

**HYDROBUDOWA POLSKA GROUP**



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE PERIOD JANUARY 1ST-JUNE 30TH 2010**

WYSOGOTOWO, AUGUST 20TH 2010



Name of the Group:	<i>HYDROBUDOWA POLSKA GROUP</i>		
Period covered by the financial statements:	<i>January 1st–June 30th 2010</i>	Reporting currency:	<i>Polish złoty (PLN)</i>
Rounding:	<i>All figures in PLN '000 (unless stated otherwise)</i>		

## TABLE OF CONTENTS

CONSOLIDATED BALANCE SHEET .....	1
CONSOLIDATED INCOME STATEMENT.....	3
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	5
CONSOLIDATED STATEMENT OF CASH FLOWS .....	8
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	10
1. General Information .....	10
2. Basis of Accounting and Accounting Policies .....	11
3. Material Events and Transactions.....	15
4. Earnings per Share (EPS).....	15
5. Seasonality of Operations .....	15
6. Operating Segments .....	16
7. Property, Plant and Equipment .....	19
8. Intangible Assets .....	23
9. Impairment Losses on Assets.....	23
10. Share Capital .....	24
11. Share-Based Payment Programmes .....	24
12. Dividends .....	24
13. Issue and Redemption of Debt Securities .....	25
14. Liabilities and Provisions for Employee Benefits.....	25
15. Other Provisions.....	27
16. Contingent Liabilities .....	28
17. Business Combinations .....	29
18. Discontinued Operations .....	29
19. Related-Party Transactions .....	29
20. Events Subsequent to the Balance-Sheet Date .....	30
21. Other Material Changes to Assets, Liabilities, Revenues and Costs .....	32
22. Other Legally Required Information (Key Items Translated into the Euro) .....	37
23. Approval for Publication .....	39

---

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## CONSOLIDATED BALANCE SHEET

Item	Note	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<b>Assets</b>				
<b>Non-current assets</b>		<b>274,286</b>	<b>253,543</b>	<b>239,929</b>
Goodwill		37,605	37,605	37,605
Intangible assets		1,639	1,994	1,898
Property, plant and equipment		130,113	145,726	142,116
Non-regenerative natural resources		-	-	-
Investment property		31,568	12,486	29,299
Investments in subsidiary undertakings		-	-	-
Investments in associated undertakings		-	-	-
Receivables		2,033	7,186	4,636
Loans advanced		52,321	64	66
Derivative financial instruments		2,530	-	2,331
Other non-current financial assets		26	26	26
Deferred tax assets		14,153	44,151	17,819
Non-current prepayments and accrued income		2,298	4,305	4,133
<b>Current assets</b>		<b>1,161,665</b>	<b>1,078,792</b>	<b>1,217,909</b>
Inventories		15,478	46,944	6,602
Receivables under construction contracts		496,118	479,796	435,014
Trade and other receivables		557,014	469,334	660,366
Current income tax receivable		2,105	3	2
Loans advanced		-	-	16,574
Derivative financial instruments		3,522	-	5,936
Other current financial assets		134	280	157
Cash and cash equivalents		80,896	74,164	84,144
Current prepayments and accrued income		6,398	8,271	9,114
Non-current assets classified as held for sale		-	-	,
<b>Total assets</b>		<b>1,435,951</b>	<b>1,332,335</b>	<b>1,457,838</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## CONSOLIDATED BALANCE SHEET (CONTINUED)

Item	Note	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<i>Equity and liabilities</i>				
<b>Equity</b>		<b>434,301</b>	<b>259,048</b>	<b>389,502</b>
<b>Equity attributable to owners of the parent</b>		<b>434,026</b>	<b>257,670</b>	<b>389,253</b>
Share capital		210,558	210,558	210,558
Treasury shares		-	-	-
Share premium account		257,209	256,572	257,209
Valuation of hedging transactions and foreign exchange gains/(losses) on consolidation		(30,533)	(117,098)	(44,905)
Other equity		97,520	49,099	52,043
Retained earnings		(100,728)	(141,461)	(85,652)
– retained earnings/(deficit)		(131,836)	(184,684)	(183,562)
– net profit/(loss) for current year attributable to owners of the parent		31,108	43,223	97,910
<b>Minority interests</b>		<b>275</b>	<b>1,378</b>	<b>249</b>
<b>Liabilities</b>		<b>1,001,650</b>	<b>1,073,287</b>	<b>1,068,336</b>
<b>Non-current liabilities</b>		<b>42,222</b>	<b>83,610</b>	<b>48,788</b>
Loans, borrowings and other debt instruments		6,316	19,765	11,929
Finance lease		7,431	6,681	12,707
Derivative financial instruments		5,434	35,240	-
Other liabilities		14,442	14,715	15,640
Deferred tax liabilities		-	860	-
Liabilities and provisions for employee benefits		3,548	2,828	3,739
Other non-current provisions		5,051	3,521	4,773
Government subsidies		-	-	-
Non-current accruals and deferred income		-	-	-
<b>Current liabilities</b>		<b>959,428</b>	<b>989,677</b>	<b>1,019,548</b>
Loans, borrowings and other debt instruments		383,488	372,653	289,466
Finance lease		11,687	3,463	13,577
Derivative financial instruments		31,462	143,041	59,020
Trade and other payables		473,127	367,470	589,384
Liabilities under construction contracts		14,180	20,409	13,619
Current income tax payable		269	1,491	778
Liabilities and provisions for employee benefits		16,662	19,455	17,358
Other current provisions		25,883	61,340	34,182
Government subsidies		-	-	-
Current accruals and deferred income		2,670	355	2,164
Liabilities under non-current assets held for sale		-	-	-
<b>Total equity and liabilities</b>		<b>1,435,951</b>	<b>1,332,335</b>	<b>1,457,838</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## CONSOLIDATED INCOME STATEMENT

Item	Note	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
<i>Continuing operations</i>				
<b>Sales revenue</b>		<b>794,143</b>	<b>550,966</b>	<b>1,675,623</b>
- from related undertakings		33,248	64,197	213,103
Revenue from sales of products		-	-	-
Revenue from sales of services		792,555	545,960	1,624,682
Revenue from sales of goods for resale and materials		1,588	5,006	50,941
<b>Cost of sales</b>		<b>(721,038)</b>	<b>(492,430)</b>	<b>(1,510,971)</b>
- to related undertakings		(103,895)	(82,330)	(255,760)
Cost of products sold		-	-	-
Cost of services sold		(719,500)	(487,207)	(1,461,405)
Cost of goods for resale and materials sold		(1,538)	(5,223)	(49,566)
<b>Gross profit/(loss)</b>		<b>73,105</b>	<b>58,536</b>	<b>164,652</b>
Selling costs		-	-	-
General and administrative expenses		(25,563)	(27,581)	(50,474)
Other operating income		18,363	15,307	23,142
Other operating expenses		(29,842)	(5,971)	(22,076)
Share in profit of undertakings valued with equity method		-	-	-
Costs of restructuring		-	-	-
<b>Operating profit/(loss)</b>		<b>36,063</b>	<b>40,291</b>	<b>115,244</b>
Finance income		10,911	8,327	7,727
Finance expenses		(12,531)	(11,394)	(18,988)
Other gains/(losses) on investments		-	1,795	-
<b>Pre-tax profit/(loss)</b>		<b>34,443</b>	<b>39,019</b>	<b>103,983</b>
Income tax		(3,321)	4,278	(6,049)
<b>Net profit/(loss) from continuing operations</b>		<b>31,122</b>	<b>43,297</b>	<b>97,934</b>
<i>Discontinued operations</i>				
Net loss from discontinued operations		-	-	-
<b>Net profit/(loss)</b>		<b>31,122</b>	<b>43,297</b>	<b>97,934</b>
<b>Net profit/(loss) attributable to:</b>				
- owners of the parent		31,108	43,223	97,910
- minority interests		14	74	24

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

#### NET EARNINGS (LOSS) PER ORDINARY SHARE (PLN)

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
	1 / share	1 / share	1 / share
Net profit/(loss) from continuing operations	31,108	43,223	97,910
Net profit/(loss) from continuing and discontinued operations	31,108	43,223	97,910
Weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Diluted weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
<i>from continuing operations</i>			
– basic	0.15	0.21	0.47
– diluted	0.15	0.21	0.47
<i>from continuing and discontinued operations</i>			
– basic	0.15	0.21	0.47
– diluted	0.15	0.21	0.47

