0	0
4. Repayment of borrowings	4 701	28 546	2 827
5. Redemption of debt securities	0	0	0
6. From other financial obligations	0	0	0
7. Payment of liabilities from finance lease agreements	7 891	16 392	8 658
8. Interest	3 560	6 290	4 025
9. Other financial outflows	0	0	0
III. Net cash flow from financial activities (I-II)	**-18 041**	**24 091**	**59 809**
D. Total net cash flow (A.III+/-B.III+/-C.III)	**-8 442**	**-8 769**	**-9 520**
E. Balance-sheet change in cash, of which:	**-8 420**	**-8 530**	**-9 214**
- change in cash from exchange rate differences	22	239	306
F. Cash at the beginning of the period	**13 584**	**22 114**	**22 114**
G. Cash at the end of the period (F+/- D)	**5 142**	**13 345**	**12 594**

III. ADDITIONAL INFORMATION TO THE SHORT-FORM CONSOLIDATED FINANCIAL STATEMENTS

Table 5: Tangible fixed assets - acquisitions and disposals and depreciation write-downs

Item	Land	Buildings and construction	Plants and equipment	Means of transport	Remaining tangible assets	Tangible fixed assets in production	Total
for the period from 1 January to 30 June 2011							
Net balance sheet value as at 1 January 2011	7 614	35 171	14 580	10 816	2 906	4 258	75 345
Acquisition through business combinations.							-
Increases (purchase, manufacturing, leasing)		10	499	576	587	-315	1 987
Sale of a subsidiary (-)							-
Decreases (disposal, liquidation) (-)			(398)	(373)	(266)		(1 037)
Revaluation at fair value (+/-)							-
Amortisation/depreciation (-)	(1)	(753)	(1 432)	(1 130)	(316)		(3 632)
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other changes		4 112	0	2	0	(4 114)	0
Net balance sheet value as at 30 June 2011	7 613	38 540	13 249	9 891	2 911	459	72 663
for the period from 1 January to 30 June 2010							
Net balance sheet value as at 1 January 2010	4 589	36 581	10 168	8 790	2 391	4 923	67 442
Acquisition through business combinations.							-
Increases (purchase, manufacturing, leasing)		249	3812	2922	1 218	-47 984	9 185
Sale of a subsidiary							-
Decreases (disposal, liquidation) (-)		(50)	(208)	(274)	(323)	(304)	(1 159)
Revaluation at fair value (+/-)	-	-					-
Amortisation/depreciation (-)	(1)	(602)	(1 073)	(830)	(718)		(3 224)
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other changes		1 031	0	-		(1 031)	0
Net balance sheet value as at 30 June 2010	4 588	37 209	12 699	10 608	2 568	4 572	72 244
for the period from 1 January to 31 December 2010							
Net balance sheet value as at 1 January 2010	4 589	36 581	10 168	8790	2391	4 923	67 442
Acquisition through business combinations.			0	0	0		
Increases (purchase, manufacturing, leasing)		1 067	8 220	4 561	3 293	1 222	18 363

Item	Land	Buildings and construction	Plants and equipment	Means of transport	Remaining tangible assets	Tangible fixed assets in production	Total
Sale of a subsidiary (-)							-
Decreases (disposal, liquidation) (-)		(50)	(1 613)	(484)	(961)	(863)	(3971)
Revaluation at fair value (+/-)	3 027	(2197)					830
Amortisation/depreciation (-)	(2)	(1 254)	(2 195)	(2 051)	(1 817)		(7 319)
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other changes		1 024	_ 0	0		(1 024)	0
Net balance sheet value as at 31 December 2010	7 614	35 171	14 580	10 816	2 906	4 258	75 345

Table 6: Intangible assets - acquisitions and disposals and write-downs from impairment

Item	Trade marks	Patents and licences	Computer software	Costs of development works	Other intangible assets	Intangible assets under construction	Total
for the period from 1 January to 30 June 2011							
Net balance sheet value as at 1 January 2011		93	42			1 558	1 693
Acquisition through business combinations.							-
Increases (purchase, manufacturing, leasing)							-
Sale of a subsidiary (-)		28	8				36
Decreases (disposal, liquidation) (-)		(32)	(53)				(85)
Revaluation at fair value (+/-)							-
Amortisation/depreciation (-)		(19)	32				13
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other							
Net balance sheet value as at 30 June 2011	-	70	29	-	-	1 558-	1 657
for the period from 1 January to 30 June 2010							
Net balance sheet value as at 1 January 2010		163	99			1 151	1 413
Acquisition through business combinations.							-
Increases (purchase, manufacturing, leasing)		26	64			118	208
Sale of a subsidiary (-)							-
Decreases (disposal, liquidation) (-)							-

Item	Trade marks	Patents and licences	Computer software	Costs of development works	Other intangible assets	Intangible assets under construction	Total
Revaluation at fair value (+/-)							-
Amortisation/depreciation (-)		(46)	(101)				(147)
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other changes							1 269
Net balance sheet value as at 30 June 2010	-	143	62	-	-	1 269	1 474
for the period from 1 January to 31 December 2010							
Net balance sheet value as at 1 January 2010		163	99			1 151	1 413
Acquisition through business combinations.							-
Increases (purchase, manufacturing, leasing)		39	235			407	681
Sale of a subsidiary (-)							-
Decreases (disposal, liquidation) (-)							-
Revaluation at fair value (+/-)							-
Amortisation/depreciation (-)		(103)	(298)				(401)
Write-downs from impairment (-)							-
Reversal of depreciation write-downs							-
Net exchange rate differences from conversion (+/-)							-
Other changes							
Net balance sheet value as at 31 December 2010	-	99	36	-	-	1 558-	1 693

Table 16: Write-downs of inventories

	1 January to 30 June 2011	1 January to 30 June 2010	1 January to 31 December 2010
Balance at beginning of period	**880**	**200**	200
Write-downs entered as cost in the period			680
Write-downs reversed in the period (-)	(27)		.
Other changes (net exchange rate differences from conversion)	-		
Balance at end of period	**853**	**200**	**880**

Table 17: Write-downs of the value of receivables and loans

	1 January to 30 June 2011	1 January to 30 June 2010	1 January to 31 December 2010
Balance at beginning of period	**28 098**	**6 307**	6 307
Write-downs entered as cost in the period	167	99	2 237
Reversed write-downs entered as revenue in the period (-)	(228)	(1 259)	(2 816)
Utilised write-downs (-)	(447)	(5)	(743)
Other changes	6 008	157	23 113
Balance at end of period	**33 598**	**5 299**	**28 098**

Table 7: Stated capital

	30.06.2011	30.06.2010	31.12.2010
Number of shares	70 972 001	70 972 001	70 972 001
Nominal value of shares (PLN)	1	1	1
Stated capital	**70 972**	**70 972**	**70 972**

Table 8: Changes to the stated capital (by issue)

Shares by series / issue	Nominal value of the series / issue	Number of shares	Issue price (PLN)	Date of registration of series / issue
Stated capital as at 1 January 2010	48 390	48 390 000	x	x
E series	22 582	22 582 001	3.45	17.02.2010
Stated capital as at 30 June 2010	70 972	70 972 001	x	x
Stated capital as at 31 December 2010	70 972	70 972 001	x	x
Stated capital as at 30 June 2011	**70 972**	**70 972 001**	x	x

Table 9: Provisions for employee benefits and other provisions

	Provisions for employee benefits	Other provisions, of which:				
		Restructuring costs	Court cases	Losses on construction contracts	Other	Total
for the period from 1 January to 30 June 2011						
Balance at beginning of period	7 376				1 746	1 746
Provision increase entered as cost in the period					3 178	3 178
Provision dissolution entered as revenue in the period (-)					(1 000)	(1 000)
Utilisation of provisions (-)					(132)	(132)
Increase through business combinations.						-
Other changes (net exchange rate differences from conversion)						-
Balance of provisions as at 30 June 2011	7 376	-	-	-	3 792	3 792
for the period from 1 January to 30 June 2010						
Balance at beginning of period	7 057				2 000	2 000
Provision increase entered as cost in the period					138	138
Provision dissolution entered as revenue in the period (-)					(1 000)	(1 000)
Utilisation of provisions (-)						-
Increase through business combinations						-
Other changes (net exchange rate differences from conversion)						-
Balance of provisions as at 30 June 2010	7 057	-	-	-	1 138	1 138
for the period from 1 January to 31 December 2010						
Balance at beginning of period	7 057				2 000	2 000
Provision increase entered as cost in the period	323				746	746
Provision dissolution entered as revenue in the period (-)						-
Utilisation of provisions (-)	(6)				(1 000)	(1 000)
Increase through business combinations.						-
Other changes (net exchange rate differences from conversion)						-
Balance of provisions as at 31 December 2010	7 374	-	-	-	1 746	1 746

