

Capital Group HYDROBUDOWA POLSKA

**Mid-year consolidated financial statements
for the 4th quarter of 2008**

prepared pursuant to the International Financial Reporting Standards

Wysogotowo, this 2nd March 2008

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Dominating company of the Capital Group HYDROBUDOWA POLSKA S.A. with its seat in Wysogotowo, ul. Skórzewska 36, 62-081 Przeźmierowo, was registered on this 24.02.1993 by District Court in Włocławek under the number RHB-794 in commercial register, and then it was entered by District Court in Toruń at ul. Młodziejowa 31, 7 th Commercial Division of the National Court Register under National Court Register Number KRS 0000017342 – on this 6 th June 2001	
The Supervisory Board of the Company:	
The Executive Board of the Company	
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The structure of the Capital Group HBP	
HYDROBUDOWA 9 PRZEDSIĘBIORSTWO INŻYNIERYJNO – BUDOWLANE S.A.	
Address: ul. Sienkiewicza 22, 60 - 900 Poznań	
GÓRECKA PROJEKT Sp. z o.o.	
6810 Z – purchase and sale of real estate its the own account	
Address: ul. Sienkiewicza 22, 60 - 900 Poznań	
Classification according to the Central Statistical Office: 6810 Z – purchase and sale of real estate for the own account	
HYDROBUDOWA POLSKA KONSTRUCKJE Sp. z o.o.	
Classification according to the Central Statistical Office: 25 11Z – manufacture of metal structures and their parts;	
P.R.G. „METRO” Sp. z o.o.	
Address: ul. Wólczyńska 163, 01 – 919 Warszawa	
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For four quarters of 2008 increasingly, the revenue on sales of the company HYDROBUDOWA POLSKA S.A. amounted to nearly 794 million PLN and increased by 36%. The biggest share in sales was stated by water segment which constituted nearly 72%. The second biggest segment was the segment of services. Its share in revenue on sales in the discussed period amounted to 13.4%. The segment of fuels was positioned on the third place and constituted over 12%. The fourth biggest segment was the segment of industrial construction which constituted 2.4% in the sales structure. The smallest share in the revenue on sales stated the segment of road construction and this was only 0.2%..... 52

General administrative costs at the end of the fourth quarter of 2008 amounted to 29.6 million PLN and they were 39% bigger in comparison with the analogical period of the previous year. The main items constituting general administrative costs include remunerations and depreciation. 52

**MID-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF GRUPA KAPITAŁOWA HYDROBUDOWA
POLSKA FOR 4th QUARTER OF 2009**

SELECTED FINANCIAL DATA

	For the period from 01.01 to 31.12.2008	For the period from 01.01. to 31.12.2007	For the period from 01.01 to 31.12.2008	For the period from 01.01. to 31.12.2007
	PLN	PLN	EUR	EUR
Cash revenue on sales	1 217 904	844 897	344 810	223 707
Profit (loss) from operational activity	55 494	66 198	15 711	17 528
Profit (loss) before tax	58 334	69 240	16 515	18 333
Profit (loss) net from continued activity	61 093	58 869	17 297	15 587
Profit (loss) net	61 093	58 869	17 297	15 587
Monetary resources net from operational activity	(196 531)	(99 216)	(55 641)	(26 270)
Monetary resources net used in investment activity	(44 879)	27 859	(12 706)	7 376
Monetary resources net from financial activity	251 634	104 545	71 242	27 681
Net change of the balance of monetary resources and their equivalents	10 224	33 188	2 895	8 787
Weighted average number of ordinary shares***	197 075	166 463	197 075	166 463
Weighted average watered number of ordinary shares	197 075	166 463	197 075	166 463
Profit (loss) for one ordinary share (in PLN/EUR)	0,31	0,35	0,09	0,09
Watered profit (loss) for one ordinary share (in PLN/EUR)	0,31	0,35	0,09	0,09
Average exchange rate PLN / EUR*			3,5321	3,7768

Specification	for the day 31.12.2008	for the day 31.12.2007	for the day 31.12.2008	for the day 31.12.2007
	PLN	PLN	EUR	EUR
Assets	1 209 757	136 224	289 943	38 030
Long-term liabilities	105 784	114 571	25 353	31 985
Short-term liabilities	875 163	730 944	209 751	204 060
Equity	228 810	(10 435)	54 839	(2 913)
Initial capital	210 559	175 558	50 465	49 011
Number of shares ***	210 558	175 558	210 558	175 558
Book value for one share in (PLN/EUR)	1,09	(0,06)	0,26	(0,02)
Declared or paid-out dividend for one share (in PLN/EUR)	-	-	-	-
Exchange rate PLN/EUR at the end of the period**			4,1724	3,5820

* Average PLN/EUR exchange rate was calculated according to the rate being the simple average of the rates of the National Bank of Poland as for the day closing each month of the reporting period

** Selected items of the balance sheet converted into EUR according to the average exchange rate of the National Bank of Poland determined for the day closing the reporting period.

*** Numbers of shares were presented upon taking into consideration the operation of the acquisition of Hydrobudowa 9 pursuant to the principles resulting from the pooling of interest method

MID-YEAR CONSOLIDATED BALANCE SHEET

Specification	for the day	for the day
	31.12.2008.	31.12.2007
<i>Assets</i>		
Fixed assets	252 325	136 224
Intangible assets	2 162	2 916
Company value taken over within the framework of the merger of economic units	37 158	-
Property, plant and equipment	160 609	112 312
Non-renewable natural resources		-
Investment properties	5 207	5 000
Investments in subsidiaries		-
Investments in affiliated undertakings		-
Other long-term financial assets	89	600
- from related entities		357
- from other entities	89	243
Long-term receivables	9 693	11 731
- from related entities		-
- from other entities	9 693	11 731
Assets on account of deferred income tax	32 509	-
Long-term accruals	4 898	3 665
Current assets	957 432	698 856
Stocks	12 331	10 317
Receivables from the ordering parties on account of the works resulting from construction service / long-term contracts	435 281	234 361
- from related entities	70 179	3 272
- from other entities	365 102	231 089
Receivables for supplies and services provided	401 113	289 515
- from related entities	109 979	40 084
- from other entities	291 134	249 431
Receivables on account of current income tax		141
Other short-term receivables	20 863	53 383
- from related entities	4 137	150
- from other entities	16 726	53 233
Other short-term financial assets	924	41 550
- from related entities		-
- from other entities	924	41 550
Monetary resources and their equivalents	74 321	63 435
Short-term accruals	12 599	6 154
Assets in total	1 209 757	835 080

Specification	for the day	for the day
	31.12.2008.	31.12.2007
<i>Liabilities</i>		
Equity	228 810	(10 435)
Equity capital falling for shareholders of the dominating entity	228 581	(10 435)
Initial capital	210 559	175 558
Treasury shares		-
Supplementary capital from the sale of shares above their nominal value	254 207	-
Capital from the valuation of hedge operations and differences in rates from consolidation	(101 565)	9 216
Other capitals	45 905	41 342
Undivided financial result	(180 525)	(236 551)
- profit (loss) from previous years	(241 069)	(216 278)
- profit (loss) net of current year falling for the shareholders of the dominating entity	60 544	(20 273)
Shares of the minority	229	-
Liabilities	980 947	845 515
Long-term liabilities	105 784	114 571
Long-term credits and loans	27 344	11 477
- from related entities		-
- from other entities	27 344	11 477
Other long-term financial liabilities	57 417	58 566
Other long-term liabilities	10 222	12 393
- from related entities	602	570
- from other entities	9 620	11 823
Provision on account of deferred income tax	3 207	12 884
Provisions for liabilities on account of employee benefits	2 116	2 354
Other long-term provisions	5 478	16 897
Long-term accrued liabilities		-
Short-term liabilities	875 163	730 944
Short-term credits and loans	252 458	231 190
- from related entities		41 390
- from other entities	252 457	189 800
Other short-term financial liabilities	128 615	1 717
Liabilities for supplies and services provided	367 470	264 836
- from related entities	18 949	23 737
- from other entities	348 521	241 099
Liabilities on account of the construction service contract	9 434	15 826
- from related entities	209	4 241
- from other entities	9 225	11 585
Liabilities on account of current income tax	13 998	11 113
Other short-term liabilities	24 697	82 902
- from related entities	4 802	1 099
- from other entities	19 895	81 803
Provisions for liabilities on account of employee benefits	902	897
Other short-term provisions	72 434	116 922
Short-term accruals	5 155	5 541
Liabilities in total	1 209 757	835 080

MID-YEAR CONSOLIDATED PROFIT AND LOSS ACCOUNT

Specification	For the 4 th quarter from 01.10. to 31.12.2008	For 4 quarters from 01.01 to 31.12.2008	For the 4 th quarter from 01.10. to 30.09.07	For 4 quarters from 01.01 to 31.12.2007
<i>Continued activity</i>				
Cash revenue on sales	384 041	1 217 904	383 028	844 897
- from related entities	69 860	132 983	52 358	95 439
Revenue on sale of products	-	-	-	
Fees earned	380 157	1 196 352	372 863	824 061
Revenue on sale of goods and materials	3 884	21 552	10 165	20 836
Cost of sales	(357 471)	(1 100 839)	(327 449)	(750 422)
- from related entities	(15 093)	(54 579)	(25 404)	(49 886)
Cost of sold products	-	-	-	6 362
Cost of sold services	(353 468)	(1 080 010)	(317 399)	(736 094)
Cost of sold goods and materials	(4 003)	(20 829)	(10 050)	(20 690)
Profit (loss) gross on sales	26 570	117 065	55 579	94 475
Costs of sales	-		-	
General administrative costs	(18 173)	(50 684)	(10 202)	(33 459)
Other operational revenue	2 857	14 178	(73)	14 607
Other operational costs	(17 670)	(25 065)	(4 818)	(9 425)
Share in profit of the entities settled with equity method	-		-	
Restructuring costs	-		-	
Profit (loss) from operational activity	(6 416)	55 494	40 486	66 198
Financial revenue	16 774	29 912	-	6 575
Financial costs	(9 389)	(27 072)	(9 526)	(19 683)
Other profit (loss) from investment	-		-	16 150
Profit (loss) before tax	969	58 334	30 960	69 240
Income tax	5 050	2 759	(6 028)	(10 371)
Profit (loss) net from continued activity	6 019	61 093	24 932	58 869
<i>Discontinued activity</i>				
Loss net from discontinued activity	-		-	
Profit (loss) net	6 019	61 093	24 932	58 869
Profit (loss) net falling for:				
- the shareholders of the dominating entity	6 019	60 544	24 932	58 869
- minority shareholders	-	549	-	

PROFIT (LOSS) FOR ONE ORDINARY SHARE

Specification	For the 4 th quarter	For 4 quarters	For the 4 th quarter	For 4 quarters
	from 01.10.	from 01.01	from 01.10.	from 01.01
	to 31.12.2008	to 31.12.2008	to 30.09.2007	to 31.12.2007
	PLN/share	PLN/share	PLN/share	PLN/share
Profit (loss) net from continued activity	6 019	61 093	24 932	58 869
Profit (loss) net from continued and discontinued activity	6 019	61 093	24 932	58 869
Weighted average number of ordinary shares	210 558	197 075	175 558	166 463
Weighted average watered number of ordinary shares	210 558	197 075	175 558	166 463
<i>from continued activity</i>				
- basic	0,0286	0,31	0,142	0,3536
- watered	0,0286	0,31	0,142	0,3536
<i>from continued and discontinued activity</i>				
- basic	0,0286	0,31	0,142	0,3536
- watered	0,0286	0,31	0,142	0,3536

MID-YEAR CONSOLIDATED CASH FLOW ACCOUNT

Specification	For the period from 01.01 to 31.12.2008	For the period from 01.01 to 31.12.2007
Cash flow from operational activity		
Profit net before tax	58 334	69 240
Adjustments:	83 706	(21 663)
Depreciation of intangible assets	978	901
Revaluation write offs on account of the loss of goodwill		
Write offs on account of the loss of property, plant and equipment		
Depreciation of the value of property, plant and equipment	16 498	10 228
(Profit) loss on the sale of property, plant and equipment	(47)	(2 123)
(Profit) loss on the sale of financial assets available for sales (allocated for trading)	(11 833)	(40 369)
Profit (loss) from valuation of investment properties according to fair value		
(Profit) loss on account of fair value of financial assets declared according to fair value	73 319	(5 260)
Share in profit (loss) of related undertakings		
Profit (loss) on account of differences in rates	(16 402)	49
Interest costs	21 444	15 700
Interest received	(248)	(761)
Dividend received	(1)	(28)
Monetary resources from operational activity before considering changes in working capital	142 040	47 577
Change of stock level	2 260	10 926
Change of receivables level	(267 181)	(222 532)
Change of liabilities level	20 396	120 010
Change of provisions level and accrued liabilities	(84 151)	(54 565)
Other adjustments	2 651	99
Monetary resources generated in the course of operational activity	(183 985)	(98 485)
Paid interest	(243)	(215)