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
<b>Net profit/(loss)</b>	<b>31,122</b>	<b>43,297</b>	<b>97,934</b>
<b>Other comprehensive income</b>		-	
Remeasurement of property, plant and equipment	438	(78)	1,085
Available-for-sale financial assets:	-	-	-
– income/(loss) disclosed under other comprehensive income in period	-	-	-
– amounts transferred to profit or loss	-	-	-
Cash-flow hedges:			
– income/(loss) disclosed under other comprehensive income in period	2,916	17,093	7,736
– amounts transferred to profit or loss	15,673	(38,933)	64,360
– amounts included in the initial value of hedged items	-	-	-
Currency translation differences on foreign operations	-	-	-
Currency translation differences transferred to profit or loss – sale of foreign operations	-	-	-
Share in other comprehensive income of undertakings valued with equity method	-	-	-
Income tax on items of other comprehensive income	(4,301)	5,589	(14,513)
Total other comprehensive income after tax	<b>14,726</b>	<b>(16,329)</b>	<b>58,668</b>
<b>Comprehensive income</b>	<b>45,848</b>	<b>26,968</b>	<b>156,602</b>
<b>Comprehensive income attributable to:</b>			
– owners of the parent	<b>45,835</b>	<b>26,894</b>	<b>156,578</b>
– minority interests	<b>13</b>	<b>74</b>	<b>24</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish zloty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Item	Equity attributable to owners of the parent							Minority interests	Total equity
	Share capital	Treasury shares (-)	Share premium account	Capital on valuation of cash-flow hedges	Other equity	Retained earnings (deficit)	Total		
<b>Balance as at Jan 1 2010</b>	<b>210,558</b>		<b>257,209</b>	<b>(43,044)</b>	<b>52,043</b>	<b>(85,652)</b>	<b>391,114</b>	<b>249</b>	<b>391,363</b>
Changes in accounting policies							-	-	-
Correction of fundamental errors				(1,861)			(1,861)		(1,861)
<b>Balance after changes</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(44,905)</b>	<b>52,043</b>	<b>(85,652)</b>	<b>389,253</b>	<b>249</b>	<b>389,502</b>
<b>Changes in equity in period Jan 1- Jun 30 2010</b>									
Issue of shares							-		-
Issue of shares following exercise of options (share-based payment programme)							-		-
Valuation of options (share-based payment programme)					1,019		1,019		1,019
Other adjustments						(980)	(980)	13	(967)
Dividends							-		-
Allocation of profit/(loss) to equity					44,104	(45,204)	(1,100)		(1,100)
Total transactions with owners of the parent	-	-	-	-	45,123	(46,184)	(1,061)	13	(1,048)
Net profit for period Jan 1 – Jun 30 2010						31,108	31,108	15	31,123
<b>Other comprehensive income:</b>									-
Remeasurement of property, plant and equipment					437		437		437
Cash-flow hedges				18,590			18,590	(2)	18,588
Share in other comprehensive income of undertakings valued with equity method							-		-
Income tax on items of other comprehensive income				(4,218)	(83)		(4,301)		(4,301)
Total comprehensive income	-	-	-	14,372	354	31,108	45,834	13	45,847
Transfer to retained earnings (sale of remeasured property, plant and equipment)							-	-	-
<b>Balance as at Jun 30 2010</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(30,533)</b>	<b>97,520</b>	<b>(100,728)</b>	<b>434,026</b>	<b>275</b>	<b>434,301</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish zloty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Item	Equity attributable to owners of the parent							Minority interests	Total equity
	Share capital	Treasury shares (-)	Share premium account	Capital on valuation of cash-flow hedges	Other equity	Retained earnings	Total		
<b>Balance as at Jan 1 2009</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(100,847)</b>	<b>43,867</b>	<b>(179,594)</b>	<b>231,193</b>	<b>667</b>	<b>231,860</b>
Changes in accounting policies				-	-	-	-	-	-
Correction of fundamental errors					2,038	(2,038)	-		-
<b>Balance after changes</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(100,847)</b>	<b>45,905</b>	<b>(181,632)</b>	<b>231,193</b>	<b>667</b>	<b>231,860</b>
<b>Changes in equity in period Jan 1-Jun 30 2009</b>									
Issue of shares		-		-	-	-	-	-	-
Issue of shares following exercise of options (share-based payment programme)	-	-	-	-	-	-	-	-	-
Valuation of options (share-based payment programme)	-	-	-	-	1,019	-	1,019	-	1,019
Other adjustments	-	-	(637)	-	613	-	(24)	637	613
Dividends	-	-	-	-	-	-	-	-	-
Allocation of profit/(loss) to equity	-	-	-	-	1,640	(2,978)	(1,338)	-	(1,338)
Total transactions with owners of the parent	-	-	(637)	-	3,272	(2,978)	(343)	637	294
Net profit for period Jan 1 – Jun 30 2009	-	-	-	-	-	43,149	43,149	74	43,223
<b>Other comprehensive income:</b>									
Remeasurement of property, plant and equipment	-	-	-	-	(78)	-	(78)	-	(78)
Available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Cash-flow hedges	-	-	-	(21,840)	-	-	(21,840)	-	(21,840)
Share in other comprehensive income of undertakings valued with equity method	-	-	-	-	-	-	-	-	-
Income tax on items of other comprehensive income	-	-	-	5,589	-	-	5,589	-	5,589
Total comprehensive income	-	-	-	(16,251)	(78)	43,149	26,820	74	26,894
Transfer to retained earnings (sale of remeasured property, plant and equipment)							-		-
<b>Balance as at Jun 30 2009</b>	<b>210,558</b>	-	<b>256,572</b>	<b>(117,098)</b>	<b>49,099</b>	<b>(141,461)</b>	<b>257,670</b>	<b>1,378</b>	<b>259,048</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish zloty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Item	Equity attributable to owners of the parent							Minority interests	Total equity
	Share capital	Treasury shares (-)	Share premium account	Capital on valuation of cash-flow hedges	Other equity	Retained earnings	Total		
<b>Balance as at Jan 1 2009</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(100,847)</b>	<b>43,867</b>	<b>(179,594)</b>	<b>231,193</b>	<b>667</b>	<b>231,860</b>
Changes in accounting policies							-	-	-
Correction of fundamental errors					2,038	(2,038)	-	-	-
<b>Balance after changes</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(100,847)</b>	<b>45,905</b>	<b>(181,632)</b>	<b>231,193</b>	<b>667</b>	<b>231,860</b>
<b>Changes in equity in period Jan 1-Dec 31 2009</b>									
Issue of shares							-	-	-
Issue of shares following exercise of options (share-based payment programme)							-	-	-
Valuation of options (share-based payment programme)					2,038		2,038	-	2,038
Other adjustments					1,596	863	2,459	(442)	2,017
Dividends							-		-
Allocation of profit/(loss) to equity					1,639	(2,793)	(1,154)		(1,154)
Total transactions with owners of the parent	-	-	-	-	5,273	(1,930)	3,343	(442)	2,901
Net profit for period Jan 1 – Dec 31 2009						97,910	97,910	24	97,934
<b>Other comprehensive income:</b>									
Remeasurement of property, plant and equipment					1,086		1,086	-	1,086
Cash-flow hedges				72,096			72,096	-	72,096
Share in other comprehensive income of undertakings valued with equity method							-	-	-
Income tax on items of other comprehensive income				(16,154)	(221)		(16,375)	-	(16,375)
Total comprehensive income	-	-	-	55,942	865	97,910	154,717	24	154,741
Transfer to retained earnings (sale of remeasured property, plant and equipment)	-	-	-						
<b>Balance as at Dec 31 2009</b>	<b>210,558</b>	-	<b>257,209</b>	<b>(44,905)</b>	<b>52,043</b>	<b>(85,652)</b>	<b>389,253</b>	<b>249</b>	<b>389,502</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## CONSOLIDATED STATEMENT OF CASH FLOWS