Table 10: Contingent liabilities

	30.06.2011	30.06.2010	31.12.2010
Towards affiliated non-consolidated companies			
Liability repayment bond			
Guarantees granted			
Guarantees granted for construction service agreements			
Litigation and court proceedings			
Other contingent liabilities			
Total affiliated non-consolidated companies	-	-	-
Towards associated companies			
Liability repayment bond			
Guarantees granted			
Guarantees granted for construction service agreements			
Litigation and court proceedings			
Other contingent liabilities			
Total associated companies	-	-	-
Towards affiliated consolidated companies			
Liability repayment bond	**-**	**-**	**-**
Guarantees granted	**-**	**-**	**-**
Guarantees granted for construction service agreements	**-**	**-**	
Litigation and court proceedings	**-**	**-**	**-**
Other contingent liabilities	**20 949**	**5 125**	**18 701**
Total affiliated consolidated companies	20 949	5 125	18 701
Towards other companies			
Liability repayment bond	**-**	**34 072**	**-**
Guarantees granted	**-**	**-**	**-**
Guarantees granted for construction service agreements	**82 311**	**62 305**	**69 461**
Litigation and court proceedings	**58 791**	**6 549**	**89 049**
Litigation and court proceedings with the Tax Office	**-**	**-**	**-**
Other contingent liabilities	**2 785**	**2 599**	**4 332**
Total other companies	143 887	105 525	162 842
Total contingent liabilities	**164 836**	**110 650**	**181 543**

Social Security Office

The Issuer has disclosed a liability towards the Social Security Office under the decision of 10 March 2010 with a value of PLN 2,791,000 and interest in the amount of PLN 4,092,000 as contingent due to the fact that it is currently difficult to predict the resolution of the appeal of the SSO's decision. The hearing regarding the appeal was scheduled to take place before the Regional Court, Employment and Social Security Tribunal in Katowice on 14 September 2011. The dispute with the SSO concerns the terms of settling employee benefits for employees temporarily seconded to work in Poland and abroad.

Martifer

The dispute with Martifer Polska Sp. z o.o. is described in Chapter V in the item entitled "Proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration authority."
In view of the extensive and complicated factual status of the matter, the abundance of evidence provided by the parties (including approximately 15 motions for expert opinions and the hearing of approximately 90 witnesses, including foreigners), accurate predictions concerning the fate of the matter are impossible at this stage. The Issuer estimates that the proceedings before the court of first instance alone will take at least approximately five years.

Table 11: Information about affiliates - sales and receivables

	Revenues from operating activities			Receivables		
	1 January to 30 June 2011	1 January to 30 June 2010	1 January to 31 December 2010	30.06.2011	30.06.2010	31.12.2010
Sales to:						
the parent company						
subsidiaries	2 934	11 706	17 010	1 239	8 502	4 970
associates						
Joint venture						
Key management personnel						
Other affiliates	2 401			1 314	-	-
Total	**5 335**	**11 706**	**17 010**	**2 553**	**8 502**	**4 970**

Table 12: Information about affiliates - purchase and liabilities

	Purchase (costs, assets)			Liabilities		
	1 January to 30 June 2011	1 January to 30 June 2010	1 January to 31 December 2010	30.06.2011	30.06.2010	31.12.2010
Purchase from:						
the parent company	12 401	14 157	39 820	1 680	3 492	5 665
subsidiaries						
associates						
Joint venture						
Key management personnel	-	-	-	-		
Other affiliates	1 743			298		
Total	**14 144**	**14 157**	**39 820**	**1 978**	**3 492**	**5 665**

Table 13: Information about affiliates - loans granted

	30.06.2011		30.06.2010		31.12.2010	
	Granted in the period:	Aggregate balance	Granted in the period:	Aggregate balance	Granted in the period:	Aggregate balance
Loans granted to						
The parent company						
Subsidiaries	10	10	564	28 701	6 091	5 158
Associates						
Joint venture						
Key management personnel						
Other affiliates						
Total	**10**	**10**	**564**	**28 701**	**6 091**	**5 158**

Table 14: Information about affiliates - loans received

	30.06.2011		30.06.2010		31.12.2010	
	Received in the period:	Aggregate balance	Received in the period:	Aggregate balance	Received in the period:	Aggregate balance
Loans received from:						
The parent company						
Subsidiaries						
Associates						
Joint venture						
Key management personnel						
Other affiliates						
Total	**-**	**-**	**-**	**-**	**-**	**-**

The EP Capital Group did not receive any loans from external entities.

Table 15: Adjustment of errors in the consolidated statements

	Report item		Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
	(+)	(-)			
Total changes to the non-consolidated statements (as per table 29)				**(72 621)**	**(36 831)**
[Q] consolidation adjustments-removal of the write-down of the value of shares disclosed in the non-consolidated statements			**33 023**	**33 023**	
[Q] establishment of a goodwill write-down (Amontex)		Retained goodwill / profit (loss)	26219	(26 219)	
[Q] settlement of long-term contracts of Amontex 2009		Current accruals and deferred income / retained profit (loss)	1 499	(1 499)	
[S] adjustment of leaseback (settlement)	Other operating income	Current accruals and deferred income (liabilities)			
		As on 30 June 2010	514	514	
		As on 31 December 2010	1 030		1 030
[K] Adjustment of the depreciation write-down of the development business inventory, in connection with a disclosure of the right of perpetual usufruct of land and adjustment of the merger with CK MODUS	Inventory	Investments in subsidiaries	2 395		
[S] Adjustment of leaseback - removal of profits from sale	Current accruals and deferred income	Retained profit (loss)	5 147	(5 147)	(5 147)
[R] Provision for deferred tax on Amontex contracts	Provision for deferred income tax	Retained profit (loss)	492	(492)	(492)
[R] Deferred tax concerning adjustments introduced to the Amontex financial statements	Provision for deferred income tax	Net profit (loss) attributable to the shareholders of the parent company			
		As on 30 June 2010	172	(172)	

	Report item (+)	Report item (-)	Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
		As on 31 December 2010	513		(513)
[R] Deferred tax concerning adjustments introduced to the consolidated financial statements	Provision for deferred income tax	Net profit (loss) attributable to the shareholders of the parent company / Deferred income tax assets			
		As on 30 June 2010	880	880	
		As on 31 December 2010	782		782
		Total		**(71 733)**	**(41 171)**

The above adjustments had a material adverse effect on the results in the comparative periods, i.e. the result for the first half of 2010 and the result for the whole of 2010, affecting, regardless of changes to the remaining reporting items, the net result for the period as follows:

- by lowering the consolidated net result for the first half of 2010 by PLN 17,732,000,
- by lowering the consolidated net result for 2010 by PLN 14,889,000,
- by lowering the non-consolidated net result for the first half of 2010 by PLN 17,977,000,
- by lowering the non-consolidated net result for 2010 by PLN 15,210,000.

The main error adjustments concerned:

1/FOR THE NON-CONSOLIDATED STATEMENTS:

A. including in the data for 30 June 2010 a revaluation write-down of the shares of Amontex (PLN 33,023,000) disclosed against the 2009 result in connection with the incorrect assessment of the value of balance sheet revenues and incorrect impairment test; the adjustment was entered in the 2010 annual report,

B. incorrect determination of the time of the transfer to the customer of significant risks and benefits involved in industrial sales,

C. detemining that the right of perpetual usufruct of land meets the IFRS assumptions regarding assets and their disclosure under fixed assets as land together with any changes in their fair value,

D. including white-collar employees in the provision estimates and updating the provisions for the first half of 2010,

E. disclosing the provision for warranty repairs in proportion to contract implementation,

F. discounting long-term retained amounts,

G. accounting for changes in the fair value of fixed assets in the group of buildings as at 31 December 2010

H. adjusting the qualification of a portion of the main office building as an investment property rather than property occupied by an owner,

I. disclosing a change in the fair value of the investment property being the subject of currency financial leasing as at 31 December 2009

J. entering a change in the fair value of land investment property,

K. adjustment of entering, in the settlement of a merger with the subsidiary CK-Modus Sp. z o.o., the in-kind contribution surplus that arose at the time of increasing the share capital of that company and its effect on inventory revaluation write-downs,

L. adjustment of provisions for deferred income tax mainly due to the valuation of contracts and fixed assets,

M. settlement of long-term contracts, primarily a contract from a few years ago, concerning a steam boiler upgrade at Energetyka Dwory Sp. z o.o. and a contract concerning the building of the roof structure for the PGE Arena Gdańsk stadium – a decrease in the profitability of these contracts was disclosed primarily in the first half of 2010.