<i>Specification</i>	For the period from 01.01 to 31.12.2008	For the period from 01.01 to 31.12.2007
Paid income tax	(12 302)	(516)
Monetary resources net from operational activity	(196 531)	(99 216)
<i>Cash flow from investment activity</i>		
Expenses on purchasing intangible assets	(65)	(496)
Revenue from the sale of intangible assets		
Expenses on purchasing property, plant and equipment	(43 608)	(32 567)
Revenue from the sale of property, plant and equipment	5 012	12 746
Expenses on purchasing investment properties	(6 319)	(261)
Revenue from the sale of investment properties		16 647
Expenses for purchasing financial assets available for sale		(51)
Revenue from the sale of financial assets available for sale	35 301	31 626
Expenses for purchasing financial assets allocated for trading		
Revenue from the sale of financial assets allocated for trading		
Expenses for purchasing related entities (reduced by monetary resources taken over)	(35 693)	
Revenue from sale of related entities		
Other expenses – additional payment to capital		
Revenue from received governmental subsidies		
Granted loans	(100)	(60)
Received payments of loans granted	360	
Interest received	231	277
Dividend received	2	28
Other revenue		181
Other investment expenses		(211)
Monetary resources net used in investment activity	(44 879)	27 859
<i>Cash flow from financial activity</i>		
Revenue net on account of issuance of shares	292 296	
Acquisition of treasury shares		
Revenue on account of issuance of debt securities		50 000
Payment of bonds		
Payment of interest on bond	(2 721)	
Redemption of debt securities	(50 000)	
Revenue on account of borrowing	145 507	142 324
Payment of credits and loans	(110 073)	(74 186)
Payment of interest on credits and loans	(20 479)	(11 382)
Revenue on account on investment	2	438
Payment of liabilities on account of financial leasing	(2 000)	(1 109)
Paid interest	(659)	(346)
Paid-out dividend		
Credit commissions	(223)	(984)
Other expenses	(17)	(210)
Monetary resources net from financial activity	251 634	104 545
Net change of the balance of monetary resources and their equivalents	10 224	33 188
Monetary resources and their equivalents at the beginning of the period	63 478	30 147
Change of the state on account of differences in rates	347	143
Monetary resources and their equivalents at the end of the period	74 049	63 478

MID-YEAR CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL

Specification	Capital falling for the shareholders of dominating entity					Shares of the minority	Equity in total
	Initial capital	Other capitals	Rate differences from conversion	Undivided financial result	Total		
Balance as for this 1st January 2007	107 155	67 727	-	(79 705)	95 177	-	95 177
Adjustment on account of the merger of the Companies	31 518	(31 518)	-	-	-	-	-
Adjustment of the fundamental error	-	-	-	(653)	(653)	-	(653)
Balance after the changes	138 673	36 209	-	(80 358)	94 524	-	94 524
<i>Changes in equity capital in the period from 01.01. to 31.12.2007</i>							
Profit (loss) on account of revaluation	-	(632)	-	398	(234)	-	(234)
Investments available for sale:	-	-	-	-	-	-	-
- profit (loss) on account of valuation referred to equity	-	-	-	-	-	-	-
- transferred to profit (loss) on sale	-	-	-	-	-	-	-
Instruments securing cash flow:	-	8 489	-	-	8 489	-	8 489
- profit (loss) referred on equity	-	8 489	-	-	8 489	-	8 489
- profit (loss) transferred to the financial result of the period	-	-	-	-	-	-	-
- profit (loss) taken into consideration at the valuation of balance value of secured items	-	-	-	-	-	-	-
Differences in rates from valuation of entities operating abroad	-	-	-	-	-	-	-
Tax connected with the items presented in the capital or transferred from the capital	-	(1 469)	-	-	(1 469)	-	(1 469)
Profit net presented directly in equity	-	6 388	-	398	6 786	-	6 786
Profit net for the period from 01.01. to 31.12.2007	-	-	-	40 232	40 232	-	40 232
Amount of profit and loss booked in the period from 01.01. to 31.12.07.	-	6 388	-	40 630	47 018	-	47 018
Dividend	-	-	-	-	-	-	-
Issued initial capital	-	(190)	-	-	(190)	-	(190)
Issued options changeable for shares	-	-	-	-	-	-	-
The change of the structure in the capital group (acquisitions/sales)	36 886	3 682	-	(190 354)	(149 786)	-	(149 786)
Division of result	-	4 469	-	(6 469)	(2 000)	-	(2 000)
Balance as for this 31st December 2007	175 559	50 558	-	(236 551)	(10 434)	-	(10 434)

Specification	Capital falling for the shareholders of dominating entity					Shares of the minority	Equity in total
	Initial capital	Other capitals	Rate differences from conversion	Undivided financial result	Total		
Balance as for this 1st January 2008	138 673	46 877	-	(46 197)	139 353	-	139 353
Adjustment on account of the acquisition of HB9	36 885	3 682		(190 354)	(149 787)		(149 787)
Balance after the changes	175 558	50 559	-	(236 551)	(10 434)	-	(10 434)
<i>Changes in equity capital in the period from 01.01. to 31.12.08</i>							
Profit (loss) on account of revaluation		(650)		650			
Investments available for sale:	-	(234)		-	1 804		1 804
-profit on account of valuation referred to equity					2 038		2 038
- transferred to profit (loss) on sale		(234)			(234)		(234)
Instruments securing cash flow:	-	(136 767)		-	(136 767)		(136 767)
- profit (loss) referred to equity		(132 423)			(132 423)		(132 423)
- profit (loss) transferred to the financial result of the period		(4 344)			(4 344)		(4 344)
- profit (loss) taken into consideration at the valuation of balance value of secured items							
Differences in rates from valuation of entities operating abroad							
Tax connected with the items presented in the capital or transferred from the capital		25 986			25 986		25 986
Profit net presented directly in equity	-	(111 665)		650	(111 015)		(111 015)
Profit net for the period from 01.01. to 31.12.2008				60 544	60 544	549	61 093
Amount of profit and loss booked in the period from 01.01. to 31.12.2008.	-	(111 665)		61 194	(50 471)	549	(49 922)
Dividend							
Issued initial capital	71 885	543 191			615 076		615 076
Motivational programme		2 038			2 038		2 038
The change of the structure in the capital group (acquisitions/sales)	(36 885)	(288 793)		51	(325 627)	(321)	(325 948)
Division of result		3 218		(5 218)	(2 000)		(2 000)
Balance as for this 31st December 2008	210 558	198 548	-	(180 524)	228 582	228	228 810

1. ADDITIONAL INFORMATION TO MID-YEAR CONSOLIDATED REPORT AND CONSTRUCTED FINANCIAL STATEMENTS FOR THE 4th QUARTER 2008

2.1. Information on the dominating entity and the Capital Group HBP

2.1.1. Dominating entity

Dominating company of the Capital Group HYDROBUDOWA POLSKA S.A. with its seat in Wysogotowo, ul. Skórzewska 36, 62-081 Przeźmierowo, was registered on this 24.02.1993 by District Court in Włocławek under the number RHB-794 in commercial register, and then it was entered by District Court in Toruń at ul. Młodzieżowa 31, 7th Commercial Division of the National Court Register under National Court Register Number KRS 0000017342 – on this 6th June 2001.

The Extraordinary General Shareholders Meeting changed on this 09.10.2006 the Company seat for Wysogotowo near Poznań, ul. Skórzewska 35, with Resolution 1. On this 20th November 2006 District Court in Toruń made the entry of the change of the seat and the address of the entity and made the transfer of Company Registration Act pursuant to jurisdiction for District Court in Poznań, 21st Commercial Division of the National Court Register. On this 27th August 2007 District Court in Poznań registered the merger of the Company with the Company "Hydrobudowa Śląsk" S.A. and on this 7th January 2008 the change of the Company name from HYDROBUDOWA Włocławek S.A. for HYDROBUDOWA POLSKA S.A. was registered.

Currently registration files are run by District Court in Poznań – Nowe Miasto i Wilda, 8th Commercial Division of the National Court Register.

HYDROBUDOWA POLSKA S.A. is a company operating in construction sector specializing in the construction of civil engineering facilities, execution of engineering and hydrotechnical general construction works.

The composition of the bodies of the dominating company HYDROBUDOWA POLSKA S.A.

The Supervisory Board of the Company:

As for this 31st December 2008 the following persons formed the Supervisory Board:

Name and surname:	Function
Małgorzata Wiśniewska	The President of the Supervisory Board
Andrzej Wilczyński	The Vice President of the Supervisory Board
Grzegorz Wojtkowiak	The Member of the Supervisory Board
Marcin Idziorek	Member of the Supervisory Board –
Przemysław Szkudlarczyk	The Member of the Supervisory Board –

By the day of preparing these statements, the composition of the Supervisory Board of the Company did not change.

The Executive Board of the Company

The following changes took place in the composition of the Executive Board of in the 4th quarter of 2008:

- On this 30th October 2008 the President of the Executive Board, Mr. Tomasz Woroch and the Vice President of the Executive Board, Mr. Tomasz Starzak submitted their resignations from their functions in the Executive Board of the Company. The reason for submitting the resignation by the President of the Executive Board - Mr. Tomasz Woroch was the completion of the mission connected with the merger of Hydrobudowa Polska S.A. with Hydrobudowa 9 P.I-B. S.A. The reason for the resignation of the Vice President of the Executive Board – Mr. Tomasz Starzak were family matters.
- On this 30th October 2008 the Supervisory Board, performing its statutory obligations, nominated Mr. Jerzy Ciechanowski for the position on the President of the Executive Board, and Mr. Jarosław Dusiło, the previous Member of the Executive Board was nominated for the position of the Vice President of the Executive Board.

Therefore, the composition of the Executive Board of the Company is the following, for this 31st December 2008:

Name and surname:	Function
Jerzy Ciechanowski	The President of the Executive Board
Edward Kasprzak	The Vice President of the Executive Board
Jarosław Dusiło	The Vice-President of the Executive Board
Andrzej Zwierzchowski	The Member of the Executive Board
Rafał Damasiewicz	The Member of the Executive Board
Joanna Zwolak	The Member of the Executive Board

Commercial Proxies of the Company

The Commercial Proxies, as for this 31st December 2008, were the following:

Name and surname:	Function
Paweł Kujawa	Independent Proxy
Andrzej Szultka	Independent Proxy

On this 27th February 2009 the Executive Board of the Company withdrew the independent power of attorney granted to Mr. Paweł Kujawa.

Therefore, the only Commercial Proxy of the company for the day of preparing these financial statements was Mr. Andrzej Szultka.

2.1.2. Subsidiaries

- HYDROBUDOWA 9 P.I-B. S.A. – the company subject to consolidation with full consolidation method from this 1st January 2008
 - GÓRECKA PROJEKT Sp. z o.o. -the company subject to consolidation with full consolidation method from this 11th September 2008
 - GDYŃSKA PROJEKT Sp. z o.o. -the company subject to consolidation with full consolidation method from this 2nd April 2008
- HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o. -the company subject to consolidation with full consolidation method from this 16th May 2008
- P.R.G. „METRO” Sp. z o.o. -the company subject to consolidation with full consolidation method from this 1st September 2008

The structure of the Capital Group HBP

The Capital Group is formed by: HYDROBUDOWA POLSKA S.A. as the dominating entity and the subsidiaries: HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., Przedsiębiorstwo Robót Górniczych „METRO” Sp. z o. o., HYDROBUDOWA 9 P.I-B. S.A., GÓRECKA PROJEKT Sp. z o.o. and GDYŃSKA PROJEKT Sp.z o.o.

For the day of transferring the quarterly report, the share of the dominating entity in the capital and in the total number of votes in the subsidiaries subject to consolidation was as follows:

Information on the Companies from the Capital Group HYDROBUDOWA POLSKA

HYDROBUDOWA 9 PRZEDSIĘBIORSTWO INŻYNIERYJNO – BUDOWLANE S.A.