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
<i>Cash flows from operating activities</i>			
<b>Profit before tax</b>	<b>34,443</b>	<b>39,019</b>	<b>103,983</b>
<b>Adjustments:</b>	<b>20,396</b>	<b>41,889</b>	<b>63,479</b>
Amortisation of intangible assets	307	275	672
Impairment losses on goodwill	-	-	-
Impairment losses on property, plant and equipment	-	116	134
Depreciation of property, plant and equipment	9,457	7,281	17,120
Gains (losses) on disposal of non-financial non-current assets	42	189	(427)
Change in fair value of financial assets (liabilities) measured through profit or loss	(9,471)	(15,309)	(14,222)
Cash flow hedges transferred from equity	11,380	40,019	41,241
Change in fair value of investment property	304	-	(1,379)
Gains/(losses) on disposal of financial assets (other than derivative instruments)	-	(950)	-
Share in profit/(loss) of associated undertakings	-	-	-
Foreign exchange gains/(losses)	127	81	(184)
Interest expense	14,356	12,374	21,649
Interest received	(4,118)	(304)	(827)
Dividend received	-	-	(2)
Other adjustments	(1,988)	155	(296)
<b>Cash provided by/(used in) operating activities before changes in working capital</b>	<b>54,839</b>	<b>82,947</b>	<b>168,279</b>
Change in inventories	(8,877)	(37,792)	2,549
Change in receivables	99,110	(25,864)	(233,547)
Change in liabilities	(109,616)	(12,519)	244,637
Change in provisions and accruals and deferrals	(3,608)	(14,637)	(39,780)
Effect of construction contracts	(61,660)	(30,561)	(13,456)
<b>Cash provided by/(used in) operating activities</b>	<b>(29,812)</b>	<b>(38,426)</b>	<b>128,682</b>
Gains/(losses) on settlement of derivative instruments	(3,142)	(36,665)	(67,281)
Interest paid on operating activities	(108)	(95)	(166)
Income tax paid	(6,956)	(17,191)	(24,605)
<b>Net cash provided by/(used in) operating activities</b>	<b>(40,018)</b>	<b>(92,377)</b>	<b>36,630</b>
<i>Cash flows from investing activities</i>			
Acquisition of intangible assets	(95)	(186)	(406)
Disposal of intangible assets	-	10	10
Acquisition of property, plant and equipment	(2,386)	(9,570)	(36,234)
Disposal of property, plant and equipment	336	415	27,246
Acquisition of investment property	-	-	-
Disposal of investment property	-	-	-
Acquisition of held-to-maturity financial assets	-	-	-
Redemption of held-to-maturity financial assets	-	-	5,685
Acquisition of available-for-sale (held-for-trading) financial assets	-	-	-
Disposal of available-for-sale (held-for-trading) financial assets	-	-	-
Acquisition of held-for-trading financial assets	-	-	-
Disposal of held-for-trading financial assets	-	-	-

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
Acquisition of subsidiary undertakings (net of acquired cash)	-	-	(5,000)
Disposal of subsidiary undertakings	-	1,811	8,951
Other expenses – additional contributions to equity	-	-	-
Government subsidies received	-	-	-
Loans advanced	(51,527)	-	(16,550)
Repayment of loans advanced	16,550	-	-
Interest received	107	-	-
Dividend received	-	-	2
Other inflows	547	-	-
Other investment expenses	(250)	-	-
<b>Net cash used in investing activities</b>	<b>(36,718)</b>	<b>(7,520)</b>	<b>(16,296)</b>
<i>Cash flows from financing activities</i>	-	-	-
Net proceeds from issue of shares	-	-	5,000
Acquisition of own shares	-	-	-
Repayment of bonds	-	-	(5,000)
Proceeds from issue of debt securities	-	-	-
Interest paid on bonds	-	-	(685)
Redemption of debt securities	-	-	-
Increase in loans and borrowings	108,218	136,447	88,891
Repayment of loans and borrowings	(19,658)	(24,638)	(67,741)
Interest paid under loans and borrowings	(9,390)	(9,856)	(19,549)
Interest received on deposits	231	304	143
Repayment of finance lease liabilities	(4,440)	(1,666)	(9,713)
Interest paid	(594)	(385)	(1,011)
Dividend paid	-	-	-
Fees on loans	(159)	(513)	(868)
Other inflows/outflows	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>74,208</b>	<b>99,693</b>	<b>(10,533)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,528)</b>	<b>(204)</b>	<b>9,801</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>84,143</b>	<b>74,315</b>	<b>74,315</b>
Effect of foreign exchange gains/(losses)	(719)	53	28
<b>Cash and cash equivalents at end of period</b>	<b>80,896</b>	<b>74,164</b>	<b>84,144</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. General Information

The HBP GROUP comprises HYDROBUDOWA POLSKA S.A., the parent undertaking, and the following subsidiaries:

- HYDROBUDOWA 9 S.A.
- Przedsiębiorstwo Robót Górniczych METRO Sp. z o.o., and
- Gdyńska Projekt Sp. z o.o. (a subsidiary undertaking of Hydrobudowa 9 S.A.).

HYDROBUDOWA POLSKA S.A., with registered office at ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland, is a construction company specialising the construction of civil engineering structures as well as the execution of engineering (including hydraulic engineering) work for general construction projects.

On February 24th 1993, the Company was entered in the commercial register of businesses by the District Court in Włocławek under entry No. RHB-794. Subsequently, on June 6th 2001, the Company was registered in the National Court Register by the District Court in Toruń (ul. Młodzieżowa 31, Toruń, Poland), 7th Commercial Division of the National Court Register, under entry No. KRS 0000017342.

On October 9th 2006, the Extraordinary General Shareholders Meeting, by virtue of Resolution No. 1, changed the Company's registered office to ul. Skórzewska 35, Wysogotowo near Poznań. On November 20th 2006, the District Court in Toruń registered the change and handed over the Company's Registration Deed to the District Court in Poznań, 21st Commercial Division of the National Court Register, having territorial jurisdiction over the Company's new registered office. The Company's merger with Hydrobudowa Śląsk S.A. and the change of the Company name from HYDROBUDOWA Włocławek S.A. to HBP S.A. were registered on August 27th 2007 and January 7th 2008, respectively.

The Company's registration file is currently maintained by the District Court for Poznań Nowe Miasto i Wilda, 8th Commercial Division of the National Court Register.

The Company holds the industry identification number REGON 910097080.

The core business of the parent undertaking and its subsidiaries comprises:

- construction of residential and non-residential buildings (PKD 41.20 Z)
- construction of water projects (PKD 42.91.Z)
- site preparation (43.12.Z)
- construction of utility projects for fluids (PKD 42.21.Z), and
- buying and selling of own real estate (PKD 68.10.Z).

For a more detailed description of the Group's core business, see Note 6 concerned with operating segments.

These interim condensed consolidated financial statements cover the parent undertaking and the subsidiaries listed in the table below:

Subsidiary	Registered office	Group's equity interest		
		Jun 30 2010	Jun 30 2009	Dec 31 2009
Przedsiębiorstwo Robót Górniczych METRO Sp. z o.o.	Warsaw	98.49 %	86.46 %	98.49 %
HYDROBUDOWA 9 S.A. (HB9)	Wysogotowo	100 %	100 %	100 %
GDYŃSKA PROJEKT Sp. z o.o. (subsidiary undertaking of HB9)	Poznań	100 %	100 %	100 %
GÓRECKA PROJEKT Sp. z o.o. (subsidiary undertaking of HB9)	Poznań	-	100 %	-
HYDROBUDOWA POLSKA Konstrukcje Sp. z o.o.	Mikołów	-	100 %	-

The Group has no equity interests in associated undertakings.

These interim condensed consolidated financial statements were approved for publication by the Management Board of the parent undertaking on August 20th 2010.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 2. Basis of Accounting and Accounting Policies

### 2.1. Basis for Accounting

These interim condensed consolidated financial statements of the HBP GROUP cover the period of six months ending on June 30th 2010 and were prepared in accordance with IAS 34 *Interim Financial Reporting*.

In order to present a more comprehensive picture of the financial position and assets of the Group, these financial statements also include details on comparative periods, including consolidated balance sheet as at June 30th 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for 2009, although this is not required under IAS 34.

These interim condensed consolidated financial statements do not contain all information disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These interim condensed consolidated financial statements should be read in conjunction with the 2009 consolidated financial statements of the HBP GROUP.

The reporting currency of these interim condensed consolidated financial statements is the Polish złoty, and all amounts are expressed in thousands of Polish złoty (unless indicated otherwise).

These interim condensed consolidated financial statements have been prepared on the assumption that the companies of the HBP GROUP would continue as going concerns in the foreseeable future. As at the date of approval for publication of these condensed consolidated financial statements, no facts or circumstances exist that would indicate any threat to the Group's companies continuing as going concerns.