1. Disclosure of the Baltic Arena contract in the 2010 financial statements of Energomontaż Południe SA

The Management Board of Energomontaż Południe S.A. adjusted the entry in the financial statements of the result generated in the implementation of the assembly and supply of the roof structure for Gdańsk's "Baltic Arena" stadium.

The change in the method of disclosing the result (adjustment of the result as on 30 June 2010) is caused by the following:

Margin change

In the contract budget as at the end of July, the Company lowered the projected result on the contract (by more than PLN 5.1 million). However, as on the date of approval of the financial statements for the first half of 2010 for publication, the Company should have been in possession of information about the adjusted budget as on 31 July 2010, and in July 2010 itself there were no events that could have had such a material effect on the projected margin.

Finance costs

As on 30 June 2010, the Company did not calculate the cost of financing the contract, even though it had obtained a special purpose loan for its implementation.

Additional works

Until 30 June 2010, the Company had incurred significant costs of implementing additional works and deadline postponement costs. In a letter of 8 July 2010, the Company presented its claims towards the ordering party, but the claims were not accepted by the principal. Therefore, the Company should enter these costs in the budget (as on 30 June 2010, the budget did not vary significantly from the calculation at the beginning of the construction process).

Structure of costs and renovation

In the implementation of the contract, the Company accounted for a small share of in-house services (work performed by its own units). However, as early as April 2010, this budget item exceeded the costs budget set aside for the entire construction process. This cost increase was caused by exceeding the time of work implementation and significant quality errors of the works on the part of the Company's subcontractor. The Company's own resources were being used to support the subcontractor with respect to the pace of work and quality repairs. However, these works were not covered by the agreement and the associated costs, known as on 30 June 2010, should have been reflected in the budget. The Company intends to transfer these charges to the subcontractor. However, until the court proceedings are concluded, there is no assurance that this plan will be implemented.

2. Disclosing the contract "Upgrade of boiler OP-140, unit 858 for SYNTHOS DWORY SP.Z O.O" in the 2010 financial statements of Energomontaż-Południe SA.

In June 2010, the project manager, upon reviewing the budget, moved that the Management Board approve a budget increase to include the costs of the above contract.
Total cost submitted for approval: PLN 3,573,000.

The project manager's motion was not processed and the budget increase was not entered in the books in June 2010.

Upon review of the contract in the course of preparing the June 2011 statements, the June 2010 assessment was reviewed and ultimately the costs budget was increased by PLN 3,110,000.

N. disclosure of land under financial lease,
O. changes to the disclosure of interest on financial lease and long-term retained amounts,
P. adjustment of the disclosure of the provision for future costs.

2/FOR THE CONSOLIDATED STATEMENTS

Q. including in the data for 30 June 2010 a revaluation write-down of the goodwill of Amontex disclosed against the 2009 result in connection with the incorrect assessment of the value of balance sheet revenues and incorrect impairment test, and adjustment of the contract settlement entered against the 2009 result in AMONTEX; the adjustment was entered in the 2010 annual report,

R. increasing the provision for deferred income tax on account of assessing contracts in the subsidiary,

S. disclosing in the consolidated financial statements the sale by a subsidiary of fixed assets used by the parent company under a financial lease agreement as leaseback together with deferred income tax.

Table 16: Error corrections - reconciliation of items in the consolidated financial statements

BALANCE SHEET - ASSETS	30.06.2010			31.12.2010		
	Before	Adjustments	After	Before	Adjustments	After
Tangible assets						
Goodwill	26 219	(26 219)	-	-	0	-
Intangible assets	1 474	-	1 474	1 693	0	1 693
Property, plant and equipment	62 128	10 116	72 244	63 752	11 593	75 345
Investment properties	96 084	(10 186)	85 898	92 377	(8 490)	83 887
Investments in subsidiaries	-	-	-		0	-
Investments in affiliated companies	-	-	-		0	-
Receivables and borrowings	-	3 169	3 169		4 010	4 010
Derivative financial instruments	-	-	-		0	-
Other non-current financial assets	290	-	290	309	0	309
Non-current prepayments and accrued income	9 165	(9 130)	35	8 998	(8 895)	103
Deferred income tax assets	5 335	1 576	6 911	3 716	2 830	6 546
Tangible assets	**200 695**	**(30 674)**	**170 021**	**170 845**	**1 048**	**171 893**
Current assets						
Inventories	84 590	15 146	99 736	90 409	23 810	114 219
Construction service agreement receivables	-	-	-		0	-
Trade and other liabilities	122 647	(3 735)	118 912	107 833	(4 538)	103 295
Current income tax receivables	2 548	-	2 548	5 014	0	5 014
Loans	-	-	-		0	-
Derivative financial instruments	390	-	390	3 023	0	3 023
Other current financial assets	-	-	-	-	0	-
Current prepayments and accrued income	57 579	(17 088)	40 491	24 509	(4 074)	20 435
Cash and cash equivalents	12 900	-	12 900	13 584	0	13 584
Non-current assets designated for sale	-	-	-		0	-
Current assets	280 654	(5 677)	274 977	244 372	15 198	259 570
Total assets	**481 349**	**(36 351)**	**444 998**	**415 217**	**16 246**	**431 463**

BALANCE SHEET - LIABILITIES	30.06.2010			31.12.2010		
	Before	Adjustments	After	Before	Adjustments	After
Equity						
Equity attributable to the shareholders of the			-			-

BALANCE SHEET - LIABILITIES	30.06.2010 Before	30.06.2010 Adjustments	30.06.2010 After	31.12.2010 Before	31.12.2010 Adjustments	31.12.2010 After
parent company:						
Stated capital	92 307	-	92 307	92 307	0	92 307
Own shares (-)	-	-	-		0	-
Equity from sale of shares above their par value	-	-	-		0	-
Other reserves	119 678	5 120	124 798	119 673	8 635	128 308
Retained earnings	(14 850)	(71 733)	86 583	(49 539)	(41 171)	(90 710)
Retained profit (loss)	(16 916)	(54 001)	(70 917)	(44 624)	(26 282)	(70 906)
Net profit (loss) attributable to the shareholders of the parent company	2 066	(17 732)	(15 666)	(4 915)	(14 889)	(19 804)
Equity attributable to the shareholders of the parent company	197 135	(66 613)	130 522	162 441	(32 536)	129 905
Non-controlling shares			-			-
Equity	197 135	(66 613)	130 522	162 441	(32 536)	129 905
Liabilities						
Non-current liabilities						
Loans, credit facilities and other debt instruments	8 714	-	8 714	4 831	0	4 831
Finance leases	61 187	(8 522)	52 665	59 531	(8 287)	51 244
Derivative financial instruments	-	-	-		0	-
Other liabilities	-	3 318	3 318		3 804	3 804
Provision for deferred income tax	5 818	6 536	12 354	6 135	6 957	13 092
Liabilities and provisions under employee benefits	5 860	-	5 860	6 177	0	6 177
Other non-current provisions	138	-	138		0	-
Non-current accruals and deferred income	-		-		0	-
Non-current liabilities	81 717	1 332	83 049	76 674	2 474	79 148
Current liabilities						
Trade and other liabilities	90 141	18 708	108 849	86 892	43 399	130 291
Current income tax liabilities	-	-	-	-	0	-
Credit facilities, loans and other debt instruments	76 333	-	76 333	54 303	0	54 303
Finance leases	11 324	(2 877)	8 447	11 628	(3 029)	8 599
Derivative financial instruments	3 172	-	3 172	285	0	285
Liabilities and provisions from employee benefits	1 197	-	1 197	1 060	0	1 060
Other current provisions	1 000	-	1 000	1 746	0	1 746
Current accruals and deferred income	19 330	13 099	32 429	20 188	5 938	26 126
Liabilities associated with non-current assets		-	-		0	-

BALANCE SHEET - LIABILITIES	30.06.2010			31.12.2010		
	Before	Adjustments	After	Before	Adjustments	After
designated for sale						
Current liabilities	202 497	28 930	231 427	176 102	46 308	222 410
Total liabilities	284 214	30 262	314 476	252 776	48 782	301 558
Total liabilities	**481 349**	**(36 351)**	**444 998**	**415 217**	**16 246**	**431 463**

Table 17: Error corrections - reconciliation of items in the consolidated income statement