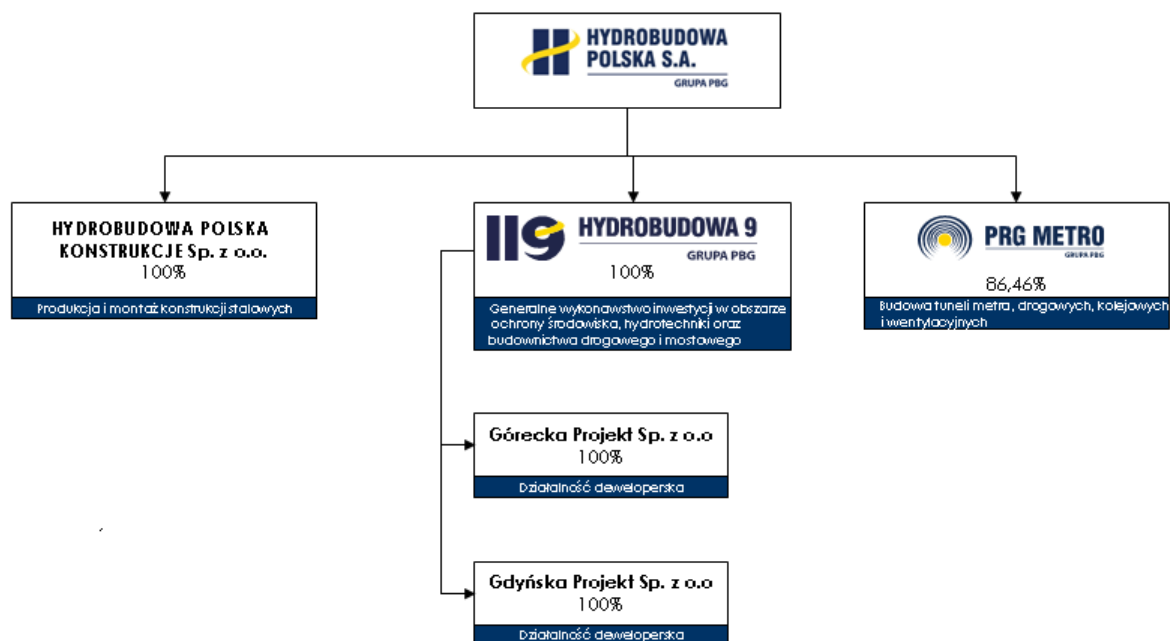
HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A. is the company operating in construction sector, specializing in the construction of water engineering facilities in the area of hydrotechnology and environment protection, the performance of engineering works and general engineering. HYDROBUDOWA POLSKA S.A. operates in the same sector.

Share structure:

The structure of the Capital Group HBP

The Capital Group HBP is formed by: HYDROBUDOWA POLSKA S.A. as the dominating entity and the subsidiaries: HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., Przedsiębiorstwo Robót Górniczych „METRO” Sp. z o. o., HYDROBUDOWA 9 P.I-B. S.A., GÓRECKA PROJEKT Sp. z o.o. and GDYŃSKA PROJEKT Sp.z o.o.

For the day of transferring the quarterly report, the share of the dominating entity in the capital and in the total number of votes in the subsidiaries subject to consolidation was as follows:



Information on the Companies from the Capital Group HYDROBUDOWA POLSKA

HYDROBUDOWA 9 PRZEDSIĘBIORSTWO INŻYNIERYJNO – BUDOWLANE S.A.

HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A. is the company operating in construction sector, specializing in the construction of water engineering facilities in the area of hydrotechnology and environment protection, the performance of engineering works and general engineering. HYDROBUDOWA POLSKA S.A. operates in the same sector.

Share structure:

100% HYDROBUDOWA POLSKA S.A.

Address: ul. Sienkiewicza 22, 60 - 900 Poznań

Telephone: 0-61 846 97 01 Fax: 0-61 846 97 01

Website: www.hb9.pl

e-mail: sekretaria@hb9.pl

Classification according to the Central Statistical Office: 45 21F – performance of general construction works in the scope of engineering facilities, not classified elsewhere

Statistical no. (REGON): 630006130

Tax Payer's ID no. NIP: 781 - 00 - 09 - 083

GÓRECKA PROJEKT Sp. z o.o.

GÓRECKA PROJEKT Sp. z o.o. renders services in the scope of realization of construction projects connected with the elevation of apartment buildings and non-residential buildings, purchase and sale of real estates for its own account, lease and administration of real estates and consulting. GÓRECKA PROJEKT Sp. z o.o. is the target company, established for the purpose of realization of the commercial project, consisting in the construction of the office building. It was established by the company HYDROBUDOWA 9 P.I-B. S.A.

Share structure:

100% HYDROBUDOWA 9 P.I-B. S.A.

Address: ul. Sienkiewicza 22, 60 - 900 Poznań

Classification according to the Central Statistical Office: 4110 Z – Realization of construction projects connected with the elevation of buildings

4120 Z - construction works connected with the elevation of apartment buildings and non-residential buildings,

6810 Z – purchase and sale of real estate its the own account

Statistical no. (REGON): 300930327
Tax Payer's ID no. NIP: 7811826832

GDYŃSKA PROJEKT Sp. z o.o.

The subject of the activity of the Company GDYŃSKA PROJEKT Sp. z o.o. is the purchase, sale, lease and administration of real estates (its own or leased ones) for its own account.

Share structure:

100% HYDROBUDOWA 9 P.I-B. S.A.

Address: ul. Sienkiewicza 22, 60 - 900 Poznań

Classification according to the Central Statistical Office: 6810 Z – purchase and sale of real estate for the own account

Statistical no. (REGON): 300820811
Tax Payer's ID no. NIP: 781-18-19-878

HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o.

HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o. specializes in the manufacture and assembly of steel structures, full-range realization of the projects of installation for industry, and in

particular for petrochemical industry.

Share structure:

100% HYDROBUDOWA POLSKA S.A.

Address: ul. Żwirki i Wigury 58, 43-190 Mikołów

Telephone: 032 779 10 00 Fax.: 032 779 10
22

Website: none

e-mail: sekretaria@hbpk.pl

Classification according to the Central Statistical Office: 25 11Z – manufacture of metal structures and their parts;

Statistical no. (REGON): 240917617

Tax Payer's ID no. NIP: 635-178-82-451

P.R.G. „METRO” Sp. z o.o.

Przedsiębiorstwo Robót Górniczych „METRO” Sp. z o.o. specializes in the realization of tasks in the area of technical construction works, including performing tunnels, underground tunnels and ancillary facilities. From 2001 the Company extended its activity on water and sewage market. Przedsiębiorstwo Robót Górniczych Metro Sp. z o.o. was one of general contractors of Warsaw underground lines and ancillary facilities, such as wayside ventilation, turnout chamber, underground passages, microtunnels.

Share structure:

86.46% HYDROBUDOWA POLSKA S.A.

13.54% natural persons

Address: ul. Wólczyńska 163, 01 – 919 Warszawa

Telephone: 022 864 57 50, 864 57 51 Fax.: 022 864 57 52

Website: www.prgmetro.pl

e-mail: info@prgmetro.pl

Classification according to the Central Statistical Office: 45 25 E Performance of technical construction works, not classified elsewhere

Statistical no. (REGON): 01087256

Tax Payer's ID no. NIP: 526-10-19-550

2.1.3. The subject of activity of the Capital Group

Capital Group HYDROBUDOWA POLSKA deals with the construction of civil engineering facilities, performance of engineering and hydrotechnical works of general construction as well as the manufacture and assembly of steel structures, realization of full range installation projects for industry, realization of construction projects connected with the elevation of residential and non-residential buildings and rendering services in the scope of the construction of tunnels, including underground tunnels, road, rail, ventilation tunnels and tunnels for pedestrian traffic.

2.1.4. The role of HYDROBUDOWA POLSKA S.A. in Capital Group and the changes in the structure of the Group

HYDROBUDOWA POLSKA S.A. acts as the dominating entity in the Capital Group HBP. The following changes took place in the Capital Group HBP by the day of the publication of the report

The increase of the share in the capital of the company P.R.G. „METRO” Sp. z o.o.

On this 9th January 2009 the increase of the share capital of the subsidiary – Przedsiębiorstwo Robót Górniczych 'METRO' Sp. z o.o. with its seat in Warsaw was registered. The increase of the capital concerns 78 shares of the nominal value of 1,000.00 PLN each acquired in total by HYDROBUDOWA POLSKA S.A. At the same time the share capital of the company P.R.G. "METRO" Sp. z o.o. was increased from the amount of 550,000.00 PLN to the amount of 628,000.00 PLN and is divided into 628 shares of the nominal value of 1,000 PLN each share. After the registration of the increase in the share capital, HYDROBUDOWA POLSKA S.A. has 543 shares in the company P.R.G. „METRO” Sp. z o.o., which constitutes 86,46% of the share in votes and share capital of P.R.G. „METRO” Sp. z o.o. The shares were covered by HYDROBUDOWA POLSKA S.A. with cash contribution in the total amount of 4,963,631.40 PLN.

2.2. The principles accepted when preparing consolidated and individual report for the 4th quarter of 2008

These financial statements were prepared pursuant to International Accounting Standards 34 "Mid-year financial reporting" with the application of the same principles for the current and comparable period. Detailed principles of accounting accepted when preparing unitary financial statements were described in detail in the report for 2007, available at the Issuer's website, at: http://hbp-sa.pl/pub/uploaddocs/sprawozdanie_finansowe_za_2007_r..pdf To the principles accepted for preparing the report for 2007, the Company introduced the presentation change described in the periodical report for the 2nd quarter of 2008. Accepted

principles of accounting with the consideration of the introduced changes were described in detail in the consolidated financial statements of Capital Group HYDROBUDOWA POLSKA for the 1st semester of 2008, available at the Issuer's website: http://hbp-sa.pl/pub/uploaddocs/skonsolidowane_sprawozdanie_i_polrocze_2008.pdf

2.2.1. The influence of new standards and interpretations on the statements of the Capital Group

As for this 30th September 2008 new standards and interpretations to International Financial Reporting Standards, concerning the following, were published:

- Changes to International Financial Reporting Standard 2 "Payments in the form of shares" – effective date 1st January 2009. The change of the standard will not influence the financial statements of the Company;
- International Financial Reporting Standard 8 "Operational segments" - effective date 1st January 2009 the Company expects that the new standard will have a significant effect on the presentation and revealing of information on operational segments in financial statements;
- Updated International Accounting Standard 1 "Presentation of financial statements" – effective date 1st January 2009. The updated standard requires the aggregation of information in financial statements based on the criterion of common features and introduces statements of comprehensive income). The items of revenues and costs and items constituting other comprehensive income may be presented either in single statement of comprehensive income showing partial sums or in two separate statements (separately profit and loss account and statement of comprehensive income). The Company expects that the change of the standard will not influence the values presented in the statements, only the method of the presentation of the revenues and costs and profits will change;
- The changes to International Accounting Standard 14 "Reporting concerning activity segments" - valid with the prior application of the changes to International Accounting Standards 1;
- The updated International Accounting Standard 23 "Costs of external financing" - effective date 1st January 2009. The Company expects that the change will not influence the principle of accounting as the main change consisting in eliminating one of the options of booking costs of external financing connected with generating assets directly in the result, was not applied by the Company. The Company has so far applied the solution consisting in activating these costs, which after the revision of the standard will become the only valid solution;
- Changes to International Accounting Standard 32 "Financial Instruments – Presentation" and International Accounting Standard 1 "Presentation of Financial Statements" – financial instruments with the option of sales and the obligations arising at the liquidation – effective date 1st January 2009. The change of the standard will not influence the financial statements of the Company.

2.3. The segments of business.

In the Capital Group HYDROBUDOWA POLSKA the branch segment was determined to be the basic reporting model and geographical segment based on customer location criterion as the supplementary one.

The Capital Group HYDROBUDOWA POLSKA and its dominating entity distinguish four main segments, within the frameworks of which they run their operational activity:

- Water
- Fuel
- Residential and industrial buildings
- Roads

Within the framework of particular segments the following scopes of services are distinguished:

- Water means:
 - technological and sanitary installations for water and sewage systems, such as:
 - water pipes,
 - sewage systems,
 - water mains and collectors,
 - water intakes,
 - sewage treatment plants,
 - hydrotechnical facilities, such as:
 - dams
 - storage reservoirs
 - river embankments,
 - renovations of water-supply and sewage installations

Fuels mean:

- fuel storages
- underground gas storages,
- LNG storage and vaporization stations.

Residential and industrial buildings mean:

- general construction,
- industrial infrastructure.

Roads mean:

- building of roads

In the column "Others" the revenues and costs not assigned to any of the segments are demonstrated, i.e.:

- construction of sports facilities

- construction of facilities connected with waste utilization,
- the sale of goods and materials
- revenue from other activities than construction services.

The group presents revenue on sales, costs and result (gross profit margin) in division into the above mentioned segments, and does not present the assets and liabilities of the balance sheet in division into segments of activity due to the fact that the part of fixed assets is used for production included in various segments and there is no possibility of assigning materials to particular segments and it is impossible to assign the liabilities on account of supplies and services and revenue and costs of other operational and financial activity to the segments.