### 2.2. Accounting Policies

These condensed consolidated financial statements were prepared in accordance with the accounting policies presented in the most recent consolidated financial statements of the HBP GROUP for the year ended December 31st 2009, with the exception of the following amended standards and interpretations in effect from January 1st 2010:

- Revised IFRS 3 *Business Combinations*,
- Revised IAS 27 *Consolidated and Separate Financial Statements*,
- Amendments to the IFRS under the Annual Improvements Project 2009.

#### Revised IFRS 3 *Business Combinations*

The revised standard introduces significant changes to the accounting policies applicable to settlement of business combinations. Major changes include:

- New approach to measurement of goodwill (entity approach), under which the goodwill relating to an acquisition is measured as at the date of obtaining control and with respect to the entire acquiree rather than, as it was the case previously, in proportion to the interest held by the acquirer;
- Repeal of regulations providing for obtaining control in stages and introduction in their place of the principle of fair-value measurement of the investment held by the acquirer (blocks of shares of the subsidiary undertaking) as at the acquisition date. Profit or loss from the investment remeasurement is recognised in the Group's income statement;
- New measurement rules for acquisition-related contingent consideration, which is recognised in correspondence with the financial liability. Change in fair value of the financial liability as at the subsequent balance-sheet dates has an effect of the Group's profit or loss;
- Changed approach to the costs of effecting the combination, which, according to the revised standard, are recognised in the Group's income statement, rather than as a component of the combination cost, and thus goodwill.

The Group implemented the revised IFRS 3 prospectively. Comparative periods were not restated retrospectively. The implementation of new the new regulations in H1 2010 had no impact on the Group's financial statements as no business combinations were effected by the Group during the period.

#### Revised IFRS 27 *Consolidated and separate financial statements*

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

The revised standard primarily introduces changes to the method of recognising transactions between the parent undertaking and a minority. Acquisition and disposal of shares in a subsidiary undertaking which do not result in a loss of control by the parent are recognised as equity transactions, and thus have no bearing on the consolidated income statement.

Similarly to IFRS 3, revised IAS 27 was implemented by the Group prospectively, hence comparative periods were not restated. Since no transactions with minorities occurred in the first half of 2010, the implementation of the revised standard had no bearing on the reporting period presented in these condensed consolidated financial statements.

Amendments to IFRS resulting from *Annual Improvements Project 2009*.

As part of the annual project of improvements to IFRS, minor revisions to the standards were introduced. A noteworthy one is the change to IAS 17 *Leases*, which modifies the approach to land lease, which, based on the previously effective provisions, was classified as operating lease. Under the new approach, classification of land lease as finance or operating lease is based on general rules. The amended regulations had no bearing on these condensed consolidated financial statements.

### **2.3. Correction of Errors and Changes in Accounting Policies**

Presented below are corrections made in these interim condensed consolidated financial statements, which had an impact on the comparative financial information:

- costs of incentive scheme of PLN 2,038 thousand incurred in 2008 were recognised under retained earnings/(deficit) in the balance sheet as at June 30th 2009 (the adjustment was disclosed for the first time in the 2009 financial statements),
- costs of incentive scheme of PLN 1,019 thousand incurred in H1 2009 were recognised in the financial information for the period January 1st–June 30th 2009,
- an adjustment was made with respect to deferred tax assets attributable to realised forward contracts, in the amount of PLN 1,861 thousand, in the balance sheet as at December 31st 2009 (the adjustment was made by one of the subsidiaries in its 2009 financial statements, but it was not included in the 2009 consolidated financial statements),
- in the balance sheet as at December 31st 2009 the presentation of deferred tax assets and liabilities was adjusted: deferred tax assets and liabilities were disclosed on a net basis. Hence, the amounts of deferred tax assets and liabilities as disclosed in the balance sheet were reduced by PLN 4,775 thousand.

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Correction of errors:

	Item of the financial statements		Effect on retained earnings Jun 30 2009	Effect on capital on valuation of cash-flow hedges Dec 31 2009	Effect on retained earnings Dec 31 2009
	(+)	(-)			
Adjustment to retained earnings/(deficit) reflecting the recognition of costs of incentive scheme for 2008	Other equity	Retained earnings/(deficit)	(2,038)	-	-
Recognition of costs of incentive scheme for H1 2009 in net profit/(loss) for the period January 1st–June 30th 2009	Other equity	Net profit/(loss) for current year / general and administrative expenses	(1,019)	-	-
Change in revaluation capital reflecting the adjustment made to deferred tax assets attributable to realised forward contracts	-	Deferred tax assets / capital on valuation of cash-flow hedges	-	(1,861)	-
Adjustment to the presentation of deferred tax assets and liabilities as at December 31st 2009	-	Deferred tax assets / deferred tax liabilities (4,775)	-	-	-
<b>Total</b>			<b>(3,057)</b>	<b>(1,861)</b>	<b>-</b>

Furthermore, the Group made the following changes with respect to the presentation of financial information:

- items "Trade receivables" and "Other current receivables" were combined into a single item "Trade and other receivables",
- a new item "Loans advanced" (non-current and current) was created under "Other non-current assets" and "Other current assets",
- the item "Other non-current financial liabilities" was split into "Loans, borrowings and other debt instruments" (non-current), "Finance lease" (non-current), and "Other liabilities" (non-current),
- the item "Other current financial liabilities" was split into "Loans, borrowings and other debt instruments" (current), "Finance lease" (current), and "Trade and other payables" (current),
- items "Trade payables" and "Other current liabilities" were combined into a single item "Trade and other payables",
- liabilities under employee benefits were separated from "Other current liabilities" and moved to "Liabilities and provisions for employee benefits",
- the item "Provisions for employee benefits" was changed to "Liabilities and provisions for employee benefits" (non-current and current),
- in the financial information as at June 30th 2009, provisions for holidays were moved from "Current accruals and deferred income" to "Provisions for employee benefits".

Presentation after the change			Presentation before the change		
Item	IFRS as at	IFRS as at	Item	IFRS as at	IFRS as at
	Jun 30 2009	Dec 31 2009		Jun 30 2009	Dec 31 2009
<i>Assets</i>					
Loans advanced	64	66	Other non-current financial assets	90	92

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Other non-current financial assets	26	26			
Trade and other receivables	469,334	660,366	Trade receivables	459,480	658,194
			Other current receivables	9,854	2,172
Loans advanced	280	16,574	Other current financial assets	280	16,731
Other current financial assets		157			
<i>Equity and liabilities</i>			<i>Equity and liabilities</i>		
Trade and other payables	367,470	589,384	Trade payables	345,873	541,082
			Other current liabilities	36,066	61,962
Liabilities and provisions for employee benefits	19,455	17,358	Provisions for employee benefits	238	3,698
Current accruals and deferrals	355	2,164	Current accruals and deferrals	5,103	2,164

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

### 3. Material Events and Transactions

Material events and transactions are described in the Directors' Report on the Group's operations which forms part of the H1 2010 interim report and which will be published together with these financial statements.

### 4. Earnings per Share (EPS)

EPS is calculated by dividing net profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding in the period.

When calculating diluted EPS, the dilutive effect of stock options over HBP S.A. shares, issued for the purposes of incentive schemes operated by the Group, is taken into account. The EPS calculation is presented below:

	Jan 1 – Jun 30 2010	Jan 1 – Jun 30 2009	Jan 1 – Dec 31 2009
<b>Continuing operations</b>			
Net profit/(loss) from continuing operations	31,108	43,223	97,910
Weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Dilutive effect of stock options	-	-	-
Diluted weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Basic earnings/(loss) per share from continuing operations (PLN)	0.15	0.21	0.47
Diluted earnings/(loss) per share from continuing operations (PLN)	0.15	0.21	0.47
<b>Discontinued operations</b>			
Net profit/(loss) from discontinued operations	-	-	-
Weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Dilutive effect of stock options	-	-	-
Diluted weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Basic earnings/(loss) per share from discontinued operations (PLN)	-	-	-
Diluted earnings/(loss) per share from discontinued operations (PLN)	-	-	-
<b>Continuing and discontinued operations</b>			
Net profit/(loss)	31,108	43,223	97,910
Weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
Dilutive effect of stock options	-	-	-
Diluted weighted average number of ordinary shares	210,558,445	210,558,445	210,558,445
<b>Basic earnings/(loss) per share from all operations (PLN)</b>	<b>0.15</b>	<b>0.21</b>	<b>0.47</b>
<b>Diluted earnings/(loss) per share from all operations (PLN)</b>	<b>0.15</b>	<b>0.21</b>	<b>0.47</b>

### 5. Seasonality of Operations

As a provider of construction and assembly services, the Group is exposed to seasonal cycles. Historical data reveals a trading pattern where revenues and profits reported in the second half of a year are stronger than those posted in the first half. The H1 2010 sales revenue represented 47% of total sales recorded by the Group in the whole of 2009, and was significantly better than the figures posted in prior periods.