Consolidated income statement	1 January to 30 June 2010			1 January to 31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Continuing operations:						
Sales revenues	**147 969**	**(8 625)**	**139 344**	**338 115**	**(24 428)**	**313 687**
Sales costs	**135 919**	**8 521**	**144 440**	**323 642**	**(18 855)**	**304 787**
Gross profit (loss) from sales	**12 050**	**(17 146)**	**(5 096)**	**14 473**	**(5 573)**	**8 900**
Sales costs	221	-	221	470		470
General management costs	10 119	-	10 119	20 535	0	20 535
Other operating income	7 019	514	7 533	13 972	1 030	15 002
Other operating expenses	3 766	464	4 230	24 630	(3 985)	20 645
Profit (loss) on sales of subsidiaries (+/-)		-	-		0	-
Operating profit (loss)	**4 963**	**(17 096)**	**(12 133)**	**(17 190)**	**(558)**	**(17 748)**
Financial revenue	5 031	-	5 031	24 481	(15 337)	9 144
Finance costs	7 944	-	7 944	10 675	15	10 690
Share in profits (losses) of companies valued by the equity method (+/-)			-		0	-
Profit (loss) before tax	**2 050**	**(17 096)**	**(15 046)**	**(3 384)**	**(15 910)**	**(19 294)**
Income tax	(16)	636	620	1 531	(1 021)	510
Net profit (loss) from continuing operations	**2 066**	**(17 732)**	**(15 666)**	**(4 915)**	**(14 889)**	**(19 804)**
Discontinued operations						
Net profit (loss) from discontinued operations			-			-
Net profit (loss)	**2 066**	**(17 732)**	**(15 666)**	**(4 915)**	**(14 889)**	**(19 804)**
Net profit (loss) attributable:						
to shareholders of the parent company	**2 066**	**(17 732)**	**(15 666)**	**(4 915)**	**(14 889)**	**(19 804)**
- to non-controlling entities			**-**			**-**

Table 18: Description of error corrections for the non-consolidated statements

	Report item	Adjustment	Effect on	Effect on

	(+)	(-)	amount	retained profits 30.06.2010	retained profits 31.12.2010
[A] Adjustment of the revaluation write-down for the shares of Amontex	Share revaluation write-downs	Result from previous years	33 023	(33 023)	
[B] Adjustment of the industrial production entry - revenues from sales	Trade and other liabilities	Retained profit (loss)	26 516	(26 516)	(26 516)
	Sales revenues	Trade and other liabilities	4 086	4 086	
	Trade and other liabilities	Sales revenues	21 077		(21 077)
[B] Adjustment of the industrial production entry - provision for future costs		Inventory / Short-term prepayments and deferred costs (liabilities)			
		As at 31 December 2009	959		
		As at 30 June 10	111		
		As at 31 December 2010	2 285		
[B] Adjustment of the industrial production entry - prime cost of sales	Sales costs	Inventories	1 490	(1 490)	
	Inventories	Sales costs	19 389		19 389
	Retained profit (loss) / inventories		15 310	15 310	15 310
[M] - Adjustment of the settlement of long-term contracts		Revenue from sales Current receivables and accruals (assets)	12 711	(12 711)	
		Revenue from sales Current receivables and accruals (assets) Current accruals and deferred income (liabilities)	3 351 1 045 2 306		(3 351)
	Prime cost of sale Current accruals and deferred income (liabilities)		6 442	(6 442)	
[E] Established provision for warranty repairs	Prime cost of sale Current accruals and deferred income (liabilities)				
		as at 30 June 2010	525	(525)	
		as at 31 December 2010	1 175		(1 175)

	Report item		Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
	(+)	(-)			
	Current accruals and deferred income	Retained profit (loss)	1 422	(1 422)	(1 422)
[H] Cancelled valuation entered against the result of the current main office (in connection with reclassification from investment properties to fixed assets)	Other reserves	Retained profit (loss)	4 944	(4 944)	(4 944)
[H] Reclassification of a portion of the main office building at fair value as at 31 December 2009	property, plant and equipment	Investment properties	6 584		
[H] Depreciation of the management board building (in connection with reclassification from investment properties to fixed assets)	Sales costs	Property, plant and equipment			
		as at 30 June 2010	64	(64)	
		as at 31 December 2010	128		(128)
		Retained profit (loss)/Tangible fixed assets	582	(582)	(582)
[P] Adjustment of the calculation of the provision for future costs of the Książęce Estate		Sales costs /Current accruals and deferred income (liabilities)	770		770
[D] Creating provision for unused leave	Other operating costs Current accruals and deferred income (liabilities)				
		as at 30 June 2010	464	(464)	
		as at 31 December 2010	246		(246)
	Current accruals and deferred income	Retained profit (loss)	683	(683)	(683)
[J] Entering fair value assessment of property investments (Opole)	Other operating expenses	Investment properties	3 871		(3 871)
[J] Entering fair value assessment of investment properties	Retained profit (loss) Investment properties		628	628	684
[G] Entering fair value assessment of fixed assets	Other operating expenses	Property, plant and equipment	2 855		(2 855)

	Report item (+)	Report item (-)	Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
	Tangible fixed assets Other capital as on 31 December 2010		4 338		
	Tangible fixed assets Other capital as on 31 December 2009		1 376		
[K] Adjustment of the amount of revaluation write-down for the development business inventory in connection with disclosing the right of perpetual usufruct of land and adjustment of the settlement of the merger with CK MODUS	Inventories	Other operating expenses	5 334		5 334
	Result from previous years Investments in subsidiaries			2 395	
[I] Entering fair value assessment of property investments as on 31 December 2009 (Wrocław)	Investment properties	Other operating expenses	5 567		5 567
		Investment property Retained profit (loss)	5 567	(5 567)	(5 567)
[N] Disclosing land under financial lease	Investment properties	Non-current financial liabilities	608		
[F] Discounting long-term receivables under deposits	Financial revenue Trade and other liabilities		39		39
		Trade and other liabilities and retained profit (loss)	565	(565)	(565)
[F] Discounting non-current receivables under deposits	Financial costs / Trade and other liabilities		16		(16)
	Retained profit (loss)	Trade and other liabilities	404	404	404
[K] Adjustment of the disclosure of the merger with CK Modus in 2010 - disclosure of the in-		Financial revenue Inventory	15 376		(15 376)

	Report item		Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
	(+)	(-)			
kind contribution surplus	Inventories Retained result		2 395		2 395
[C] Disclosure of the right of perpetual usufruct of land as on the date of transition to IFRS	Retained profit (loss) Tangible fixed assets; Investment property		3 530	3 530	3 530
[L] Deferred tax on adjustments introduced to the financial statements	Provision for deferred income tax	Retained profit (loss)	4 115	(4 115)	(4 115)
	Deferred tax assets Retained profit (loss)		506	506	506
[L] Deferred tax on adjustments introduced to the financial statements	Provision for deferred income tax	Net profit (loss)			
		as at 30 June 10	554	(554)	
		as at 31 December 2010	189		189
	Net profit Deferred income tax assets				
		as at 30 June 10	187	187	
		as at 31 December 2010	1 541		1 541
[L] Deferred tax on adjustments introduced to the financial statements	Other capital Provision for deferred income tax		2 023		
[O] Change in the disclosure of long-term interest on financial lease		Non-current accruals and deferred income / non-current liabilities			
		30 June 2010	9 130		
		31 December 2010	8 895		
[O] Change in the disclosure of short-term interest on financial lease		Non-current accruals and deferred income / non-current liabilities			
		30 June 2010	2 877		
		31 December 2010	3 030		

	Report item		Adjustment amount	Effect on retained profits 30.06.2010	Effect on retained profits 31.12.2010
	(+)	(-)			
[O] Change in the disclosure of non-current retained amounts - receivables	Non-current receivables	Trade receivables			
		30 June 2010	3 735		
		31 December 2010	4 537		
[O] Change in the disclosure of non-current retained amounts - liabilities	Non-current liabilities	Trade liabilities			
		30 June 2010	3 722		
		31 December 2010	3 804		
		Total		**(72 621)**	**(36 831)**

Table 19: Error corrections - reconciliation of items in the non-consolidated financial statements

BALANCE SHEET - ASSETS	30 June 2010			31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Tangible assets						
Goodwill	-	-	-	-	0	-
Intangible assets	1 459	1	1 460	1 676	0	1 676
Property, plant and equipment	57 994	10 116	68 110	60 741	11 592	72 333
Investment properties	96 084	(10 186)	85 898	92 377	(8 490)	83 887
Investments in subsidiaries	33 601	(30 628)	2 973	100	0	100
Investments in affiliated companies	-	-	-		0	-
Borrowings	28 201	3 169	31 370	3 582	4 011	7 593
Derivative financial instruments	196	(1)	195		0	-
Other non-current financial assets	95	-	95	309	0	309
Non-current prepayments and accrued income	11 856	(9 129)	2 727	8 975	(8 895)	80
Deferred income tax assets	5 250	695	5 945	3 452	2 048	5 500
Tangible assets	**234 736**	**(35 963)**	**198 773**	**171 212**	**266**	**171 478**
Current assets						
Inventories	28 613	12 751	41 364	90 054	23 809	113 863
Construction service agreement receivables	-	-	-		0	-
Trade and other liabilities	127 340	(3 735)	123 605	110 143	(4 537)	105 606
Current income tax receivables	2 097	-	2 097	5 014	0	5 014
Loans	-	390	390	1 576	0	1 576
Derivative financial instruments				3 023	0	3 023