BRANCH SEGMENTS for the period from 01.01. to 31.12.2007

Specification	Segments				Other	Consolidation exclusions	Consolidated value
	water	Fuel	Residential and industrial buildings	Roads			
<i>Financial results of branch segments for the period from 01.01. to 31.12.2007</i>							
Revenue in total	655 905	55 315	18 490	-	121 549	(6 362)	844 897
Outside sales	655 905	55 315	18 490		121 549	(6 362)	844 897
Sales between segments	-	-	-	-	-	-	-
Costs in total	(614 714)	(43 560)	(16 317)		(82 193)	6 362	(750 422)
Segment result	41 191	11 755	2 173	-	39 356	-	94 475
Unallocated costs	x	x	x	x	x	x	(33 459)
Other operational revenue/ costs	x	x	x	x	x	x	5 182
Profit from operational activity	x	x	x	x	x	x	66 198
Financial revenue	x	x	x	x	x	x	22 725
Financial costs	x	x	x	x	x	x	(19 683)
Share in profit of the entities settled with equity method	x	x	x	x	x	x	-
Profit before tax	x	x	x	x	x	x	69 240
Income tax	x	x	x	x	x	x	(10 371)
Profit net	x	x	x	x	x	x	58 869

2.4. Significant achievements or failures of the Capital Group in the 4th quarter of 2008, together with the list of the most important events concerning them.

On this 30th September 2008 HYDROBUDOWA POLSKA S.A. acquired 100% of the shares of HYDROBUDOWA 9 P.-B. SA in exchange for the issued L series shares. Due to the fact that both HYDROBUDOWA POLSKA S.A. and HYDROBUDOWA 9 P.I-B. S.A. are under joint control of PBG S.A., the settlement of the acquisition of HYDROBUDOWA 9 P.I-B. S.A. was made by pooling interest method. As a result of the applied pooling interest method, the comparable data was adequately converted. Revenue and costs and results presented in the consolidated profit and loss account were presented in such a way as if Hydrobudowa 9 P.I-B. S.A. was a member of Capital Group HYDROBUDOWA POLSKA from this 1st April 200.

Due to dynamic changes of the exchange rates in the 4th quarter of 2008, the valuation of hedge operations had a significant effect on the results of the HBP Group. Pursuant to the security policy being in force in the Group, the part of the foreign currency operations lost effectiveness. This resulted in the fact that valuations of the operations which lost effectiveness (and the realization term of which is in 2009) would have to be included in the result, profit and loss account, without revenue from the contract which they concern. The necessity of introducing negative valuation of the hedge operations to profit and loss account negatively influenced the results earned in the 4th quarter of 2008, and it will positively influence the results achieved by the Group in the future periods, which is connected with the progress of works in a given contract. Hedge operations are aimed at securing the margin on the contracts throughout the period of the contract being in force, and the valuation of hedge operations (the ineffective ones) have an influence on the financial result of the Group only in particular quarters.

Moreover, the consolidation of the company HYDROBUDOWA 9 S.A. had a significant influence on the results earned in 2008.

Only in the 4th quarter of 2008 in comparison with the analogical period of the previous year:

- Revenue on sale reached the value of 384 million PLN, which gives practically the same value as in the 4th quarter of the previous year;
- Gross revenue on sale reached the value of 26.6 million PLN in comparison with 55.6 million PLN in comparison with 55.6 million PLN earned in the analogical period of the previous year i.e. decrease by 52%;
- Loss from operational activity amounted to nearly 6.4 million PLN in comparison to the profit of 40.5 million PLN generated last year.
- Net profit falling for the shareholders of the dominating entity amounted to over 6 million

PLN in comparison with 24.9 million in the analogical period of the previous year, which is 76% less;

- For 1st January 2009 the order portfolio of HBP Group exceeded the value of 2.2. billion PLN, 1.5 billion PLN out of which are to be realized in 2009 and the remaining part in the subsequent years, and only in the 4th quarter of 2008 the Capital Group HBP managed to conclude contracts of the total value of over 500 million PLN.

Comment to financial results of the Capital Group HBP for the 4th quarter of 2008.

The most significant sources of revenue for the basic activity of the Capital Group HBP, in the 4th quarter, included the following construction contracts:

- a) contract named "The development of sewage system of the district Ołtaszyn" concluded with the community of Wrocław and HYDROBUDOWA POLSKA S.A. – realized revenue: 37.7 million PLN;
- b) contract named "Development and reconstruction of sewage treatment plant in Piaseczno" concluded between the Community of Piaseczno and HYDROBUDOWA POLSKA S.A.– realized revenue: 24 million PLN
- c) The contract named "Improvement of water-sewage management on the territory of the community of Zabrze – district Grzybowice and Rokitnica – task 1" signed with the community of Zabrze and HYDROBUDOWA POLSKA S.A. - realized revenue: 21.9 million PLN;
- d) contract named "Królewiecka Water Purification Plant and development of water-pipe network in Elbląg" concluded between Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. with its seat in Elbląg and HYDROBUDOWA POLSKA S.A. – realized revenue: 18.2 million PLN;
- e) contract named "Construction and modernization of water-pipe network and sewerage system in the community of Szklarska Poręba" concluded between Karkonoski System Wodociągów i Kanalizacji and the company HYDROBUDOWA 9 P.I.B. S.A.– realized revenue: 17.8 million PLN;
- f) d) contract named "Modernization of left-bank sewage treatment plant in Poznań" concluded between the city of Poznań and Hydrobudowa 9 PIB S.A.– realized revenue: 17.6 million PLN;
- g) contract named "The construction of water pipe sewage system for the left-bank part of Szczecin (Part I – collector K2, Part II – collector W)" concluded between Zakład Wodociągów i Kanalizacji Sp. z o.o. in Szczecin and Hydrobudowa 9 P.I.B S.A. – realized revenue: 17.3 million PLN;
- h) contract called "Sanitary sewage system and drainwater drainage system in the districts

Wilkowyje and Mąkołowiec” concluded between the Community of Tychy and HYDROBUDOWA POLSKA S.A.– realized revenue: 16.9 million PLN;

i) contract named “Development and modernization of sewage treatment plant in Ciernie and the modernization of sewage treatment plant in Jugowice” concluded between the Wałbrzyski Związek Wodociągów i Kanalizacji and Hydrobudowa 9 PIB S.A.– realized revenue: 13 million PLN;

Profitability ratios

Profitability ratios	4 quarters increasingly 2008	4 quarters increasingly 2007	4th quarter of 2008	4th quarter of 2007
Gross return on sales ¹	9,6%	11,2%	6,9%	14,5%
Operational return ²	4,6%	7,8%	-1,7%	10,6%
Net return ³	5,0%	7,0%	1,6%	6,5%

¹gross profit from sale/revenue on sale *100

² profit from operational activity/revenue on sale *100

³ net profit / revenue on sale *100

Comparing financial results of the Group HYDROBUDOWA POLSKA S.A. achieved for four quarters increasingly of 2008 and four quarter increasingly of 2007, noticeable deterioration can be noticed both in the case of dynamics of key items on profit and loss account as well as income returns worked out by the company. This is the effect of including the ineffective currency operations valuation, securing the revenue from the realized long-term construction contracts nominated in Euro, in the Group's result. The valuation of hedge operations in the company 100% dependent on HYDROBUDOWA POLSKA S.A. – Hydrobudowa 9 had the biggest influence on the results in the 4th quarter. On the basis of the data obtained from the banks, the balance sheet valuation of the open items on forward-type securing operations for this 31st December 2008 amounted to minus 173 million PLN, and in connection with the occurrence of ineffective securing instruments and the secured revenue, in the Group's result the amount of minus 48 million PLN was booked, and the remaining part i.e. minus 125 million PLN was included in the capital. The result of realized (calculated) in 2008 forward contracts amounted to 4 million PLN, which was referred and booked in the consolidated profit and loss account. Discussing the influence of the security of foreign exchange rates on the results achieved by the Capital Group HBP was presented in the further part of the Executive Board's comment to the financial results.

For four quarters of 2008 increasingly, the revenue on sales increased from the amount of 845 million PLN to the amount of nearly 1 billion 218 million PLN, which constitutes 44% increase. Costs of sales increased at the same time by 47%, from the amount of 750.4 million PLN to the amount of nearly 1 billion 101 million PLN. The Group HBP reached the gross margin from sale on the level of 9.6% in comparison to 11.2% at the end of the 4th quarter of 2007 (so 1.6% lower) and the

operational margin on the level of 4.6% in comparison to 7.8% at the end of the fourth quarter of 2007, which constitutes the decrease by 3.2%. For four quarters of 2008 the Group generated the net profit margin in the amount of 5% in comparison to the value of 7% achieved at the end of the fourth quarter of 2007, which constitutes the decrease by 2%.

For four quarters of 2008 increasingly, the operational revenue amounted to over 14 million PLN, the significant value out of which constitute the released provisions for receivables – this is the amount of nearly 6.7 million PLN (only in the company HYDROBUDOWA 9 this amount is about 5.8 million) and the revenue earned on account of damages – this is the amount of nearly 3 million PLN. In comparison with the analogical period of the previous year, the value of other operational revenues decreased by 3%. And the remaining operational costs included mostly damages on account of insurance contracts - about 11.4 million PLN, write offs revaluating the value of receivables for the amount of nearly 6.7 million PLN and re-invoices for the amount of nearly 1.5 million PLN. The value of the remaining operational costs for four quarters of 2008 increasingly amounted to over 25 million PLN and was twice and a half higher than the value stated at the end of 2007.

For four quarters increasingly in 2008 the major items of financial revenue of the Group HBP were: positive exchange rate differences – 21.2 million PLN and interest – 6.8 million PLN, including: bank interest - 3.5 million PLN and other interest – 3.2 million PLN. Positive rate differences include the differences realized from receivables and liabilities already executed and unrealized exchange rate differences (valuation of receivables and liabilities not regulated as for the balance sheet day and the assessment of monetary resources being on investments in the foreign currency as for the balance sheet day). The biggest positive rate differences in the Group HBP were stated by HYDROBUDOWA POLSKA S.A. – this is the amount of about 14 million PLN and the company HYDROBUDOWA 9 S.A. – this is the amount of about 7 million PLN. And the financial costs included above all interest and bank commissions - 22 million PLN, including: interest and commissions from bank credits – nearly 17 million PLN, interest on account of bonds – 2.2 million PLN and interest on account of granted loans - 1.3 million PLN. For four quarters of 2008 increasingly financial costs amounted to 29.6 million PLN, which constitutes 51% increase in comparison with the analogical period of the previous year.

Analyzing only the fourth quarter of 2008 and comparing it with the results earned by the Group HBP only in the fourth quarter of 2007, quite significant deterioration of returns on all levels of the profit and loss account can be noticed, which mostly results from including the valuations of hedge operations which lost effectiveness as a result of significant fluctuations on the currency market: decrease in gross return on sale from 14.5% to 6.9% i.e. by 7.6%, the decrease in operational return from 10.6% to -1.7% i.e. by 12.3% and the decrease of net income return from 6.5% to 1.6% i.e. by 4.9%.

2.4.1. The list of the most important events concerning significant achievements or failures of the Capital Group in the 4th in quarter of 2008, which the dominating company of the Group informed about in the form of current reports in the period concerned by the report.

In the fourth quarter of 2008 Capital Group HBP continued the strategy of stable growth by creating strong executive capacity, strengthening the leader's position in the scope of realization of investments in the scope of environment protection, hydrotechnical construction, engineering construction and development of new sectors of industrial and specialist construction.