It is worth noting that if it had not been for the long, frosty and snowy winter, the achieved result would have been much better.

Evidently, weather conditions have a strong bearing on the progress of work under projects executed by the Group. Low temperatures hinder earthworks and assembly, which may affect the Group's sales revenue. The HBP GROUP's strategy is aimed at securing high unit-value contracts. This facilitates elimination of seasonal changes in sales revenue, also ensuring more balanced stream of revenue throughout the financial year.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 6. Operating Segments

In identifying operating segments, the Management Board of the parent undertaking is guided by the product lines, representing the main services and goods provided by the Group. Each of the segments is managed separately within each product line, given the nature of the services and products, which require different technologies, resources and execution approaches.

The HBP GROUP has selected the operating segment as its basic reporting pattern. Operating segments identified by the Group are consistent with those presented in the consolidated financial statements of the group of companies led by HBP S.A.'s ultimate parent undertaking, i.e. the PBG Group.

The Group distinguishes the following four main segments:

- **natural gas, crude oil and fuels,**
- **water,**
- **residential and industrial construction,**
- **road construction.**

The following areas are identified within individual segments:

- **In the natural gas, crude oil and fuels segment:**

- surface installations for production of crude oil and natural gas,
- installations and facilities for liquefying and storage of natural gas and LNG regasification,
- separation and storage stations for LPG and C5+,
- storage and evaporating stations for LNG,
- underground gas storage facilities,
- desulphurisation units,
- surface installations of underground gas storage facilities,
- crude oil tanks,
- transmission systems for natural gas and crude oil, including:
  - pressure-reduction and measurement stations, measurement and settlement stations, mixing plants and distribution nodes, compressor stations, etc.,
  - fuel storage facilities.

- **In the water segment:**

- process and sanitary installations for water and sewage systems, including:
  - water pipes,
  - sewage systems,
  - water mains and trunk sewers,
  - water intakes,
  - wastewater treatment plants,
- hydraulic engineering structures, including:
  - water dams,
  - storage reservoirs,
  - levees,
- modernisation of water and sewage systems.

- **In the residential and industrial construction segment:**

- general construction,
- industrial infrastructure,
- construction of stadiums,
- construction of waste incineration plants.

- **In the segment of road construction:**

- road construction.

The HBP GROUP also distinguishes an additional segment called "Other", under which it recognises, inter alia, revenue from sales of goods for resale and materials, as well as other services which are not allocated to any of the four main segments.

The HBP GROUP presents sales revenue, costs and result (gross margin) by individual segments. Balance-sheet assets and equity and liabilities are not presented by business segments given the fact that some of the property, plant and equipment are used in production that is classified in different segments, inventory of materials cannot be allocated to the particular segments, and it is impossible to make a segmental allocation of trade payables, other operating income and expenses or other finance income and expenses.

The tables below set forth data for the individual operating segments.

<b>Name of the Group:</b>	<i>HYDROBUDOWA POLSKA GROUP</i>		
<b>Period covered by the financial statements:</b>	<i>January 1st–June 30th 2010</i>	<b>Reporting currency:</b>	<i>Polish złoty (PLN)</i>
<b>Rounding:</b>	<i>All figures in PLN '000 (unless stated otherwise)</i>		

In H1 2010, no changes were made to the accounting policies adopted by the Group as regards the identification of operating segments or measurement of segment revenues, profits and assets, and presented in the Company's most recent annual financial statements.

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish zloty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

The table below presents segment revenues, expenses and results:

Item	Segment				Other	Consolidated
	Natural gas, crude oil and fuels	Water	Industrial and residential construction	Road construction		
<i>Financial highlights of operating segments for the period January 1st–June 30th 2010</i>						
<b>Total revenue</b>	-	<b>259,593</b>	<b>505,156</b>	<b>11,343</b>	<b>18,051</b>	<b>794,143</b>
External sales	-	259,593	505,156	11,343	18,051	794,143
Inter-segment sales	-	-	-	-	-	-
<b>Total expense</b>	-	226,053	464,976	11,135	18,874	721,038
<b>Segment result</b>	-	<b>33,540</b>	<b>40,180</b>	<b>208</b>	<b>(823)</b>	<b>73,105</b>
<i>Financial highlights of operating segments for the period January 1st–June 30th 2009</i>						
<b>Total revenue</b>	<b>28,726</b>	<b>313,973</b>	<b>187,656</b>	<b>820</b>	<b>19,791</b>	<b>550,966</b>
External sales	28,726	313,973	187,656	820	19,791	550,966
Inter-segment sales	-	-	-	-	-	-
<b>Total expense</b>	27,622	281,542	173,142	3,265	6,859	492,430
<b>Segment result</b>	<b>1,104</b>	<b>32,431</b>	<b>14,514</b>	<b>(2,445)</b>	<b>12,932</b>	<b>58,536</b>
<i>Financial highlights of operating segments for the period January 1st–December 31st 2009</i>						
<b>Total revenue</b>	<b>26,517</b>	<b>840,134</b>	<b>729,555</b>	<b>24,127</b>	<b>55,290</b>	<b>1,675,623</b>
External sales	26,517	840,134	729,555	24,127	55,290	1,675,623
Inter-segment sales	-	-	-	-	-	-
<b>Total expense</b>	38,942	740,072	657,905	23,807	50,245	1,510,971
<b>Segment result</b>	<b>(12,425)</b>	<b>100,062</b>	<b>71,650</b>	<b>320</b>	<b>5,045</b>	<b>164,652</b>

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

The table below presents reconciliation of segment results to the Group's operating result disclosed in the consolidated income statement:

	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
<b>Segment result</b>	<b>73,105</b>	<b>58,536</b>	<b>164,652</b>
Unallocated expense	(25,563)	(27,581)	(50,474)
Other operating income/expense	(11,479)	9,336	1,066
<b>Operating profit</b>	<b>36,063</b>	<b>40,291</b>	<b>115,244</b>
Finance income	11,970	8,327	7,727
Finance expense	(13,590)	(11,394)	(18,988)
Share in profit of undertakings valued with equity method	-	1,795	-
<b>Pre-tax profit</b>	<b>34,443</b>	<b>39,019</b>	<b>103,983</b>
Income taxes	(3,321)	4,278	(6,049)
<b>Net profit</b>	<b>31,122</b>	<b>43,297</b>	<b>97,934</b>

## 7. Property, Plant and Equipment

The table below presents property, plant and equipment by type:

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
Land	15,151	20,138	15,981
Buildings and structures	27,456	37,992	29,250
Plant and equipment	63,428	54,189	72,266
Vehicles	19,560	21,024	20,487
Other	2,630	2,856	2,777
<b>Net carrying value</b>	<b>128,225</b>	<b>136,199</b>	<b>140,761</b>
Property, plant and equipment under construction	1,818	3,380	1,287
Prepayments for property, plant and equipment	70	6,147	68
<b>Total property, plant and equipment</b>	<b>130,113</b>	<b>145,726</b>	<b>142,116</b>
Property, plant and equipment classified as held for sale	-	-	-
<b>Property, plant and equipment</b>	<b>130,113</b>	<b>145,726</b>	<b>142,116</b>

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish zloty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

The table below presents movements in and impairment losses on property, plant and equipment:

Item	Land	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment	Total
<i>January 1st–June 30th 2010</i>								
<b>Net carrying value as at Jan 1 2010</b>	<b>15,981</b>	<b>29,250</b>	<b>72,266</b>	<b>20,487</b>	<b>2,777</b>	<b>1,287</b>	<b>68</b>	<b>142,116</b>
Increase attributable to inclusion of new subsidiaries	-	-	-	-	-	-	-	-
Increase attributable to business combinations	-	-	-	-	-	-	-	-
Increase attributable to acquisitions	38	-	1,218	414	149	531	2	2,352
Increase attributable to construction	-	-	-	-	-	-	-	-
Increase attributable to executed lease agreements	-	-	-	248	-	-	-	248
Increase attributable to reclassification from another asset category	-	-	-	-	-	-	-	-
Decrease attributable to disposal of a subsidiary (-)	-	-	-	-	-	-	-	-
Decrease attributable to disposal (-)	(11)	-	(6)	(48)	(17)	-	-	(82)
Decrease attributable to liquidation (-)	-	-	(146)	(122)	(9)	-	-	(277)
Decrease attributable to reclassification to another asset category (-)	(857)	(1,261)	(2,669)	-	-	-	-	(4,787)
Increase or decrease attributable to fair-value measurement	-	-	-	-	-	-	-	-
Impairment losses (-)	-	-	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-	-	-
Impairment losses used	-	(533)	(7,235)	(1,419)	(270)	-	-	(9,457)
Depreciation (-)	-	-	-	-	-	-	-	-
Other changes – decrease attributable to first-time recognition of property, plant and equipment	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
<b>Net carrying value as at Jun 30 2010</b>	<b>15,151</b>	<b>27,456</b>	<b>63,428</b>	<b>19,560</b>	<b>2,630</b>	<b>1,818</b>	<b>70</b>	<b>130,113</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish zloty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

Item	Land	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment	Total
<i>January 1st– June 30th 2009</i>								
<b>Net carrying value as at Jan 1 2009</b>	<b>18,328</b>	<b>34,809</b>	<b>58,554</b>	<b>21,849</b>	<b>3,043</b>	<b>8,785</b>	<b>3,199</b>	<b>148,567</b>
Increase attributable to inclusion of new subsidiaries	-	-	-	-	-	-	-	-
Increase attributable to business combinations	-	-	-	-	-	-	-	-
Increase attributable to acquisitions	1,820	3,922	678	273	132	29,042	5,997	41,864
Increase attributable to construction	-	-	-	-	-	269	-	269
Increase attributable to executed lease agreements	-	-	-	472	-	-	-	472
Increase attributable to reclassification from another asset category	-	-	-	-	-	-	-	-
Decrease attributable to disposal of a subsidiary (-)	-	-	-	-	-	-	-	-
Decrease attributable to disposal (-)	(10)	(9)	(301)	(115)	(12)	-	-	(447)
Decrease attributable to liquidation (-)	-	(8)	(37)	(21)	(2)	-	-	(68)
Decrease attributable to reclassification to another asset category (-)	-	-	-	-	-	-	-	-
Increase or decrease attributable to fair-value measurement	-	-	-	-	-	-	-	-
Impairment losses (-)	-	-	-	-	-	(116)	-	(116)
Reversal of impairment losses	-	-	-	-	-	-	-	-
Depreciation (-)	-	(722)	(4,705)	(1,434)	(305)	-	-	(7,166)
Other changes – decrease attributable to first-time recognition of property, plant and equipment	-	-	-	-	-	(34,600)	(3,049)	(37,649)
Other changes	-	-	-	-	-	-	-	-
<b>Net carrying value as at Jun 30 2009</b>	<b>20,138</b>	<b>37,992</b>	<b>54,189</b>	<b>21,024</b>	<b>2,856</b>	<b>3,380</b>	<b>6,147</b>	<b>145,726</b>

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Land	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment	Total
<i>January 1st–December 31st 2009</i>								
<b>Net carrying value as at Jan 1 2009</b>	<b>18,328</b>	<b>34,809</b>	<b>58,554</b>	<b>21,849</b>	<b>3,043</b>	<b>8,785</b>	<b>3,199</b>	<b>148,567</b>
Increase attributable to inclusion of new subsidiaries	-	-	-	-	-	-	-	-
Increase attributable to business combinations	-	-	-	-	-	-	-	-
Increase attributable to acquisitions	1,856	4,759	26,792	707	421	25,646	(82)	60,099
Increase attributable to construction	-	-	-	-	-	267	-	267
Increase attributable to executed lease agreements	-	-	23,607	1,024	-	-	-	24,631
Increase attributable to reclassification from another asset category	-	-	-	-	-	-	-	-
Decrease attributable to disposal of a subsidiary (-)	-	-	-	-	-	-	-	-
Decrease attributable to disposal (-)	(799)	(1,375)	(24,269)	(201)	(39)	-	-	(26,683)
Decrease attributable to liquidation (-)	-	(24)	(183)	(67)	(12)	-	-	(286)
Decrease attributable to reclassification to another asset category (-)	(3,404)	(7,585)	-	-	-	(34,170)	-	(45,159)
Increase or decrease attributable to fair-value measurement	-	-	-	-	-	-	-	-
Impairment losses (-)	-	-	-	-	-	(134)	-	(134)
Reversal of impairment losses	-	-	-	-	-	893	-	893
Impairment losses used	-	(1,349)	(12,235)	(2,787)	(636)	-	-	(17,007)
Depreciation (-)	-	-	-	-	-	-	-	-
Other changes – decrease attributable to first-time recognition of property, plant and equipment	-	-	-	-	-	-	(3,049)	(3,049)
Other changes	-	15	-	(38)	-	-	-	(23)
<b>Net carrying value as at Dec 31 2009</b>	<b>15,981</b>	<b>29,250</b>	<b>72,266</b>	<b>20,487</b>	<b>2,777</b>	<b>1,287</b>	<b>68</b>	<b>142,116</b>

In the periods covered by these financial statements, the Group did not incur any liabilities to purchase property, plant and equipment.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 8. Intangible Assets

The table below presents intangible assets by type:

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
Trademarks	-	-	-
Patents and licences	172	123	204
Computer software	1,467	1,870	1,694
Costs of development work	-	-	-
Other intangible assets	-	-	-
<b>Net carrying value</b>	<b>1,639</b>	<b>1,993</b>	<b>1,898</b>
Intangible assets under construction	-	1	-
Prepayments for intangible assets	-	-	-
<b>Total intangible assets</b>	<b>1,639</b>	<b>1,994</b>	<b>1,898</b>
Intangible assets classified as held for sale	-	-	-
Intangible assets	<b>1,639</b>	<b>1,994</b>	<b>1,898</b>

In H1 2010, the Group acquired intangible assets totalling PLN 110 thousand (H1 2009: PLN 274 thousand, 2009: PLN 409 thousand).

In H1 2010, the Group sold intangible assets with a net value of PLN 62 thousand (H1 2009: PLN 12 thousand, 2009: PLN 12 thousand).

Amortisation for H1 2010 was PLN 307 thousand (H1 2009: PLN 353 thousand, 2009: PLN 671 thousand).

In the periods covered by these financial statements, the Company:

- did not recognise any impairment losses on intangible assets,
- did not incur any liabilities to purchase intangible assets.

## 9. Impairment Losses on Assets

The table below presents impairment losses on inventories:

Item	Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
<b>Impairment losses at beginning of period</b>	<b>301</b>	<b>1,819</b>	<b>1,819</b>
Impairment losses recognised as cost in period	-	-	-
Impairment losses reversed in period (-)	(7)	(1,512)	(1,518)
Other changes (net currency translation differences)	-	-	-
<b>Impairment losses at end of period</b>	<b>294</b>	<b>307</b>	<b>301</b>

The table below presents impairment losses on loans and receivables:

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
<b>Impairment losses at beginning of period</b>	<b>77,889</b>	<b>72,703</b>	<b>72,703</b>
Impairment losses attributable to inclusion of new subsidiaries	-	-	-
Impairment losses recognised as cost in period	13,355	3,207	16,184
Reversed impairment losses recognised as revenue in period (-)	(18,196)	(5,189)	(9,741)
Impairment losses used in period (-)	(23,314)	(161)	(1,491)
Other changes	-	-	244
<b>Impairment losses at end of period</b>	<b>49,734</b>	<b>70,550</b>	<b>77,889</b>

## 10. Share Capital

In H1 2010, the Company did not issue shares or any other instruments which would have an effect on its share capital.

The tables below present details regarding Company share issues.

Item	as at June 30 2010	as at June 30 2009	as at Dec 31 2009
Number of shares	210,558,445	210,558,445	210,558,445
Par value per share (PLN)	1	1	1
<b>Share capital</b>	<b>210,558</b>	<b>210,558</b>	<b>210,558</b>

Shares by series / issue	Total par value of series/issue	No. of shares	Issue price (PLN)	Registration date
Share capital as at Jan 1 2009	138,673	138,673,200	X	X
Series K ordinary bearer shares	35,000	35,000,000	1	May 28 2008
Series L ordinary bearer shares	36,885	36,885,245	1	Sep 30 2008
Share capital as at Jun 30 2009	210,558	210,558,445	X	X
Share capital as at Dec 31 2009	210,558	210,558,445	X	X
<b>Share capital as at Jun 30 2010</b>	<b>210,558</b>	<b>210,558,445</b>	X	X

## 11. Share-Based Payment Programmes

Since 2008, the Group has accounted for the costs related to an incentive scheme based on the outstanding shares of HBP S.A.