BALANCE SHEET - ASSETS	30 June 2010			31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Other current financial assets	390	(390)	-	-	0	-
Current prepayments and accrued income	54 005	(15 589)	38 416	19 152	(4 074)	15 078
Cash and cash equivalents	8 676	-	8 676	13 242	0	13 242
Non-current assets designated for sale	-	-	-		0	-
Current assets	221 121	(6 573)	214 548	242 204	15 198	257 402
Total assets	**455 857**	**(42 536)**	**413 321**	**413 416**	**15 464**	**428 880**

BALANCE SHEET - LIABILITIES	30 June 2010			31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Equity						
Equity attributable to shareholders of the parent company			-			-
Stated capital	92 307	-	92 307	92 307	0	92 307
Own shares (-)	-	-	-		0	-
Capital from sale of shares above their par value	-	-	-		0	-
Other capital	113 263	5 120	118 383	113 268	8 635	121 903
Retained earnings	10 433	(72 621)	(62 188)	(41 272)	(36 831)	(78 103)
Retained profit (loss)	-	(54 644)	(54 644)	(40 671)	(21 621)	(62 292)
Net profit (loss) attributable to the shareholders of the parent company	10 433	(17 977)	(7 544)	(601)	(15 210)	(15 811)
Equity attributable to shareholders of the parent company	216 003	(67 501)	148 502	164 303	(28 196)	136 107
Non-controlling shares			-			-
Equity	216 003	(67 501)	148 502	164 303	(28 196)	136 107
Liabilities						
Non-current liabilities						
Credit facilities, loans and other debt instruments	6 425	-	6 425	4 775	0	4 775
Finance leases	60 760	(8 522)	52 238	59 245	(8 286)	50 959
Derivative financial instruments	-	-	-		0	-
Other liabilities	-	3 317	3 317		3 804	3 804
Provision for deferred income tax	5 809	5 873	11 682	6 128	5 953	12 081
Liabilities and provisions for employee benefits	5 708	-	5 708	5 996	0	5 996

BALANCE SHEET - LIABILITIES	30 June 2010			31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Other non-current provisions	-	-	-		0	-
Non-current accruals and deferred income	-		-		0	-
Non-current liabilities	78 702	668	79 370	76 144	1 471	77 615
Current liabilities						
Trade and other liabilities	88 735	18 708	107 443	85 603	43 399	129 002
Current income tax liabilities	-	-	-	-	0	-
Credit facilities, loans and other debt instruments	38 740	1	38 741	54 241	0	54 241
Finance leases	11 014	(2 878)	8 136	11 334	(3 030)	8 304
Derivative financial instruments	3 172	-	3 172	285	0	285
Liabilities and provisions for employee benefits	909	-	909	844	0	844
Other current provisions	1 000	-	1 000	1 000	0	1 000
Current accruals and deferred income	17 582	8 466	26 048	19 662	1 820	21 482
Liabilities associated with non-current assets designated for sale		-	-		0	-
Current liabilities	161 152	24 297	185 449	172 969	42 189	215 158
Total liabilities	239 854	24 965	264 819	249 113	43 660	292 773
Total liabilities	**455 857**	**(42 536)**	**413 321**	**413 416**	**15 464**	**428 880**

Table 20: Error corrections - reconciliation of items in the non-consolidated income statement

INCOME STATEMENT	1 January to 30 June 2010			1 January to 31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Continuing operations						
Sales revenues	**154 236**	**(8 625)**	**145 611**	**333 362**	**(24 427)**	**308 935**
Sales costs	**138 146**	**8 521**	**146 667**	**317 396**	**(18 855)**	**298 541**
Gross profit (loss) from sales	**16 090**	**(17 146)**	**(1 056)**	**15 966**	**(5 572)**	**10 394**
Sales costs	225	-	225	493	**0**	493
General management costs	7 899	1	7 900	17 009	**0**	17 009
Other operating income	7 723	-	7 723	15 165	**170**	15 335
Other operating expenses	3 748	463	4 211	24 339	**(3 815)**	20 524
Profit (loss) on sale of subsidiaries (+/-)		-	-		**0**	-
Operating profit (loss)	**11 941**	**(17 610)**	**(5 669)**	**(10 710)**	**(1 587)**	**(12 297)**

INCOME STATEMENT	1 January to 30 June 2010			1 January to 31 December 2010		
	Before	Adjustments	After	Before	Adjustments	After
Financial revenue	5 831	-	5 831	24 301	**(15 337)**	8 964
Finance costs	7 389	-	7 389	12 513	**16**	12 529
Share in profits (losses) of subordinated companies valued by the equity method (+/-)			-		**0**	-
Profit (loss) before tax	**10 383**	**(17 610)**	**(7 227)**	**1 078**	**(16 940)**	**(15 862)**
Income tax	(50)	367	317	1 679	**(1 730)**	(51)
Net profit (loss) from continuing operations	**10 433**	**(17 977)**	**(7 544)**	**(601)**	**(15 210)**	**(15 811)**
Discontinued operations						
Net profit (loss) from discontinued operations			-			-
Net profit (loss)	**10 433**	**(17 977)**	**(7 544)**	**(601)**	**(15 210)**	**(15 811)**
Net profit (loss) attributable to:						
shareholders of the parent company	**10 433**	**(17 977)**	**(7 544)**	**(601)**	**(15 210)**	**(15 811)**
- non-controlling entities			**-**			**-**

Table 32: Estimated results on construction service agreements

	1 January to 30 June 2011	1 January to 30 June 2010	1 January to 31 December 2010
Initially agreed amount of revenue on construction services under the agreement	813 079	716 602	**719 433**
Change in revenue under the agreement	27 179	22 881	**33 060**
Total amount of revenue from the agreement	840 258	739 483	752 493
Costs of the agreement incurred until the balance sheet date	449 169	336 607	**414 464**
Costs remaining until agreement completion	342 605	332 484	**273 605**
Estimated total costs of the agreement	791 774	669 091	688 069
Estimated total results under construction service agreements, of which:	**48 484**	**70 392**	**64 424**

Table 21: Description of material changes in assessments regarding results under construction service agreements, introduced in the period from 1 January to 30 June 2011

Westfalen - decrease in profitability caused by increased implementation costs.
RDK8 package 1, 2 and 3 - decrease in profitability of the assignment caused by an increase in the proposed cost by the cost of high-altitude rescue teams (not included in the original calculation).
Maasvlakte I - decrease in profitability of the assignment caused by unforeseen difficulty in welding the material.
Maasvlakte II - as above.
Alstom Power Bełchatów K6 - decrease in profitability caused by an increase in the cost to include previously unaccounted for works. It may in part be compensated by additional works.

Table 34: Construction service agreement receivables and liabilities

	1 January to 30 June 2011	**1 January to 30 June 2010**	**1 January to 31 December 2010**
Cost of the agreement incurred until the balance sheet date	449 169	336 607	**414 464**
Profits ascending until the balance sheet date (+)	44 501	38 069	**45 389**
Losses ascending until the balance sheet date (-)	(24 291)	(13 815)	**(19 697)**
Revenue under the agreement ascending until the balance sheet date	469 379	360 861	440 156
Amounts reinvoiced until the balance sheet date (partial invoices)	434 091	335 065	**435 109**
Settlement of agreements as at the balance sheet date (as per account balance), of which:	35 288	25 796	5 047
Construction service agreement receivables	**39 757**	**39 862**	**18 716**
Construction service agreement liabilities	**4 469**	**14 066**	**13 669**

IV. SHORT-FORM NON-CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION [PLN '000]	**Balance as at 30.06.2011**	**Balance as at 31.12.2010**	**Balance as at 30.06.2010**
ASSETS			
I. Non-current assets	**169 765**	**171 478**	**198 773**
1. Property, plant and equipment	70 066	72 333	68 110
2. Intangible assets	1 643	1 676	1 460
3. Goodwill	0	0	0
4. Investment properties	83 984	83 887	85 898
5. Financial assets	480	3 991	31 464
5a. Investments in subsidiaries	0	100	2 973
5b. Investments held for sale	184	214	195
5c. Other financial assets	95	95	95
5d. Loans granted	201	3 582	28 201
6. Non-current receivables	7 441	4 011	3 169
7. Deferred income tax assets	6 071	5 500	5 945