The most important events in the fourth quarter of 2008 and by now include:

- The resignation of the President of the Executive Board of the Company and the Vice President of the Executive Board of the Company HYDROBUDOWA POLSKA S.A. - the President of the Executive Board of the Company – Mr. Tomasz Woroch and the Vice President of the Company – Mr. Tomasz Starzak submitted their resignations from their functions in the Executive Board of the Company on this 30th October 2008. The reason for submitting the resignation by the President of the Executive Board - Mr. Tomasz Woroch was the completion of the mission connected with the merger of Hydrobudowa Polska S.A. with Hydrobudowa 9 P.I-B. S.A. The reason for the resignation of the Vice President of the Executive Board – Mr. Tomasz Starzak were family matters.
- The nomination of the new President of the Executive Board and entrusting the function of the Vice President of the Executive Board to the previous Member of the Executive Board of the company HYDROBUDOWA POLSKA S.A. On this 30th October 2008 the Supervisory Board of HBP, performing its statutory rights, determined that the Executive Board of the company HYDROBUDOWA POLSKA S.A. consists of 6 members. At the same session, the Supervisory Board nominated Mr. Jerzy Ciechanowski for the position on the President of the Executive Board, and Mr. Jarosław Dusło, the previous Member of the Executive Board was nominated for the position of the Vice President of the Executive Board.
- Concluding the agreement for the development of the city stadium in Poznań for the needs of EURO 2012 of the value of nearly 400 million PLN. The project assumes the modernization of the City Stadium in Poznań so that it meets the requirements set by UEFA to the Elite class stadia on which it is possible to play football matches within the European Championships EURO 2012. The stadium with roofed stands, complete infrastructure and commercial-service as well as social-technical facilities is being designed.
- The increase of the amount of the granted credit limit from the amount of 85 million PLN to the amount of 100 million PLN, within the framework of the credit line contract concluded on this 27th April 2007 by the companies from the Capital Group PBG and Bank Gospodarki Żywnościowej S.A.
- The registration in January 2009 the increase of the share capital of the subsidiary –

Przedsiębiorstwo Robót Górniczych 'METRO' Sp. z o.o. with its seat in Warsaw. The increase in capital concerned 78 shares of the nominal value of 1,000.00 PLN each, acquired in whole by HYDROBUDOWA POLSKA S.A. At the same time the share capital of the company P.R.G. "METRO" Sp. z o.o. was increased from the amount of 550 thousand PLN to the amount of 628 thousand PLN and is divided into 628 shares of the nominal value of 1,000 PLN each share. After the registration of the increase in the share capital, HYDROBUDOWA POLSKA S.A. has 543 shares in the company P.R.G. „METRO” Sp. z o.o., which constitutes 86,46% of the share in votes and share capital;

- The increase of the amount of the granted credit limit from the amount of 150 million PLN to the amount of 220 million PLN, within the framework of the framework agreement concluded on this 6th September 2007 by the companies from the Capital Group PBG and ING Bank Śląski S.A.
- Admitting in January 2009 to trading 36,885,245 L series ordinary bearer shares of the company HYDROBUDOWA POLSKA S.A. of the nominal value of 1.00 PLN each, marked with the code PLHDRWL00010. All L series shares were offered to all previous shareholders of the company HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A. with its seat in Poznań, as a private subscription. L series shares were booked as contribution in kind in the form of 14,536,685 fully paid-up shares of the company under the name HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A., of the nominal value of 0.10 PLN each share and of the total nominal value of 1,453,668.50 PLN constituting 100% of the shares of the company HYDROBUDOWA 9. In total there are currently 210,558,445 ordinary bearer shares of Hydrobudowa Polska S.A., of the nominal value of 1.00 PLN each, in trading.
- Conclusion of the agreement is full-range realization of professional installations of fuel storage, construction of social and technical background facilities and external underground infrastructure networks connected with the management of oil and gas deposits in the region of Lubiatów, Międzychód, Grotów. This agreement was concluded with the company PBG S.A. for the amount of 82.5 million PLN;
- Increasing the amount of the revolving limit from the amount of 80,000,000.00 PLN to the amount of 100,000,000.00 PLN and the maximum amount of single bond issued within the framework of this limit from the amount of 8,000,000.00 PLN to the amount of 10,000,000.00 PLN, under the contract for granting contract bonds within the framework of the revolving limit concluded on this 4th February 2009 between the Companies from the Capital Group PBG and TUIR Euler Hermes S.A..

2.4.1.2. Concluded investment contracts

In the 4th quarter of 2008 Capital Group HYDROBUDOWA POLSKA S.A. signed investment contracts for the amount of over 450 million PLN whereas the most significant contracts are the ones

described below:

Contract with the company "Euro Poznań 2012"

On this 15th December 2008 the company HYDROBUDOWA POLSKA S.A. as the Syndicate Leader concluded the agreement with the Company "Euro 2012" Sp. z o.o. with its seat in Poznań ("The Ordering Party") for the performance of the task "Development of the City Stadium at ul. Bługarska 5/7 in Poznań for the needs of EURO 2012 in the scope of the performance of the stands 1 and 3 along with the roofing of the stands 1, 2, 3".

The subject of the order is the modernization of the City Stadium in Poznań so that it meets the requirements set by UEFA to the Elite class stadia on which it is possible to play football matches within the European Championships EURO 2012.

The stadium with roofed stands, complete infrastructure and commercial-service as well as social-technical facilities is being designed.

The subject of the agreement also includes the performance of electrical and sanitary installations in the scope of stand no. 1 and no. 3 along with connectors, roofing and ancillary infrastructure and the adaptation of the stands no. 2 and 4.

The value of the concluded contract amounts to: 398,400,000.00 PLN net.

The agreement shall be completed within 17 months from the day of concluding it, however not later than by this 31st May 2010 whereas the completion of the reinforced concrete structure should take place within 10 months from the day of concluding the agreement.

HYDROBUDOWA POLSKA S.A. – Syndicate Leader as the General Contractor shall perform and shall be responsible for 60% of the scope of works connected with the realization of the task.

Contract with the company PBG S.A.

On this 21st January 2009 HYDROBUDOWA POLSKA S.A. concluded, as the Contractor, the reference agreement with the company PBG S.A. ("Principal").

The subject of the concluded agreement is full-range realization of professional installations of fuel storage, construction of social and technical background facilities and external underground infrastructure networks connected with the management of oil and natural gas deposits in the region of Lubiatów, Międzychód, Grotów.

The value of the concluded agreement amounts to: 82,500,000.00 PLN net.

The Parties agreed that the agreement shall be completed by this 10th April 2013.

2.4.1.3. Registration of the increase in share capital of the Company subsidiary – P.R.G. “METRO” Sp. z o.o.

On this 9th January 2009 the increase of the share capital of the subsidiary – Przedsiębiorstwo Robót Górniczych ‘METRO’ Sp. z o.o. with its seat in Warsaw was registered. The increase of the capital concerns 78 shares of the nominal value of 1,000.00 PLN each acquired in total by HYDROBUDOWA POLSKA S.A. At the same time the share capital of the company P.R.G. “METRO” Sp. z o.o. was increased from the amount of 550,000.00 PLN to the amount of 628,000.00 PLN and is divided into 628 shares of the nominal value of 1,000 PLN each share. After the registration of the increase in the share capital, HYDROBUDOWA POLSKA S.A. has 543 shares in the company P.R.G. „METRO” Sp. z o.o., which constitutes 86,46% of the share in votes and share capital of P.R.G. „METRO” Sp. z o.o. The shares were covered by HYDROBUDOWA POLSKA S.A. with cash contribution in the total amount of 4,963,631.40 PLN.

2.5. Description of factors and events, in particular the ones of untypical nature, having significant influence on the consolidated financial results.

The influence of the security of foreign exchange rates on the results achieved by the Capital Group HBP.

In the accounting year 2008 the company HYDROBUDOWA POLSKA S.A. and its subsidiaries concluded hedge operations concerning only future planned currency exhibitions with the use of standard forward-type financial instrument. The companies from the Group HBP did not conclude any currency option-type financial instruments. Hedge operations were made pursuant to the valid security policy and concerned the contracts signed with the investors (mostly nominated in EUR). They were not of speculative nature as they were concluded within the framework of conducted security policy in order to ensure future level of cash flow on account of the revenue on sales (from the realized long-term construction contracts). As a result of the open items on the currency market, the Capital Group HBP remains secured for the part of cash flow (concerning the revenue on sales) falling for 2009, in the amount of 211 million EUR (91 million out of which in the 1st semester of 2009) and for 2010 in the amount of 67 million EUR (37 million out of which in 2010). On the basis of the data obtained from the banks, the balance sheet valuation of the open items on the forward-type securing instruments as for this 31st December 2008 amounted to minus 173 million PLN, and in connection with the occurrence of ineffective securing instruments and the secured revenue, in the Group’s result the amount of minus 48 million PLN was booked, and the remaining part i.e. minus 125 million PLN was included in the capital. The result of realized (calculated) in 2008 forward contracts amounted to 4 million PLN, which was referred and booked in the consolidated profit and loss account.

The the same time the Executive Board of Hydrobudowa Polska S.A. wishes to emphasize the fact that in connection with high EUR rate, the Capital Group HBP currently achieves higher

revenue in PLN on account of realization of construction contracts, which compensates the influence of negative valuations booked in the result achieved in 2008. The forward contracts concluded or calculated by the Group HBP aim at restricting the negative influence of the foreign exchange rates changes on the operational activity run by the company i.e. securing the operational margin calculated in the contract budget.

Securing contracts are concluded pursuant to the strategy of securing business activity from the exchange rate risk, valid in the Group HBP.

Basis of the strategy is to adjust securing instruments to planned operations of contract, which is secured, with consideration of net exposure, offer rate, time horizon, quantity distribution of currency incomes in quarters. Assuming the approach of maximum restricting the influence of exchange rate risk on the operation result of the companies, it was accepted in the Group that the companies would apply the forward - type operations. The Capital Group HBP runs accounting of securities, which requires making the measurements of the effectiveness of securities in particular quarterly periods.

Effectiveness of securing is verified on the basis of index, which is quotient of change of fair value of securing instrument (forward) and change of fair value of the item, which is secured (income or cost). The value of the instrument (forward) in the period from the date of conclusion to the balance sheet date, is subject to booking.

Depending on the value of the above mentioned quotient (index), we can have the following possibilities:

- a) if it amounts to 100% we acknowledge that the security is fully effective and the change of the valuation of the securing instrument is referred to capital – from the moment of realization of the secured item (revenue or cost) it does not influence the financial result;
- b) if the index is in the range of 80% - 100% then the security is also considered effective – the booking presentation of forward is the same as in "a" (in the company capital);
- c) if the index is in the range from 100% to 125%, there is the so-called effective part (the equivalent of 100%) in forward, booked in the company capital, and the ineffective part (above 100% but below 125%) burdening the company result;
- d) if the index is lower than 80% or higher than 125% - security is considered ineffective – the change of the securing instrument valuation is referred to the company result.

At the moment of closing the secured item (i.e. realizing the revenue or bearing the cost), one of the following situations takes place:

- a) If the instrument is found effective, previously booked changes of values of forwards are reclassified from capital into result, and realised income in foreign currency is booked in current rate corrected by difference between current rate from date of closing the forward

and the rate of the forward. As a consequence the revenues in the foreign currency are presented in the profit and loss account according to forward rate (or the rate close to it – if the date of closing the forward is not ideally concurrent with the date of revenue realization),
b) if the instrument was ineffective, then the losses or profits on account of the change of its value burden the company result earlier - before the realization of the revenue. The revenue at the moment of its occurrence is booked at the current rate.

Due to dynamic changes of the exchange rates in the 4th quarter of 2008, some of the operations lost their effectiveness (the case "b" above). This resulted in the fact that valuations of the operations which lost effectiveness (and the realization term of which is in 2009) would have to be included in the result without revenue from the contract which they concern. In 2009 the revenues will be calculated at the current rate and the negative valuation from forward already booked in 2008 will not have an influence on revenue which it would secure. There will only be a flow on account of closing the instrument.

To sum up: securing operations are aimed at securing profit margin on the contracts throughout the period of them being in force. The above presented method of measuring effectiveness in the security Policy and booking the valuation of security operation pursuant to the policy of securities (the ineffective ones) may result in transferring the security effect for the period earlier than the occurrence of the secured item which is the revenue. It should be remembered that after the realization of the whole contract, the balance goes down to the security rate. Referring to the above, if in one quarter valuation has a negative influence on financial result, then in next quarters such result is "caught up on" in the form of profit, which means that balance of incomes on whole contract is consistent with the rate of security.

The Executive Board wishes to emphasize again that the applied security policy ensures the realization of contracts with the previously assumed profit margins, irrespective of the exchange rates fluctuations and has no influence on the fundamental valuation of the Company. At the same time the applied securities allow to precisely estimate the profits from future contracts and none of the concluded operations is of speculative nature.

In connection with the information, lately appearing on the media, concerning the problem of large-scale application of interest rate swaps (so-called CRIS) by the companies, the Executive Board wishes to inform that the company HBP S.A. or any of the companies from the Capital Group did not apply the instruments of this kind.

2.6. Clarifications concerning seasonal or cyclical nature of the Issuer's activity in the presented period

Due to the nature of the run activity i.e. rendering construction – assembly services, the factor determining the course of works is weather conditions.

Low temperatures hamper the performance of earth works and assembly works and, as a consequence, they may have an influence on the level of generated revenue on sale. The strategy of the Capital Group assumes, whenever possible, gaining contracts of high individual value. Gaining such contracts contributes to levelling the seasonal nature of the revenue ensuring at the same time more even division of revenue during accounting year.

2.7. Information concerning the issuance, redemption and payment of debt and capital securities.

2.7.1. L series shares issuance

On this 24th November 2008 the Company submitted the notification mentioned in the art. 38 section 1 of the act of 29th July 2005 on the public offer and the conditions of introducing financial instrument to the organized system of trading and the public companies, attaching the offering memorandum to it, to the Financial Supervision Commission.

The offering memorandum was prepared in connection with applying for admitting 36,885,245 L series shares of the company HYDROBUDOWA POLSKA S.A., of the nominal value of 1 PLN each, to trading on the regulated market.

All L series shares were offered to the shareholders of the company HYDROBUDOWA 9 przedsiębiorstwo Inżynieryjno-Budowlane with its seat in Poznań, as private subscription and were booked as contribution in kind in the form of 14,536,685 fully paid-up shares of the company HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A., of the nominal value of 0.10 PLN each share and of the total nominal value of 1,453,668.50 PLN constituting 100% of the shares of the company HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A.