For details on the incentive scheme see Note 15.4 to the 2009 consolidated financial statements.

An amount of PLN 1,019 thousand, representing 50% of the annual value of the incentive scheme, was recognised by the Group under costs and expenses for H1 2010.

The Group does not operate incentive schemes based on stock options or equity instruments other than described above.

## 12. Dividends

No dividends were paid by the Company in H1 2010 or in the comparative periods.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

### 13. Issue and Redemption of Debt Securities

In H1 2010, the Group did not issue any debt securities. The Group **has not issued** any redeemable debt securities.

### 14. Liabilities and Provisions for Employee Benefits

The table below presents liabilities and provisions for employee benefits:

Item	Non-current liabilities and provisions			Current liabilities and provisions		
	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
Wages and salaries payable	-	-	-	5,997	5,979	6,038
Social security contributions payable	-	-	-	5,830	5,983	5,961
Provision for retirement severance payments	1,568	1,026	1,704	13	86	31
Provision for length-of-service awards	1,980	1,802	2,035	94	152	157
Provision for holidays in arrears	-	-	-	4,014	4,748	3,510
Other provisions for employee benefits	-	-	-	-	-	-
Other liabilities under employee benefits	-	-	-	714	2,507	1,661
<b>Total liabilities and provisions for employee benefits</b>	<b>3,548</b>	<b>2,828</b>	<b>3,739</b>	<b>16,662</b>	<b>19,455</b>	<b>17,358</b>

The table below presents the amounts of and movements in provisions in the respective periods:

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Provision for retirement severance payments	Provision for length-of-service awards	Provision for holidays in arrears	Total
<i>January 1st–June 30th 2010</i>				
<b>Provisions as at Jan 1 2010</b>	<b>1,736</b>	<b>2,192</b>	<b>3,510</b>	<b>7,438</b>
Increase in provisions recognised as expense in period (new provisions)	81	40	287	408
Increase in provisions due to changes in accounting estimates	-	-	1,959	1,959
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-
Release of provisions recognised as income in period (-)	(99)	(118)	(166)	(383)
Provisions used (-)	(137)	(40)	(1,577)	(1,754)
Decrease in provisions attributable to changes in accounting estimates	-	-	-	-
Other changes in provisions (net currency translation differences)	-	-	-	-
<b>Provisions as at Jun 30 2010, including:</b>	<b>1,581</b>	<b>2,074</b>	<b>4,013</b>	<b>7,668</b>
- non-current provisions	1,568	1,980		3,548
- current provisions	13	94	4,013	4,120
<i>January 1st–June 30th 2009</i>				
<b>Provisions as at Jan 1 2009</b>	<b>1,168</b>	<b>1,881</b>	<b>4,297</b>	<b>7,346</b>
Increase in provisions recognised as expense in period (new provisions)	16	174	659	849
Increase in provisions attributable to changes in accounting estimates	-	-	494	494
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-
Release of provisions recognised as income in period (-)	-	-	(603)	(603)
Provisions used (-)	(73)	(101)	(99)	(273)
Decrease in provisions attributable to changes in accounting estimates	-	-	-	-
Other changes in provisions (net currency translation differences)	-	-	-	-
<b>Provisions as at Jun 30 2009, including:</b>	<b>1,111</b>	<b>1,954</b>	<b>4,748</b>	<b>7,813</b>
- non-current provisions	1,026	1,802		2,828
- current provisions	85	152	4,748	4,985
<i>January 1st–December 31st 2009</i>				
<b>Provisions as at Jan 1 2009</b>	<b>1,168</b>	<b>1,881</b>	<b>4,297</b>	<b>7,346</b>
Increase in provisions recognised as expense in period (new provisions)	741	593	2,710	4,044
Increase in provisions attributable to changes in accounting estimates	-	-	228	228
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-
Decrease in provisions attributable to disposal of subsidiaries	-	-	-	-
Release of provisions recognised as income in period (-)	(22)	(19)	(1,227)	(1,268)
Provisions used (-)	(124)	(263)	(2,330)	(2,717)
Decrease in provisions attributable to changes in accounting estimates	(27)	-	(168)	(195)
Other changes in provisions (net currency translation differences)	-	-	-	-
<b>Provisions as at Dec 31 2009, including:</b>	<b>1,736</b>	<b>2,192</b>	<b>3,510</b>	<b>7,438</b>
- non-current provisions	1,705	2,034	-	3,739
- current provisions	31	158	3,510	3,699

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

## 15. Other Provisions

The table below presents current and non-current provisions:

Item	Non-current provisions			Current provisions		
	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
Provision for warranties/guarantees	5,051	3,521	4,773	3,567	3,083	3,188
Provision for losses on construction contracts	-	-	-	114	11	283
Other provisions for expenses	-	-	-	-	-	-
Provision for contractual penalties and claims	-	-	-	10,969	56,427	17,547
Provision for future loss	-	-	-	11,233	1,819	13,164
<b>Total other provisions for liabilities, including:</b>	<b>5,051</b>	<b>3,521</b>	<b>4,773</b>	<b>25,883</b>	<b>61,340</b>	<b>34,182</b>

The table below presents the amounts of provisions disclosed in the condensed consolidated financial statements and movements in the provisions in the respective periods:

Item	Provision for warranties/guarantees	Provision for losses on construction contracts	Provision for contractual penalties and claims	Provision for future loss	Total
<i>January 1st–June 30th 2010</i>					
<b>Provisions as at Jan 1 2010</b>	<b>7,961</b>	<b>283</b>	<b>17,547</b>	<b>13,164</b>	<b>38,955</b>
Increase in provisions recognised as expense in period (new provisions)	1,185	42	-	577	1,804
Increase in provisions attributable to changes in accounting estimates	416	-	2	-	418
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-	-
Decrease in provisions attributable to disposal of subsidiaries	-	-	-	-	-
Release of provisions recognised as income in period (-)	(144)	(17)	(6,580)	(2,123)	(8,864)
Provisions used (-)	(800)	-	-	(385)	(1,185)
Decrease in provisions attributable to changes in accounting estimates	-	(194)	-	-	(194)
<b>Provisions as at Jun 30 2010</b>	<b>8,618</b>	<b>114</b>	<b>10,969</b>	<b>11,233</b>	<b>30,934</b>
- non-current provisions	5,051	-	-	-	5,051
- current provisions	3,567	114	10,969	11,233	25,883
<i>January 1st–June 30th 2009</i>					
<b>Provisions as at Jan 1 2009</b>	<b>6,452</b>	<b>1,817</b>	<b>58,275</b>	<b>14,209</b>	<b>80,753</b>
Increase in provisions recognised as expense in period (new provisions)	1,073	-	-	3,368	4,441
Increase in provisions attributable to changes in accounting estimates	-	-	-	-	-
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-	-
Release of provisions recognised as income in period (-)	(867)	(1,697)	(1,848)	(9,729)	(14,141)
Provisions used (-)	(54)	(109)	-	(6,029)	(6,192)
Decrease in provisions attributable to changes in	-	-	-	-	-

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Provision for warranties/ guarantees	Provision for losses on construction contracts	Provision for contractual penalties and claims	Provision for future loss	Total
accounting estimates					
<b>Provisions as at Jun 30 2009</b>	<b>6,604</b>	<b>11</b>	<b>56,427</b>	<b>1,819</b>	<b>64,861</b>
- non-current provisions	3,521				3,521
- current provisions	3,083	11	56,427	1,819	61,340
<i>January 1st–December 31st 2009</i>					
<b>Provisions as at Jan 1 2009</b>	<b>6,452</b>	<b>1,817</b>	<b>58,275</b>	<b>14,209</b>	<b>80,753</b>
Increase in provisions recognised as expense in period (new provisions)	2,995	261	-	190	3,446
Increase in provisions attributable to changes in accounting estimates	-	-	1,360	-	1,360
Increase in provisions attributable to inclusion of new subsidiaries	-	-	-	-	-
Decrease in provisions attributable to disposal of subsidiaries	-	-	-	-	-
Release of provisions recognised as income in period (-)	(1,058)	(1,795)	(30,624)	(315)	(33,792)
Provisions used (-)	(428)	-	(11,464)	(920)	(12,812)
Decrease in provisions attributable to changes in accounting estimates	-	-	-	-	-
<b>Provisions as at Dec 31 2009</b>	<b>7,961</b>	<b>283</b>	<b>17,547</b>	<b>13,164</b>	<b>38,955</b>
- non-current provisions	4,773	-	-	-	4,773
- current provisions	3,188	283	17,547	13,164	34,182