STATEMENT OF FINANCIAL POSITION [PLN '000]	Balance as at 30.06.2011	Balance as at 31.12.2010	Balance as at 30.06.2010
8. Prepayments and accrued income	80	80	2 727
II. Current assets	**208 394**	**257 402**	**214 548**
1. Inventories	104 713	113 863	41 364
2. Current receivables	96 284	125 698	164 118
2a. Trade receivables	40 630	83 810	91 754
2b. Other receivables	21 244	21 796	31 851
2c. Income tax receivables	1 109	5 014	2 097
2d. Prepayments and accrued income	33 301	15 078	38 416
3. Current financial assets	2 333	4 599	390
3a. Loans granted	47	1 576	390
3b. Financial assets designated for sale	0	0	0
3c. Foreign exchange forward contracts	2 286	3 023	0
4. Cash and cash equivalents	5 064	13 242	8 676
III. Non-current assets designated for sale	0	0	0
Total assets	**378 159**	**428 880**	**413 321**
LIABILITIES			
I. Equity	**108 717**	**136 107**	**148 502**
1. Share capital	92 307	92 307	92 307
- including revaluation of capital due to hyperinflation	21 335	21 335	21 335
2. Own shares	-2 573	0	0
3. Capital reserves	33 177	32 492	97 492
4. Revaluation reserve	19 412	19 443	15 923
5. Other capital reserves	69 968	69 968	4 968
6. Retained profit (loss)	-78 103	-62 292	-54 644
7. Profit (loss) for the current year	-25 471	-15 811	-7 544
II. Non-current liabilities	**73 849**	**77 615**	**79 370**
1. Provisions	18 395	18 077	17 390
1a. Provisions for employee benefits	5 996	5 996	5 708
1b. Provision for deferred income tax	12 399	12 081	11 682
1c. Other provisions	0	0	0
2. Financial liabilities	50 758	55 734	58 663
2a. Credit facilities and loans	3 125	4 775	6 425
2b. Leasing liabilities	47 633	50 959	52 238
3. Other non-current liabilities	4 696	3 804	3 317
III. Current liabilities	**195 593**	**215 158**	**185 449**
1. Provisions	2 935	1 844	1 909
1a. Provisions for employee benefits	844	844	909
1b. Other provisions	2 091	1 000	1 000
2. Financial liabilities	59 851	62 830	50 049
2a. Credit facilities and loans	51 308	54 241	38 741
2b. Leasing liabilities	8 260	8 304	8 136
2c. Foreign exchange forward contracts	283	285	3 172
3. Current liabilities	132 807	150 484	133 491
3a. Trade liabilities	36 824	46 564	56 432
3b. Other liabilities	81 440	82 438	51 011
3c. Income tax liabilities	0	0	0
3d. Accruals and deferred income	14 543	21 482	26 048
III. Liabilities associated with non-current assets designated for sale	**0**	**0**	**0**
Total liabilities	**378 159**	**428 880**	**413 321**
Book value	**108 717**	**136 107**	**148 502**
Average weighted number of ordinary shares (in '000)	**68 739**	**68 966**	**66 926**
Book value per share (in PLN)	**1.58**	**1.97**	**2.22**

STATEMENT OF COMPREHENSIVE INCOME [PLN '000]	6-month period 1 January 2011 to 30 June 2011	12-month period 1 January 2010 to 31 December 2010	6-month period 1 January 2010 to 30 June 2010
I. Net revenues from the sale of products, goods and materials	**142 631**	**308 935**	**145 611**
II. Costs of products, goods and materials sold	138 741	298 541	146 667
III. Gross profit (loss) from sales	**3 890**	**10 394**	**-1 056**
IV. Other revenue	6 008	15 335	7 723
V. Sales costs	187	493	225
VI. General management costs	7 961	17 009	7 900
VII. Other costs	17 940	20 524	4 211
VIII. Operating profit (loss)	**-16 190**	**-12 297**	**-5 669**
IX. Financial revenue	5 201	8 964	5 831
X. Finance costs	14 454	12 529	7 389
XI. Gross (pre-tax) profit (loss)	**-25 443**	**-15 862**	**-7 227**
XII. Income tax	28	-51	317
XIII. Net profit (loss) from continuing operations	**-25 471**	**-15 811**	**-7 544**
XIV. Profit (loss) on discontinued operations	0	0	0
XV. Net profit (loss) on continuing and discontinued operations	**-25 471**	**-15 811**	**-7 544**
ITEM			
Net profit (loss)	**-25 471**	**-15 811**	**-7 544**
Other comprehensive income	**-30**	**3 514**	**-6**
Financial assets held for sale	-30	-1	-6
Revaluation of tangible assets		3 515	
Cash flow hedging			
Profit from revaluation of real property		0	0
Share in other income of affiliated companies			
Total comprehensive income	**-25 501**	**- 12 297**	**-7 550**
Net profit (loss)	**- 25 471**	**- 15 811**	**- 7 544**
Average weighted number of ordinary shares (in '000)	**68 739**	**68 966**	**66 926**
Profit (loss)/diluted profit (loss) per ordinary share (in PLN)	**-0.37**	**-0.23**	**-0.11**

STATEMENT OF CHANGES IN EQUITY (PLN '000)

01.01.2011	Share capital	Own shares	Capital reserves	Revaluation reserve	Other capital reserves	Retained profit (loss) from previous years and the current year	Equity
Balance at beginning of period	**92 307**	**0**	**32 492**	**10 808**	**69 968**	**-41 272**	**164 303**
- including revaluation of capital due to hyperinflation	21 335						21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	8 635	0	-36 831	-28 196
Opening balance after changes	**92 307**	**0**	**32 492**	**19 443**	**69 968**	**-78 103**	**136 107**
Increases (+) / decreases (-) from liquidation and sale of tangible assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0	0	0	0	0	0	0
Increases (+) / decreases (-), valuation of tangible assets				0			
Dividend	0	0	0	0	0		0
Purchase of own shares		-2 573	0	0			
Valuation of financial assets				-31			
Net profit (loss)	0	0	0	0	0	-25 471	-25 471
Premium on the sale of own shares	0	0	685	0	0	0	685
Other increases (+) / decreases (-)	0	0	0	0	0		0
30.06.2011	**92 307**	**-2 573**	**33 177**	**19 412**	**69 968**	**-103 574**	**108 717**

01.01.2010	Share capital	Own shares	Capital reserves	Revaluation reserve	Other capital reserves	Retained profit (loss) from previous years and the current year	Equity
Balance at beginning of period	**69 725**	**0**	**99 953**	**10 809**	**7 269**	**20 409**	**208 165**
- including revaluation of capital due to hyperinflation	21 335						21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	5 120	0	-54 643	- 49 523
Opening balance after changes	**69 725**	**0**	**99 953**	**15 929**	**7 269**	**-34 234**	**158 642**
- including revaluation of capital due to hyperinflation	21 335						
Increases (+) / decreases (-) from share issues	**0**		**0**				
Increases (+) / decreases (-) from liquidation and sale of tangible assets	0		0	0	0	0	0
Increases (+) / decreases (-) from profit distribution	0		17 338	0	0	-22 306	- 4 968
Increases (+) / decreases (-), valuation of tangible assets				3 515			3 515
Dividend	0	0	0	0	0	0	0
Transfer from the Share Purchase Support Fund			0	0			0
Exchange of warrants for shares	22 582		-22 582	0			0
Valuation of financial assets				0			0
Creation of capital reserve for dividend payment					4 968		4 968
Creation of reserve for purchase of own shares			-65 000		65 000		0
Net profit (loss)	**0**	**0**	**0**	**0**	**0**	**-15 811**	**-15 811**
Premium on the sale of own shares	0	0	0	0	0	0	0
Other increases (+) / decreases (-)	0	0	2 783	-1	-7 269	-5 752	-10 239
31.12.2010	**92 307**	**0**	**32 492**	**19 443**	**69 968**	**-78 103**	**136 107**