The total value of contribution in kind i.e. 100% of the shares of the company under the name of Hydrobudowa 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A., pursuant to the valuation of the value of the company under the name of Hydrobudowa 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A. was valued for the amount of 326,381,000.00 PLN, including 22.45 PLN per one share of the company Hydrobudowa 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A.

On this 22nd December 2008 the Company received the letter informing that Financial Supervision Commission did not express its opposition mentioned in the art. 38 section 2 of the act of 29th July 2005 on public offer and the conditions of admitting financial instruments to the organized trading system and on public companies towards applying for admitting 36,885,245 L series ordinary bearer shares of the nominal value of 1 PLN each, to trading on the regulated market, issued as a private subscription pursuant to the offering memorandum submitted by the Issuer in the Financial Supervision Commission on this 24th November 2008.

On this 13th January 2009 the motion for admitting to trading at the Warsaw Stock Exchange, as

a consequence of the registration in the National Depository of Securities, 36,885, 245 L series ordinary bearer shares of the nominal value of 1.00 PLN marked with the code PLHDRWL00010.

With the resolution of the Executive Board of Warsaw Stock Exchange, on this 21st January 2009, 35,000,000 L series bearer shares were admitted, in standard mode, to trading on the official marking. At the same time, on this 21st January 2009, the registration of 36,885,245 L series shares took place in the National Depository of Securities. So 210,558,445 securities of the Company were registered under the code PLHDRWL00010.

2.8. Information concerning paid-up (or declared) dividend, in total and in conversion per one share, with the division into ordinary and privileged shares.

The Company did not pay out or declare paying out the dividend.

2.9. Presentation of events which occurred after the day as for which the consolidated quarterly financial statements were prepared, not included in these statements, and which might have a significant influence on the future financial results of the Issuer.

none

2.10. The Executive Board's position concerning the possibilities of realizing previously published forecasts of results for a given year, in the light of the results presented in consolidated and constructed quarterly report in relation to forecast results.

The forecast of financial results for 2008 was presented in the current report no. 24/2008, of 2nd April 2008, and then corrected with the current report 119/2008 of 23rd October 2008.

The forecast, published on this 2nd April 2008, assumed reaching by the company HYDROBUDOWA POLSKA S.A.:

- unitary revenue on sales in the amount of 748.9 million PLN
- unitary profit on operational activity in the amount of 63.9 million PLN,
- unitary profit net in the amount of 53.6 million PLN,

The Executive Board of HYDROBUDOWA POLSKA S.A. published the updated consolidated forecast, on this 23rd October 2008, after the incorporation of the company Hydrobudowa 9 PIB S.A. in the Capital Group HBP, including the results of the Companies from the Capital Group, with the exception of P.R.G. „METRO” Sp. z o.o. incorporated in the Group in September. It assumed reaching:

- consolidated revenue on sales in the amount of 1,262.5 million PLN for 2008
- consolidated operational profit in the amount of 97.3 million PLN for 2008
- consolidated net profit in the amount of 83.7 million PLN for 2008

On this 13th February 2008, having made the valuation of the foreign exchange rates security operations concluded by the Companies from the Capital Group, the Company corrected, with the current report no. 11/2009 the forecast of the results of the Capital Group HBP for 2008. It assumed achieving:

- consolidated revenue on sales in the amount of ca. 1,218 million PLN for 2008
- consolidated operational profit in the amount of 55.5 million PLN for 2008
- consolidated profit net due to the dominating entity in the amount of ca. 60 million PLN for 2008

The change of the forecast consolidated results result from the failure to obtain the consolidation effect assumed after the incorporation of HYDROBUDOWA 9 PIB S.A. in connection with the necessity of booking the negative valuation of the operations securing the forward-type exchange rate risk. The necessity of taking into consideration the negative valuation in the results for 2008 will have a positive effect on the results in the forthcoming periods in accordance with the progress of works in a few projects which include securities.

The Executive Board of the Company declares that the adjusted forecast of results for 2008 published in the current report no. 11/2008 dated 23rd October 2008, assuming achieving by the Capital Group HYDROBUDOWA POLSKA in 2008:

- consolidated revenue on sales in the amount of ca. 1,218 million PLN for 2008
 - consolidated operational profit in the amount of 55.5 million PLN for 2008
 - consolidated net profit in the amount of 60 million PLN for 2008
- was realized according to assumptions.

2.11. Presenting shareholders having directly or indirectly, by subsidiaries, at least 5% of the total number of shares at the general meeting of the Issuer as for the day of transferring the consolidated quarterly report together with the indication of the number of shares these entities have, their proportional share in share capital, number of votes resulting from this and their proportional share in the general number of votes in the general shareholders meeting as well as indicating the changes in the ownership structure of the Issuer's major holdings in the period from transferring the previous quarterly report.

Lp.	Shareholder	Number of shares	Number of votes	Share in the Issuer's share capital	Share in the general number of votes at the Issuer's General Shareholders Meeting of the Issuer
1.	PBG S.A.	129 726 808	129 726 808	61,61%	61,61%
2.	ING TFI S.A. in Warsaw	17 282 900	17 282 900	8,21%	8,21%
3.	BZ WBK Asset Management S.A.	11 233 756	11 233 756	5,34%	5,34%
4.	ING OFE in Warsaw	10 550 000	10 550 000	5,01%	5,01%
5.	Other shareholders	41 764 981	41 764 981	19,84%	19,84%

	TOTAL	210 558 445	210 558 445	100,00%	100,00%
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2.12. Specification of the Issuer's shares portfolio or rights to the shares taken by persons who manage or supervise HYDROBUDOWA POLSKA S.A. as at the date of the quarterly report submission, including information on changes in the number of shares or rights held in the period from the last quarterly report – separately for each holder.

The Executive Board of the Company

	<i>/in items/</i>			
	Balance for this 6th November 2008	Increasing	Decreasing	Current balance
Jerzy Ciechanowski	0	-	-	0
Edward Kasprzak	438 100	-	-	438 100
Jarostaw Dusiło	150	-	-	150
Andrzej Zwierzchowski	4 850	-	-	4 850
Rafał Damasiewicz	0	-	-	0
Joanna Zwolak	50	-	-	50

The Supervisory Board of the Company:

	<i>/in items/</i>			
	Balance for this 6th November 2008	Increasing	Decreasing	Current balance
Małgorzata Wiśniewska	0	-	-	0
Andrzej Wilczyński	0	-	-	0
Przemysław Szkudlarczyk	0	-	-	0
Piotr Stobiecki	1 000	-	-	1 000
Grzegorz Wojtkowiak	0	-	-	0
Marcin Idziorek	0	-	-	0

Commercial Proxies of the Company

	<i>/in items/</i>			
	Balance for this 6th November 2008	Increasing	Decreasing	Current balance
Andrzej Szultka	0	-	-	0

2.13 Indicating the proceedings being conducted in court, authority proper for arbitration proceedings or public administration body, with the consideration of the information in the scope of:

- a) proceedings concerning Issuer's obligations or receivables or the unit dependent on it, whose value constitutes at least 10% of equity capitals of the Issuer, with the definition of: the subject of proceedings, value of the subject of dispute, the date of

commencing the proceedings, the parties of the commenced proceedings and the Issuer's position,

- b) two or more proceedings concerning the obligations and receivables the total value of which constitutes respectively at least 10% of Issuer's equity capitals, defining the total value of proceedings separately in the group of obligations and receivables and with the Issuer's position on this as well as with reference to major proceedings in the group of obligations and in the group of receivables - with the indication of their subject, value of the subject of the dispute, the date of commencing the proceedings and the parties of the commenced proceedings.

The conducted proceedings brought by or against the company do not exceed the value constituting at least 10% of equity capitals

2.14. Information about concluding by the Issuer or its subsidiary one or more transactions with affiliated entities if the transaction value (total value of all the transactions concluded in the period from the beginning of accounting year) exceeds the equivalent of 500 thousand expressed in PLN. EUR – if these are not typical or routine transactions.

In the period of the fourth quarter of 2008, the transactions with affiliated entities, the value of which in the period from the beginning of accounting year exceeded the equivalent of 500,000 EUR, expressed in PLN, however these were the transactions of typical and routine nature, concluded on the market conditions, the nature and conditions of which result from operational activity run by the Issuer and its subsidiaries.

Affiliated entity	PBG	Metorex	GK Infra	KWG	GK APRIVIA	GK PBG DOM	AVATIA	TOTAL
Receivables in total	42 243	8 667	40 702	212	456	0	0	92 280
Long-term receivables for supplies and services provided								
Short-term receivables for supplies and services provided	39 656	8 666	40 129		446			88 897
Other short-term receivables	2 587	1	573	212	10			3 383
Liabilities in total	6 699	467	2 084	0	292	0	52	9 594
Long-term liabilities on account of supplies and services provided		106	140					246
Short-term liabilities on account of supplies and services provided	4 383	361	1 875		292		52	6 963
Other short-term liabilities	2 316		69					2 385
Revenue on the sale of products, services, materials, goods	71 144	9 197	26 938		397			107 676
Cost value of products, services, materials, goods	10 577	11 654	8 118		6 797			37 146
Administrative costs	1 135		1 475			1 525	425	4 560
Financial revenue	271		520	127	10			928
Financial costs	2 922	29						2 951

2.15. Information about granting by the Issuer or its subsidiary the surety for the credit or loan or granting guarantee - in total to one entity or unit being the subsidiary of this entity, if the value of the surety or the guarantee constitutes the equivalent of at least 10% of the Issuer's equity.

In the period of the 4th quarter of 2008 the Group granted the following guarantees:

No.	Guarantee drawer	Guarantee amount (thousand x PLN)	For	Valid until
1.	Ergo Hestia S.A. ul. Hestii 1 81-731 Sopot	24 302	Euro Poznań 2012 Sp. z o.o. ul. Marcelińska 90 60-324 Poznań	2010-06-25
	Total	24 302		

In the period of the 4th quarter of 2008 the Group granted significant sureties:

2.16. Information concerning the changes of contingent liabilities or contingent assets which occurred from the completion of previous accounting year.

Contingent liabilities	balance on this 31.12.2008	balance on this 30.09.2008	balance on this 31.12.2007
Guarantees:	491 218	414 205	382 112
For related entities:	0	0	0
For other entities:	491 218	414 205	382 112
- contract performance security	216 672	178 593	173 560
- remedy of defects and failures	12 974	10 490	11 975
- tender guarantee	6 728	3 202	8 331
- advance payment return	76 332	67 552	66 048
- payments	5 466	4 425	200
- contract performance security	155 289	133 894	95 760
- retention amounts	2 143	2 681	6 542
- surety	0	0	240
- payments	984	1 550	2 129
- performance security and surety	14 630	11 818	17 327
Sureties:	1 142 466	961 240	906 813
For related entities:	1 117 963	950 361	895 026
- security of contract bonds	396 398	309 800	112 672
- borrowing security	180 920	164 145	41 786
- security of bonds redemption	400 000	400 000	660 000
- securing of limits on transactions with financial instruments (treasury limits)	103 062	50 199	46 659
- others	37 584	26 217	33 909
- security of leasing contracts	0	0	0
For other entities:	24 503	10 879	11 787
- security of contract bonds	3 451	2 829	2 985
- borrowing security	0	0	0
- security of bonds redemption	0	0	0
- securing of limits on transactions with financial instruments (treasury limits)	0	0	0
- security of loan payment	5 875	8 050	8 802

Contingent liabilities	balance on this 31.12.2008	balance on this 30.09.2008	balance on this 31.12.2007
- others	15 177	0	0
Bills of exchange:	52 290	53 734	2 632
For related entities:	11 410	7 335	2 416
- securing contract bonds	11 410	7 335	2 416
For other entities:	40 880	46 399	216
- securing contract bonds	40 880	46 399	216
Contingency liabilities in total:	1 685 974	1 429 179	1 291 557

2.17. Other information which, according to the Issuer, is significant for the appraisal of its HR, asset, financial situation, financial result and their changes as well as the information which is significant for the assessment of the realization of the obligations by the Issuer.

On this 30th October 2008 the President of the Executive Board, Mr. Tomasz Woroch and the Vice President of the Executive Board, Mr. Tomasz Starzak submitted their resignations from their functions in the Executive Board of the Company.

The decision of Mr. President Tomasz Woroch was connected with effective realization of the entrusted mission of merging HYDROBUDOWA WŁOCŁAWEK S.A. and Hydrobudowa Śląsk S.A. and the incorporation of HYDROBUDOWA 9 P.I-B S.A. into the structure of the Capital Group HYDROBUDOWA POLSKA.

The Vice President of the Executive Board of the Company Mr. Tomasz Starzak submitted his resignation due to family reasons.