01.01.2010	Share capital	Own shares	Capital reserves	Revaluation reserve	Other capital reserves	Retained profit (loss) from previous years and the current year	Equity
Balance at beginning of period	**69 725**	**0**	**99 953**	**10 809**	**7 269**	**20 409**	**208 165**
- including revaluation of capital due to hyperinflation	21 335						21 335
Changes in accounting principles	0	0	0	0	0	0	0
Correction of basic errors	0	0	0	5 120	0	-54 644	-49 524
Opening balance after changes	**69 725**	**0**	**99 953**	**15 929**	**7 269**	**-34 235**	**158 641**
Increases (+) / decreases (-) from liquidation and sale of fixed assets	0	0	0	0	0	0	0
Increases (+) / decreases (-) from revaluation of tangible assets				0			0
Increases (+) / decreases (-) – deferred tax from revaluation of tangible assets		0	0	0		0	0
Transfer from the Share Purchase Support Fund		0	0			0	0
Increases (+) / decreases (-) from profit distribution	0	0	17 338	0	0	-22 306	-4 968
Creation of capital reserve for dividend payment					4 969		4 969
Buy-back of own shares		0					0
Dividend	0	0	0	0	0	0	0
Net profit (loss)	**0**	**0**	**0**	**0**	**0**	**-7 544**	**-7 544**
Exchange of warrants for shares	22 582		-22 582				0
Valuation of financial assets	0	0	0	-6	0	0	-6
Other increases (+) / decreases (-)	0	0	2 783	0	-7 270	1 897	-2 590
30.06.2010	**92 307**	**0**	**97 492**	**15 923**	**4 968**	**-62 188**	**148 502**

CASH FLOW STATEMENT [PLN '000]	6-month period 1 January 2011 to 30 June 2011	12-month period 1 January 2010 to 31 December 2010	6-month period 1 January 2010 to 30 June 2010
A. Cash flow from operating activities (indirect method)			
Gross profit (loss)	**-25 443**	**-15 862**	**-7 227**
II. Total adjustments	**40 742**	**-35 930**	**-70 144**
1. Share in net (profit) loss of subordinated companies valued by the equity method	0	0	0
2. Amortisation/depreciation	3 785	8 917	3 667
3. Profit (loss) from exchange rate differences	-22	-239	-306
4. Interest and profit distribution (dividends)	3 155	4 862	981
5. Profit (loss) on investment activity	164	45	2
6. Change in provisions	1 091	-777	- 1000
7. Change in inventories	9 150	-99 801	-27 302
8. Change in receivables	44 944	56 415	42 561
9. Change in current liabilities, excluding credit facilities and loans	-5 085	33 141	6 547
10. Change in prepayments and accruals	-25 163	19 143	-2 358
11. Taxes paid	3 904	- 5 003	- 2 473
12. Other adjustments	4 819	-52 633	-90 463
III. Net cash flow from operating activities (I+/-II)	**15 299**	**-51 792**	**-77 371**
B. Cash flow from investing activities			
I. Inflows	**547**	**4 256**	**2 763**
1. Sale of intangible assets and property, plant and equipment	201	1 522	638
2. Sale of investments in real property and intangible assets	0	0	0
3. From financial assets, of which:	346	2 734	2 125
a) in affiliated companies	143	2 200	1 700
- sale of financial assets	0	0	0
- dividends and profit distribution	0	0	0
- repayment of loans granted	143	500	0
- other inflows	0	1 700	1 700
- interest	0	0	0
b) in other entities	203	534	425
- sale of financial assets	0	0	0
- dividends and profit distribution	24	39	0
- repayment of loans granted	12	0	0
- interest	167	495	425
- other inflows from financial assets	0	0	
4 . Other investment inflows	0	0	0
II. Outflows	**6 472**	**40 819**	**15 368**
1. Purchase of intangible assets and property, plant and equipment	6 212	26 351	14 754
2. Investments in real property and intangible assets	0	0	0
3. On financial assets, of which:	260	14 468	614
a) in affiliated companies	10	14 468	614
- purchase of financial assets	0	2 902	50
- loans granted	10	11 566	564
b) in other entities	250	0	0
- purchase of financial assets	0	0	0
- loans granted	250	0	0
4. Other investment outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**-5 925**	**-36 563**	**-12 605**
C. Cash flow from financial activities			

CASH FLOW STATEMENT [PLN '000]	6-month period 1 January 2011 to 30 June 2011	12-month period 1 January 2010 to 31 December 2010	6-month period 1 January 2010 to 30 June 2010
I. Inflows	**9 276**	**104 317**	**90 467**
1. Net inflow from issue of shares and other capital instruments and additional payments to capital	0	75 319	75 319
2. Borrowings	0	28 998	15 148
3. Issue of debt securities	0	0	0
4. Sale of own shares	9 276	0	0
II. Outflows	**26 850**	**21 503**	**10 665**
1. Purchase of own shares	11 165	0	0
2. Dividends and other payments to owners	0	0	0
3. Profit distribution outflows other than payments to owners	0	0	0
4. Repayment of borrowings	4 584	0	0
5. Redemption of debt securities	0	0	0
6. From other financial obligations	0	0	0
7. Payment of liabilities from finance lease agreements	7 756	16 107	8 431
8. Interest	3 345	5 396	2 234
9. Other financial outflows	0	0	0
III. Net cash flow from investment activities (I-II)	**-17 574**	**82 814**	**79 802**
D. Total net cash flow (A.III+/-B.III+/-C.III)	**-8 200**	**-5 541**	**-10 174**
E. Balance-sheet change in cash, of which:	**-8 178**	**-5 302**	**-9 868**
- change in cash from exchange rate differences	22	239	306
F. Cash at the beginning of the period	**13 242**	**18 544**	**18 544**
G. Cash at the end of the period (F+/- D)	**5 042**	**13 003**	**8 370**

CHAPTER VIII: FINANCIAL OVERVIEW

I. ANALYSIS OF THE CAPITAL GROUP'S ECONOMIC AND FINANCIAL RESULTS

Table 35: Net result structure

	EP Group 1H2011	EP 1H2011	EP Group 1H2010	EP 1H2010
Sales revenues	145,280	142,631	139,344	145,611
Gross profit [loss] from sales	-130	3,890	-5,096	-1,056
Operating profit [loss]	-13,739	-16,190	-12,133	-5,669
Financial activities result	-4,237	-9,253	-2,913	-1,558
Gross profit [loss]	-17,976	-25,443	-15,046	-7,227
Income tax	999	28	620	317
Net profit [loss]	**-18,975**	**-25,471**	**-15,666**	**-7,544**

In the first half of 2011, the Energomontaż-Południe Capital Group reported an increase in sales revenue of 4.3 per cent compared to the first half of 2010. The Group's revenue rose from PLN 139,344,000 in the first half of 2010 to PLN 145,280,000 in the first half of 2011. The difference between the consolidated sales revenue and non-consolidated sales revenue in the reporting periods is negligible. The EP Group reported a loss on operating activity in the first half of 2011 of PLN 13.7 million, with the operating result being primarily affected by the parent company. In the first half of 2011, the parent company recorded under other operating costs mainly one-off events, of which the most prominent are:
- the revaluation write-down of the deposit and trade receivables of the subsidiary Amontex (PLN 8.7 million),
- the establishment of provisions for penalties with respect to compensation for owners of residential premises in Wrocław (PLN 2 million),
- VAT adjustment (PLN 1.6 million).

Furthermore, the parent company reported a loss on financial operations of PLN 9.2 million. The reasons underlying the financial loss reported by the parent company were financial costs, primarily the cost of debt service (PLN 7.2 million) and the establishment of provisions for the loan, together with interest, extended to the subsidiary Amontex (PLN 5.8 million). The loss on financial operations is offset by the revenue of PLN 4.6 million, mainly from valuation and profits of currency transactions securing inflows from export contracts. The Capital Group concluded the first half of 2011 with a net loss of approximately PLN 19 million. The difference between the Group's net result and the Company's net result is caused, on the one hand, by the reversal of the write-downs established for Amontex (approximately PLN 13 million), which helped improve the Group's result, and on the other hand by Amontex's net loss of PLN 8.3 million.

1. ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

When compared with the state as at 31 December 2010, in the first half of 2011 the value of non-current assets grew by PLN 1,196,000. In the property structure, its share was 44.1 per cent, an increase of 4.3 per cent.

At the end of the first half of 2011, current assets constituted 55.9 per cent of total assets, and had dropped by PLN 39,834,000 in comparison with the end of 2010. This decrease in current assets resulted mainly from a decline in short-term receivables. With regard to sources of financing in the first half of 2011, there was a drop in foreign capital of PLN 17,745,000, mainly due to the repayment of bank credit and trade liabilities. In the liabilities structure, the share of equity at the end of June 2011 was 27.8 per cent, having dropped by 2.3 per cent compared with the end of 2010. In absolute terms, there was a decrease in equity of PLN 20,893,000, mainly as a result of recording the loss for the current reporting period.

2. ANALYSIS OF THE CASH FLOW STATEMENT

As at 30 June 2011, cash and equivalents had reached a level of PLN 5,142,000. During the first half of 2011, there was a reduction in net cash of PLN 8,442,000 in comparison with the end of 2010.

Table 36: Cash flow structure

BREAKDOWN [PLN '000]	**EP Group 1H2011**
Cash flows from operating activities	+15.631
Cash flows from investment activities	-6.032
Cash flows from financial activities	-18.041
Change in state of net cash and equivalents	**-8,442**

Table 37: Selected financial figures for the EP Capital Group

NAME	**CALCULATION FORMULA**	**1H2011**	**2010**	**1H2010**
Financial liquidity indicators				
Current liquidity ratio	Current assets/current liabilities	1.06	1.17	1.19
Quick liquidity ratio	(Current assets – reserves)/current liabilities	0.55	0.65	0.76
Debt ratios				
Liabilities to assets ratio (total)	Non-current and current liabilities / assets (total)	0.72	0.70	0.71
Liabilities to equity ratio	Non-current and current liabilities/	2.60	2.32	2.41

NAME	CALCULATION FORMULA	1H2011	2010	1H2010
	equity			
Ratio of covering debt with non-current assets	Non-current assets/non-current liabilities	2.28	2.17	2.05
Profitability indicators				
ROA	Net profit (loss) / assets * 100%	-4.8%	-4.6%	-3.5%
ROE	Net profit (loss) / equity * 100%	-17.4%	-15.2%	-12.0%
Profitability of sales	Net profit (loss) / sales revenue * 100%	-13.1%	-6.3%	-11.2%

II. INVESTMENTS

1. INVESTMENT OUTLAYS

In the first half of 2011, the Energomontaż Południe Capital Group incurred investment outlays of a total of PLN 5,824,000. Those investments mainly concerned property, plant and equipment. The main purchases in the first half of 2011 were made by the parent company and involved technical equipment, machines and general purpose equipment. The remaining outlays were mainly for buildings and constructions and low-cost non-current assets . Outlays for intangible assets involved the purchase of licences and software. Outlays by the subsidiary Amontex PM Sp. z o.o. were insignificant and closed with the amount of about PLN 100,000.

Table 38: Structure of investment outlays

INVESTMENT OUTLAYS [PLN '000]	EP Group 1H2011	EP 1H2011	EP Group 1H2010	EP 1H2010
Intangible assets	36	36	91	91
Property, plant and equipment	5,788	5,651	13,502	12,688
Capital investments	-	-	50	50
Total	**5,824**	**5,687**	**13,643**	**12,829**

The Issuer does not foresee any dangers in implementing investment plans in future reporting periods.

2. 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 (IAS 27).

Such entities mainly include:

- Open Wrocław Sp. z o.o. in liquidation (70 per cent of the share capital, total par value of 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 (19.95 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. ASSESSMENT OF THE MANAGEMENT OF FINANCIAL RESOURCES

Table 39: Financial resources management

BREAKDOWN (PLN '000)	1H2011	2010	1H2010
Equity	**109,012**	**129,905**	**130,522**
+ non-current liabilities	75,825	79,148	83,049
Constant capital	**184,837**	**209,053**	**213,571**
- non-current assets	173,089	171,893	170,021
Working capital	**11,748**	**37,160**	**43,550**

IV. FINANCIAL INSTRUMENTS USED BY THE EP CAPITAL GROUP

The Capital Group secures commercial currency transactions using forward transactions. The parent company consistently fulfils its obligations towards the banks that participated in the above 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 *Chapter III: Risks and dangers* above.

The sale and leaseback transaction for 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.

V. FINANCIAL RESULTS FORECASTS

Until the date of publication hereof, the Issuer had not published a 2011 financial result projection.

VI. ORDER PORTFOLIO

The Management Board of the parent company, in an effort to meet the expectations of investors and analysts, along with the publication of current information concerning the conclusion of material contracts/the Company receiving significant orders, presents current information about the order portfolio. The information is also contained in the Company's previous interim reports.

As at the date of publishing this report, the Company's order of portfolios has an estimated value of approximately PLN 338.5 million (it includes export orders worth about EUR 77 million), including PLN 197.3 million to be carried out in 2011. The value of the portfolio was calculated using the euro exchange rate accepted by the Issuer in calculating orders. The portfolio includes the value of orders that will be carried out in the future.

VII. INFORMATION ON CONTRACTED CREDIT OR LOANS, AND SURETYSHIPS AND GUARANTEES OBTAINED OR GRANTED

In the first half of 2011, the Group did not incur any new bank loans, and the amounts of amended loan agreements concluded in previous reporting periods were not of material value.

Companies forming part of the Capital Group did not take out any bank loans in the first half of 2011.

In the first half of 2011, no credit or loans granted to units of the Energomontaż Południe Capital Group were terminated.

Loans and suretyships granted in the first half of 2011

During the first half of 2011, the Group did not grant any loans or suretyships material from the point of view of the scale of its operations.

Table 40: Guarantees granted in the first half of 2011

TYPE	Amount [PLN '000]
Bank	25,530
Insurance	12,324
Total	**37,854**

Energomontaż-Południe S.A. did not grant any guarantees to affiliated entities. In the first half of 2011, no loans, guarantees or suretyships were granted to management and supervisory personnel of the parent company or persons related to them.

Table 41: Guarantees obtained in the first half of 2011

TYPE	Amount [PLN '000]
Bank	1,905
Insurance	3,577
Total	**5,482**

CHAPTER IX: ADDITIONAL INFORMATION TO THE SHORT-FORM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2011

I. INFORMATION ABOUT THE PRINCIPLES OF DRAFTING SHORT-FORM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2011

The extended consolidated report for the first half of 2011 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 reports were 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.

II. 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 about the principles adopted in preparing the report for the first half of 2011 was included in the non-consolidated and consolidated interim report for 2010. The reports were published with the aid of the ESPI system on 21 March 2011. The Company is making the content of the reports available on the website ***HTTP://WWW.ENERGOMONTAZ.PL***.

III. DESCRIPTION OF MATERIAL CHANGES TO ACCOUNTING PRINCIPLES

In the first half of 2011, the same accounting principles (policy) and calculation methods were used as in the previous annual financial statements. The short-form 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 2010.

IV. OCCURRENCES AFTER THE BALANCE SHEET DATE

Information on material events that took place after the balance sheet date is set out in Chapter V item II *Material events after the reporting period* above.

V. INFORMATION ON PAID (OR DECLARED) DIVIDENDS

The Company did not pay or declare any dividend in the first half of 2011.

VI. CLARIFICATIONS ON THE SEASONAL AND CYCLICAL NATURE OF THE OPERATIONS OF THE ENERGOMONTAŻ-POŁUDNIE CAPITAL GROUP

The market for construction/assembly services is subject to seasonal cycles, largely due to the weather. Work in the power sector, the main customer for the parent company's services, is also cyclical in nature. Refurbishment and modernisation work on power production facilities are mostly carried out in summer, because they operate intensively in the winter period.

VII. TYPES AND AMOUNTS OF ITEMS THAT AFFECT ASSETS, LIABILITIES, 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 S.A. 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.

VIII. TYPES AND AMOUNTS OF CHANGES IN ESTIMATED VALUES THAT WERE SPECIFIED IN PREVIOUS INTERIM PERIODS OF 2011 OR CHANGES IN ESTIMATED VALUES SPECIFIED IN PREVIOUS FINANCIAL YEARS, IF THEY HAVE A MATERIAL EFFECT ON THE FIRST HALF OF 2011

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 2011.

IX. CHANGES TO CONTINGENT LIABILITIES

The contingent liabilities of the Energomontaż Południe Capital Group amount, at the end of the first half-year of 2011, to PLN 164,836,000, having decreased by PLN 16,707,000 in comparison with their state as at 31 December 2010.

As at 30 June 2011, the Company's contingent liabilities amount to PLN 143,887,000, a decrease of PLN 18,955,000 relative to the balance as at 31 December 2010.

Contingent liabilities are mainly bank guarantees granted or insurance guarantees required as part of conducted operations, as well as liabilities under pending court proceedings. The contingent liabilities are set forth in detail in Table 10: Contingent liabilities .

X. 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 dangers in connection with the Company meeting its obligations, including currency obligations arising as a result of exchange rate risk limitation 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 Issuer's ability to meet its obligations.

Signatures of persons representing the parent company:

End	Name and surname	Title/function	Signature
18 August 2011	Krzysztof Jan Diduch	President of the Management Board	
18 August 2011	Jacek Fydrych	Vice-President of the Management Board	
18 August 2011	Radosław Kamiński	Member of the Management Board	
18 August 2011	Ryszard Radomski	Member of the Management Board	
18 August 2011	Waldemar Barański	Member of the Management Board	