2.18. Indication of factors which, according to the Issuer, shall have an influence on the result achieved by the Issuer, in the prospect of at least the next quarter.

The factors which may have an influence on the Issuer's financial situation in the prospect of at least the next quarter include:

- business outlook in construction branch of industry,
- situation on financial markets
- pace and directions of use of resources from the EU funds,
- the pace of preparation of investments connected with the organization of Football Europe Championships EURO 2012
- Strengthening operational and financial control within the framework of the realized contracts,
- level of materials and construction services prices, having the influence on the amount of direct costs of the contracts realized,
- costs of employment and availability of qualified employees

**MID-YEAR CONSTRUCTED FINANANCIAL STATEMENTS OF THE COMPANY HYDROBUDOWA POLSKA S.A.
FOR THE 4TH QUARTER OF 2008
SELECTED FINANCIAL DATA**

	For the period from 01.01 to 31.12.2008 PLN	For the period from 01.01 to 31.12.2007 PLN	For the period from 01.01 to 31.12.2008 EUR	For the period from 01.01 to 31.12.2007 EUR
Cash revenue on sales	793 628	582 300	224 690	154 178
Profit (loss) from operational activity	58 509	46 561	16 565	12 328
Profit (loss) before tax	67 963	50 391	19 242	13 342
Profit (loss) net from continued activity	53 622	40 232	15 181	10 652
Profit (loss) net	53 622	40 232	15 181	10 652
Monetary resources net from operational activity	(100 241)	(56 103)	(28 380)	(14 855)
Monetary resources net from operational activity	(101 189)	181	(28 648)	48
Monetary resources net from financial activity	(222)	(349)	(63)	(92)
Net change of the balance of monetary resources and their equivalents	(201 652)	(56 271)	(57 091)	(14 899)
Weighted average number of ordinary shares	160 290	138 673	160 290	138 673
Weighted average watered number of ordinary shares	160 290	138 673	160 290	138 673
Profit (loss) for one ordinary share (in PLN/EUR)	0,33	0,29	0,09	0,08
Watered profit (loss) for one ordinary share (in PLN / EUR)	0,33	0,29	0,09	0,08
Average exchange rate PLN / EUR*			3,5321	3,7768
Specification	For this 30.09.2008 PLN	for this 31.12.2007 PLN	For this 31.12.2008 EUR	For this 31.12.2007 EUR
Assets	1 170 952	80 007	280 642	22 336
Long—term receivables	57 847	76 598	13 864	21 384
Short-term receivables	356 362	366 752	85 409	102 387
Equity	756 743	139 352	181 369	38 903
Initial capital	210 558	138 673	50 464	38 714
Number of shares	210 558	138 673	210 558	138 673
Book value for one share (in PLN/EUR)	3,59	1,00	0,86	0,28
Declared or paid-out dividend for one share (in PLN/EUR)	-	-	-	-
Exchange rate PLN/EUR at the end of the period**			4,1724	3,5820

* Average PLN/EUR exchange rate was calculated according to the rate being the simple average of the rates of the National Bank of Poland as for the day closing each month of the reporting period

** Selected items of the balance sheet converted into EUR according to the average exchange rate of the National Bank of Poland determined for the day closing the reporting period

MID-YEAR CONSTRUCTED BALANCE SHEET OF THE COMPANY HYDROBUDOWA POLSKA S.A.

Specification	For this	For this
	31.12.2008.	31.12.2007
<i>Assets</i>		
Fixed assets	511 692	80 007
Intangible assets	566	802
goodwill	-	-
Property, plant and equipment	98 304	70 054
Non-renewable natural resources		-
Investment properties	-	-
Investments in subsidiaries	374 115	-
Investments in affiliated entities calculated with equity method	-	-
Other long-term financial assets	25 998	600
- from related entities	25 909	357
- from other entities	89	243
Long-term receivables	4 963	6 504
- from related entities	899	767
- from other entities	4 064	5 737
Assets on account of deferred income tax	4 252	-
Long-term accrued liabilities	3 494	2 047
Current assets	659 260	502 695
Stocks	4 383	5 196
Receivables from the ordering parties on account of the works resulting from construction service / long-term contracts	300 111	182 853
- from related entities	59 312	3 271
- from other entities	240 799	179 582
Receivables for supplies and services provided	286 679	219 076
- from related entities	112 709	44 462
- from other entities	173 970	174 614
Receivables on account of current income tax	-	-
Other short-term receivables	8 633	24 566
- from related entities	4 025	193
- from other entities	4 608	24 373
Other short-term financial assets	6 167	19 209
- from related entities	5 243	-
- from other entities	924	19 209
Monetary resources and their equivalents	48 166	48 346
Short-term accruals	5 121	3 449
Assets in total	1 170 952	582 702

Specification	for the day	for the day
	31.12.2008.	31.12.2007
<i>Liabilities</i>		
Equity	756 743	139 352
Initial capital	210 558	138 673
Treasury shares	-	-
Supplementary capital from the sale of shares above their nominal value	543 001	-
Capital from the valuation of hedge operations	(43 463)	5 845
Other capitals	43 790	41 031
Undivided financial result	2 857	(46 197)
- profit (loss) from previous years	(50 765)	(86 429)
- profit (loss) net from current year	53 622	40 232
Liabilities	414 209	443 350
Long-term liabilities	57 847	76 598
Long-term credits and loans	27 344	11 477
- from related entities	-	-
- from other entities	27 344	11 477
Other long-term financial liabilities	24 516	51 181
Other long-term liabilities	3 616	4 621
- from related entities	246	138
- from other entities	3 370	4 483
Provision on account of deferred income tax	-	7 300
Provisions for liabilities on account of employee benefits	475	608
Other long-term provisions	1 896	1 411
Long-term accrued liabilities	-	-
Short-term liabilities	356 362	366 752
Short-term credits and loans	110 612	150 599
- from related entities	-	41 390
- from other entities	110 612	109 209
Other short-term financial liabilities	54 096	115
Liabilities for supplies and services provided	155 154	164 951
- from related entities	13 834	18 619
- from other entities	141 320	146 332
Liabilities on account of the construction service contract	4 100	5 851
- from related entities	23	4 241
- from other entities	4 077	1 610
Liabilities on account of current income tax	13 998	11 113
Other short-term liabilities	13 592	30 783
- from related entities	2 563	219
- from other entities	11 029	30 564
Provisions for liabilities on account of employee benefits	269	466
Other short-term provisions	1 811	566
Short-term accruals	2 730	2 308
Liabilities in total	1 170 952	582 702

MID-YEAR CONSTRUCTED PROFIT AND LOSS ACCOUNT OF THE COMPANY HYDROBUDOWA POLSKA S.A.

Specification	For the 4 th quarter from 01.10. to 31.12.2008	For 4 quarters from 01.01 to 31.12.2008	For the 4 th quarter from 01.10. to 31.12.2007	For 4 quarters from 01.01 to 31.12.2007
<i>Continued activity</i>				
Cash revenue on sales	261 012	793 628	249 998	582 300
- from related entities	55 672	133 810	46 720	94 100
Revenue on sale of products	-	-	-	-
Fees earned	258 683	781 106	240 680	562 680
Revenue on sale of goods and materials	2 329	12 522	9 318	19 620
Cost of sales	(240 174)	(702 182)	(210 831)	(517 454)
- from related entities	(21 727)	(58 504)	(12 040)	(31 544)
Cost of sold products	-	-	-	-
Cost of sold services	(237 501)	(689 997)	(201 714)	(498 065)
Cost of sold goods and materials	(2 673)	(12 185)	(9 117)	(19 389)
Profit (loss) gross on sales	20 838	91 446	39 167	64 846
Costs of sales	-	-	-	-
General administrative costs	(8 892)	(29 617)	(4 826)	(21 266)
Other operational revenue	818	2 892	(1 026)	9 589
Other operational costs	(2 801)	(6 212)	(2 810)	(6 608)
Restructuring costs	-	-	-	-
Profit (loss) from operational activity	9 963	58 509	30 505	46 561
Financial revenue	13 565	23 778	786	4 366
Financial costs	(3 453)	(14 324)	(5 014)	(16 686)
Other profit (loss) from investment	-	-	-	16 150
Profit (loss) before tax	20 075	67 963	26 277	50 391
Income tax	(4 161)	(14 341)	(6 094)	(10 159)
Profit (loss) net from continued activity	15 914	53 622	20 183	40 232
<i>Discontinued activity</i>				
Loss net from discontinued activity	-	-	-	-
Profit (loss) net	15 914	53 622	20 183	40 232

PROFIT (LOSS) NET PER ONE SHARE OF THE COMPANY HYDROBUDOWA POLSKA S.A.

Specification	For the 4 th quarter	For 4 quarters	For the 4 th quarter	For 4 quarters
	from 01.10.	from 01.01	from 01.10.	from 01.01
	to 31.12.2008	to 31.12.2008	to 31.12.2007	to 31.12.2007
	PLN/share	PLN/share	PLN/share	PLN/share
Profit (loss) net from continued activity	15 914	53 622	20 183	40 232
Profit (loss) net from continued and discontinued activity	15 914	53 622	20 183	40 232
Weighted average number of ordinary shares	210 558	160 290	138 673	138 673
Weighted average watered number of ordinary shares	210 558	160 290	138 673	138 673
<i>from continued activity</i>				
- basic	0,0756	0,3345	0,1455	0,2901
- watered	0,0756	0,3345	0,1455	0,2901
<i>from continued and discontinued activity</i>				

- basic	0,0756	0,3345	0,1455	0,2901
- watered	0,0756	0,3345	0,1455	0,2901

CASH FLOW ACCOUNT OF THE COMPANY HYDROBUDOWA POLSKA S.A.

<i>Specification</i>	For the period from 01.01 to 31.12.2008	For the period from 01.01 to 31.12.2007
<i>Cash flow from operational activity</i>		
Profit net before tax	67 963	50 391
Adjustments:	41 350	(17 844)
Depreciation of intangible assets	385	486
Revaluation write offs on account of the loss of goodwill		
Write offs on account of the loss of property, plant and equipment		
Depreciation of the value of property, plant and equipment	9 285	4 659
(Profit) loss on the sale of property, plant and equipment	469	(1 000)
(Profit) loss on the sale of financial assets available for sales (allocated for trading)	(11 833)	(28 770)
Profit (loss) from valuation of investment properties according to fair value	31 898	
(Profit) loss on account of fair value of financial assets declared according to fair value		(5 260)
Share in profit (loss) of related entities		
Profit (loss) on account of differences in rates	(386)	49
Interest expenses	11 534	12 535
Interest received		(515)
Dividend received	(2)	(28)
Monetary resources from operational activity before considering changes in working capital	109 313	32 547
Change of stock level	813	4 480
Change of receivables level	(172 735)	(163 980)
Change of liabilities level	(24 685)	84 840
Change of provisions level and accrued liabilities	(1 296)	(13 159)
Other adjustments		(100)
Monetary resources generated in the course of operational activity	(88 590)	(55 372)
Paid interest	(243)	(215)
Paid income tax	(11 408)	(516)
Monetary resources net from operational activity	(100 241)	(56 103)
<i>Cash flow from investment activity</i>		
Expenses on purchasing intangible assets		(326)
Revenue from the sale of intangible assets		
Expenses on purchasing property, plant and equipment	(37 183)	(30 732)
Revenue from the sale of property, plant and equipment	407	8 823
Expenses on purchasing investment properties		
Revenue from the sale of investment properties		16 647
Expenses for purchasing financial assets available for sale		
Revenue from the sale of financial assets available for sale		
Expenses for purchasing financial assets allocated for trading	(30 000)	(51)
Revenue from the sale of financial assets allocated for trading	16 780	31 622

<i>Specification</i>	For the period from 01.01 to 31.12.2008	For the period from 01.01 to 31.12.2007
Expenses for purchasing related entities (reduced by monetary resources taken over)		
Revenue from sale of related entities		
Other expenses – additional payment to capital	(51 455)	
Revenue from received governmental subsidies		
Granted loans		(60)
Received payments of loans granted		
Interest received	(100)	31
Dividend received	360	28
Other revenue		181
Other investment expenses	2	(211)
Monetary resources net used in investment activity	(101 189)	25 952
<i>Cash flow from financial activity</i>		
Revenue net on account of issuance of shares	292 227	
Acquisition of treasury shares		
Revenue on account of issuance of debt securities	(50 000)	
Payment of bonds		50 000
Payment of interest on bonds	(2 721)	
Redemption of debt securities		
Revenue on account of borrowing	84 760	88 429
Payment of credits and loans	(110 073)	(74 186)
Payment of interest on credits and loans	(12 362)	(9 179)
Revenue on account on investment		438
Payment of liabilities on account of financial leasing	(339)	(214)
Paid interest	(18)	(19)
Paid-out dividend		
Credit commissions	(222)	(349)
Other expenses		(210)
Monetary resources net from financial activity	201 252	54 710
Net change of the balance of monetary resources and their equivalents	(178)	24 559
Monetary resources and their equivalents at the beginning of the period	48 389	23 505
Change of the state on account of differences in rates	(317)	326
Monetary resources and their equivalents at the end of the period	47 894	48 390

**STATEMENT OF CHANGES IN THE EQUITY CAPITAL OF THE COMPANY HYDROBUDOWA POLSKA S.A.
IN THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2008**

Specification	Initial capital	Other capitals	Undivided financial result	Total
Balance as for this 1st January 2007	107 155	67 727	(79 705)	95 177
Adjustment on account of the merger of the Companies	31 518	(31 518)		-
Adjustments on account of basic mistakes			(653)	(653)
Balance after the changes	138 673	36 209	(80 358)	94 524
<i>Changes in equity capital in the period from 01.01. to 31.12.2007</i>				
Profit (loss) on account of revaluation		(632)	398	(234)
Investments available for sale:	-	-	-	-
- profit (loss) on account of valuation referred to equity				-
- transferred to profit (loss) on sale				-
Instruments securing cash flow:	-	8 489	-	8 489
- profit (loss) referred on equity		8 489		8 489
- profit (loss) transferred to the financial result of the period				-
- profit (loss) taken into consideration at the valuation of balance value of secured items				-
Tax connected with the items presented in the capital or transferred from the capital		(1 469)		(1 469)
Profit net presented directly in equity	-	6 388	398	6 786
Profit net for the period from 01.01. to 31.12.2007			40 232	40 232
Amount of profit and loss booked in the period from 01.01. to 31.12.07.	-	6 388	40 630	47 018
Dividend				-
Division of result		4 469	(6 469)	(2 000)
Issued initial capital		(190)		(190)
Balance as for this 31st December 2007	138 673	46 876	(46 197)	139 352
Balance as for this 1st January 2008	138 673	46 876	(46 197)	139 352
Changes of rules (policy) of accounting				-
Adjustments on account of basic mistakes				-
Balance after the changes	138 673	46 876	(46 197)	139 352
<i>Changes in equity capital in the period from 01.01. to 31.12.08</i>				
Profit (loss) on account of revaluation		(650)	650	-
Investments available for sale:	-	-	-	-
-profit on account of valuation referred to equity				-
- transferred to profit (loss) on sale				-
Instruments securing cash flow:	-	(60 874)	-	(60 874)
- profit (loss) referred to equity		(60 874)		(60 874)
- profit (loss) transferred to the financial result of the period				-
- profit (loss) taken into consideration at the valuation of balance value of secured items				-
Differences in rates from valuation of entities operating abroad				-
Tax connected with the items presented in the capital or transferred from the capital		11 567		11 567
Profit net presented directly in equity	-	(49 957)	650	(49 307)
Profit net for the period from 01.01. to 30.09.2008			53 622	53 622
Amount of profit and loss booked in the period from 01.01. to 31.12.2008	-	(49 957)	54 272	4 315
Dividend				-
Division of result		3 218	(5 218)	(2 000)

Issued initial capital	71 885	543 191		615 076
Balance as for this 31st December 2008	210 558	543 328	2 857	756 743

The Executive Board's comment to the financial results of the Company HYDROBUDOWA POLSKA S.A.

In four quarters of 2008 increasingly the dynamic increase of revenue on sales was accompanied by the stability of returns on all levels of profit and loss account in comparison with the results made in the analogical period of the previous year. The following result items increased significantly: gross profit increased by 41%, profit from operational activity increased by 26%, net profit increased by 33%.

I. Significant events and the factors influencing the financial results of the Company (data concerns the fourth quarter of 2008)

1.1. Only in the 4th quarter of 2008 the Company achieved 261 million PLN revenue on sales, achieving gross profit on sales on the level of nearly 21 million PLN. The increase in revenue on sales was relatively lower than the increase of costs, which resulted in decrease of returns earned by the Company on all levels of profit and loss account. The main reason for this conjuncture was correcting the revenue on sale with the loss on account of securing operations from exchange rate risk, as a result of the loss of effectiveness by some of forward contracts. From the policy of security from exchange rate risk, accepted by the Company, it results that this negative influence on the result will be partially worked out in the next four quarters (pursuant to the progress of works on the secured contracts). The negative influence of forwards on the revenue is transferred on particular levels of profit i.e. gross profit on sales decreased by over 18 million in comparison with the analogical period of the previous year, profit on operational activity and net profit also stated a decrease (respectively from 30.5 million PLN to nearly 10 million PLN and from 20 million PLN to nearly 16 million PLN).

1.2. The most significant sources of revenue from the Company basic activity, in the 4th quarter, included the following construction contracts:

- a) contract named "The development of sewage system of the district Ołtaszyn" concluded with the community of Wrocław and HYDROBUDOWA POLSKA S.A. - realized revenue: 37.7 million PLN;
- b) contract called "Development and reconstruction of sewage treatment plant in Piaseczno" concluded between the Community of Piaseczno and HYDROBUDOWA POLSKA S.A.- realized revenue: 24 million PLN;
- c) the contract called "Improvement of water-sewage management on the territory of the community of Zabrze – district Grzybowice and Rokitnica – concluded between the

Community of Zabrze and Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. Zabrze and HYDROBUDOWA POLSKA S.A. - realized revenue: 21.9 million PLN;

b) contract named "Królewiecka Water Purification Plant and development of water-pipe network in Elbląg" concluded between Przedsiębiorstwo Wodociągów i Kanalizacji Elbląg and HYDROBUDOWA POLSKA S.A. – realized revenue: 18.2 million PLN;

d) contract called "Sanitary sewage system and drainwater drainage system in the districts Wilkowyje and Mąkołowiec in Tychy" concluded between the Community of Tychy and HYDROBUDOWA POLSKA S.A.– realized revenue: 16.9 million PLN

II. Comment to the revenues and costs of the profit and loss account (data concerns four quarters of 2008 increasingly)

2.1. Revenue on sales

For four quarters of 2008 increasingly, the revenue on sales of the company HYDROBUDOWA POLSKA S.A. amounted to nearly 794 million PLN and increased by 36%. The biggest share in sales was stated by water segment which constituted nearly 72%. The second biggest segment was the segment of services. Its share in revenue on sales in the discussed period amounted to 13.4%. The segment of fuels was positioned on the third place and constituted over 12%. The fourth biggest segment was the segment of industrial construction which constituted 2.4% in the sales structure. The smallest share in the revenue on sales stated the segment of road construction and this was only 0.2%.

2.2. Costs of sales

For four quarters of 2008 increasingly costs of sales amounted to nearly 517.5 million PLN and increased by 36% in comparison with their analogical value at the end of the fourth quarter of 2007. The share of discussed variable costs in revenue on sale changed slightly. Their value at the end of the 4th quarter of 2008 constituted 88.5% of revenue in comparison with 88.9% at the end of the 4th quarter of 2007, which means the decrease by 0.4%.

2.3. General administrative costs

General administrative costs at the end of the fourth quarter of 2008 amounted to 29.6 million PLN and they were 39% bigger in comparison with the analogical period of the previous year. The main items constituting general administrative costs include remunerations and depreciation. The increase of remunerations with the employment maintained on the same level had the biggest influence on the increase of the general administrative costs in 2008. In comparison with the analogical period of the previous year, average wages in total (including basic wages and bonus) increased by 31% from 3,025 PLN to 3,962 PLN per month.

At the end of the fourth quarter of 2008 the general administrative costs constituted the same value as last year - i.e. 3.7% in the revenue on sales, which can be considered maintaining the index on a stable level.

2.4. Other operational revenue

For four quarters of other operational revenue amounted to 2.9 million PLN which constitutes 70% less than last year. The received damages constituted the biggest share in other operational revenue (the amount of nearly 1 million PLN) and the release of provisions for receivables (the amount of 0.9 million PLN). In 2007 single events such as e.g. the sale of real estates constituted a significant part of this item.

2.5. Other operational costs

Other operational costs at the end of the fourth quarter of 2008 amounted to 6.2 million PLN and they were 6% smaller than their value at the end of 2007. These costs include, among others, write offs revaluating the value of receivables, donations and reinvoices.

2.6. Financial revenue

Financial revenue for four quarters of 2008 increasingly amounted to 26.4 million PLN and stated 6-fold increase in relation to the analogical period of the previous year. Positive rate differences constitute the main item in the financial revenue and this is the amount of 14.3 million PLN and interest (7.6 million PLN), including: bank interest – 3.2 million PLN, interest on the bonds issued by the subsidiary and acquired by Hydrobudowa Polska – Hydrobudowa 9 (1.2 million PLN) and others (3.2 million PLN). Positive rate differences include the differences realized on the receivables and liabilities already made and unrealized rate differences (valuation of receivables and liabilities unsettled for the balance sheet day and the valuation of monetary resources being on investments in foreign currency for balance sheet day).

2.7. Financial costs

At the end of the fourth quarter of 2008 the financial costs amounted to nearly 16.9 million PLN and this is the amount practically the same as in the analogical period of the previous year. Interest and commissions on bank credits— i.e. nearly 8.4 million PLN constitute the most important item in the financial costs. Moreover, interest on bonds - 1.6 million PLN and on granted loans - 1.4 million PLN stated significant value as well.

III. Comment to the financial results of the profit and loss account (data concerns four quarters of 2008 increasingly)

3.1. Result items of the profit and loss account

At the end of the 4th quarter of 2008 the net profit generated by the company reached the level of over 53.6 million PLN, which in comparison with the result achieved at the end of the

fourth quarter of 2007 constitutes 33% increase. However, it should be remembered that single event (the sale of Mostostal Zabrze shares) took place last year, as a result of which the company stated the profit in the amount of 16.5 million PLN on the financial level, which had a significant influence on increasing net result. There are no single events in this year's results. In the financial results for four quarters of 2008 increasingly, the growth tendency on all levels of profit and loss account is maintained: gross profit on sales in comparison with the analogical period of the previous year increased by 41%, operational profit stated 26% increase.

3.2. EBITDA

In four quarters of 2008 increasingly the expenses on the acquisition of property, plant and equipment and the expenses on the acquisition of intangible assets amounted to over 37.1 million PLN in total in comparison with 31 million PLN in the analogical period of the previous year. This influenced the increase of the costs of depreciation which in 2008 amounted to nearly 9.7 million PLN in comparison with over 5.1 million PLN in the analogical period of the previous year. EBITDA result (EBIT – operational profit plus depreciation) at the end of the fourth quarter of 2008 amounted to 68.2 million PLN and was nearly 16.5 million PLN higher than its value stated for the analogical period of the previous year, which constitutes 32% increase.

3.3. Profitability ratios

In four quarters of 2008 increasingly the dynamics of revenue on sales equal with the dynamics of costs of sales and increased by 136%, which had an influence on the stability of the returns achieved by the company. HYDROBUDOWA POLSKA for four quarters increasingly earned the gross margin on sales on the level of 11.5 % in comparison with 11.1 % in the analogical period of the previous year i.e. 0.4% more, operational margin on the level of 7.4% in comparison with 8% and net margin on the level of 6.8 % in comparison with 6.9% at the end of the fourth quarter of 2007.

Analyzing only the fourth quarter of 2008 and comparing it to the results achieved only in the fourth quarter of 2007 the following can be noticed: decrease in gross return on sale from 15.7% to 8% i.e. by 7.7%, the decrease in operational return from 12.2% to 3.8% i.e. by 8.4% and the decrease of net income return from 8.1% to 6.1% i.e. by 2%. As previously mentioned, the decrease in returns earned in the fourth quarter of 2008 is the effect of booking the valuations from securing operations, which according to the security policy were considered ineffective, in the company result.

Profitability ratios	4 quarters increasingly 2008	4 quarters increasingly 2007	4th quarter of 2008	4th quarter of 2007
Gross return on sales ¹	11,5%	11,1%	8,0%	15,7%
Operational return ²	7,4%	8,0%	3,8%	12,2%
Net return ³	6,8%	6,9%	6,1%	8,1%

1 gross profit from sale/revenue on sale *100

2 profit from operational activity/revenue on sale *100

3 net profit/revenue on sale *100

Signatures of all Members of the Executive Board:

Date	Name and surname:	Position/function	Signature
02.03.2009	Jerzy Ciechanowski	The President of the Executive Board	
02.03.2009	Edward Kasprzak	Vice President of the Executive Board	
02.03.2009	Jarostaw Dusito	Vice President of the Executive Board	
02.03.2009	Rafał Damasiewicz	Member of the Executive Board	
02.03.2009	Andrzej Zwierzchowski	Member of the Executive Board	
02.03.2009	Joanna Zwolak	Member of the Executive Board	

Wysogotowo, this 2nd March 2008