## 16. Contingent Liabilities

The table below presents contingent liabilities as at the end of respective periods (including contingent liabilities to related undertakings):

Item	Jun 30 2010	Jun 30 2009	Dec 31 2009
<b>Guarantees:</b>	<b>484,929</b>	<b>567,616</b>	<b>648,612</b>
To related undertakings:	<b>0</b>	<b>0</b>	<b>0</b>
To other undertakings:	<b>484,929</b>	<b>567,616</b>	<b>648,612</b>
- performance bonds	370,296	417,149	500,325
- defects liability bonds	39,568	36,119	42,806
- bid-bond guarantees	25,483	5,835	20,750
- prepayment guarantees	45,459	87,607	81,412
- retention bonds	3,723	2,294	2,919
- payment guarantees	400	19,611	400
<b>Sureties:</b>	<b>2,259,492</b>	<b>1,449,827</b>	<b>1,876,979</b>
To related undertakings:	<b>2,201,952</b>	<b>1,432,669</b>	<b>1,870,472</b>
- securing discharge of contractual guarantees	639,573	468,966	416,174
- securing repayment of loans and borrowings	543,489	336,120	305,948
- securing bond redemption	1,000,000	400,000	1,000,000
- securing repayment of amounts due under financial instruments trading facilities (treasury limits)	12,526	202,500	147,738
- other	5,807	24,871	400
- securing existing and future lease agreements	557	212	212
To other undertakings:	<b>57,540</b>	<b>17,158</b>	<b>6,507</b>
- securing discharge of contractual guarantees	33,212	3,462	931
- securing repayment of loans and borrowings	20,750	5,525	5,175
- securing repayment of amounts due under financial instruments trading facilities (treasury limits)	1,764	0	0
- other	0	7,361	0
- securing payment of trade payables	1,220	760	0
- securing existing and future lease agreements	594	50	401
<b>Promissory notes:</b>	<b>47,063</b>	<b>53,735</b>	<b>45,903</b>

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

To related undertakings:	17,851	16,111	19,118
- securing discharge of contractual obligations	17,851	16111	19,118
To other undertakings:	29,212	37,624	26,785
- securing discharge of contractual obligations	29,212	37624	26,785
<b>Total contingent liabilities</b>	<b>2,791,484</b>	<b>2,071,178</b>	<b>2,571,494</b>

## 17. Business Combinations

In Q1 2010, no subsidiaries were acquired or disposed of by the Group, nor any other transactions, such as acquisitions of equity interests or share capital increases, were effected which could have an impact on the Group's structure.

## 18. Discontinued Operations

Not applicable.

## 19. Related-Party Transactions

Related-party transactions within the HBP GROUP which have been eliminated in the consolidation process are presented in the separate financial statements of the respective companies.

The table below presents related-party transactions disclosed in these condensed consolidated financial statements:

	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
<b>Amounts paid to management staff</b>			
Current employee benefits	1,829	1,805	3,257
Benefits for employment termination	81	-	-
Share-based payments	-	-	-
Other benefits	2	29	158
<b>Total</b>	<b>1,912</b>	<b>1,834</b>	<b>3,415</b>

	Operating income			Receivables		
	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009	Jun 30 2010	Jun 30 2009	Dec 31 2009
<b>Sales to:</b>						
Parent undertaking	9,248	47,102	67,916	11,492	71,612	5,114
Subsidiary undertaking	-	-	-	-	-	-
Associated undertaking	-	-	-	-	-	-
Related undertaking	24,000	11,757	119,849	29,282	77,066	60,882
Key management staff	-	-	-	-	-	-
Other related parties	689	5,338	25,338	31,702	27,616	50,905
<b>Total</b>	<b>33,937</b>	<b>64,197</b>	<b>213,103</b>	<b>72,476</b>	<b>176,294</b>	<b>116,901</b>

	Purchase			Payables		
	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009	Jun 30 2010	Jun 30 2009	Dec 31 2009
<b>Purchases from:</b>						
Parent undertaking	16,754	18,150	137,155	41,896	46,346	62,352
Subsidiary undertaking	-	-	-	-	-	-
Associated undertaking	-	-	-	-	-	-
Related undertaking	16,494	41,270	108,749	39,818	19,530	45,021
Key management staff	-	-	-	-	-	-
Other related parties	14,654	23,162	9,856	694	13,594	1,450
<b>Total</b>	<b>47,902</b>	<b>82,582</b>	<b>255,760</b>	<b>82,408</b>	<b>79,470</b>	<b>1088,23</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

	Jun 30 2010		Jun 30 2009		Dec 31 2009	
	Amount as per contact	Amount outstanding as at balance-sheet date	Amount as per contact	Amount outstanding as at balance-sheet date	Amount as per contact	Amount outstanding as at balance-sheet date
<b>Loans advanced to:</b>						
Parent undertaking	-	-	-	-	16,500	16,523
Subsidiary undertaking	-	-	-	-	-	-
Associated undertaking	-	-	-	-	-	-
Related undertaking	-	-	-	-	-	-
Key management staff	-	-	-	-	-	-
Other related parties	20,839	21,216	-	-	-	-
<b>Total</b>	<b>20,839</b>	<b>21,216</b>	-	-	<b>16,500</b>	<b>16,523</b>

## 20. Events Subsequent to the Balance-Sheet Date

The following material events occurred subsequent to June 30th 2010, which were not required to be disclosed in these condensed consolidated financial statements for the first six months of 2010:

### July 6th 2010

#### Material Agreement with Bank Pekao S.A. on Financing Construction of the Tarnów–Rzeszów Section of the A4 Motorway

On July 6th 2010, HBP S.A. jointly with other members of the of the PBG Group, i.e.: PBG S.A. and APRIVIA S.A. (several and joint debtors) executed a credit facility agreement with Bank Polska Kasa Opieki S.A. of Warsaw to finance the performance of the contract for construction of the Tarnów–Rzeszów Section of the A4 Motorway from the Krzyż Interchange to the Dębica Pustynia Interchange (from km 502+797.96 to approx. km 537+550).

The Parties agreed a maximum total credit facility limit of **PLN 220m**, which was divided into the following individual banking limits:

- Performance bond limit – up to PLN 44m, with expiry date falling not later than two months after the end of the construction period, but in any case not later than December 31st 2012, and after the performance bond is replaced with a defects liability bond – up to PLN 13,200,000 for a period of 62 months after the end of the construction period, but in any case expiring not later than December 31st 2017;
- Credit limit – up to PLN 176m, under which guarantees and letters of credit in the złoty or the euro may be issued up to a total amount equivalent to PLN 40m. The amount drawn under the credit facility and other issued guarantees and letters of credit may not exceed the outstanding amount payable under the contract and attributable to the PBG Group, and the final settlement date may not exceed two months after the end of the construction period, but in any case (including in the case of exercising the extension option) may not fall later than on December 31st 2012.

The final repayment date of the credit facility was set at June 30th 2013.

Under the agreement, the Companies will be able to use the following banking products:

- long-term performance bond for the amount of 5% of the Contract value, which will be subsequently replaced with a defects liability bond for the amount of 1.5% of the Contract value,
- medium-term revolving credit facility in the form of an overdraft facility, and
- short-term and medium-term guarantees or letters of credit related to the performance of the contract, including prepayment guarantees.

The credit facility is secured with:

- assignments of claims;
- powers of attorney to the Companies' accounts held with the Bank;
- the Borrower's representation on voluntary submission to enforcement, joint and several surety;
- accession to the credit facility and surety issued by PBG S.A. and APRIVIA S.A. together with a representation on submission to enforcement or a joint and several surety;
- cash security deposit in the Bank's account, established in respect of other guarantees or letters of credit whose maturity would exceed, for any reason, the Construction Period or the outstanding balance under the Contract to be paid by the General Directorate for National Roads and Motorways.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

#### July 7th 2010

##### **Material Agreement for the Construction of the Krzyż–Dębica Pustynia Section of the Tarnów–Rzeszów A4 Motorway,**

On July 7th 2010, HBP S.A., acting as a consortium partner, and the General Directorate for National Roads and Motorways, represented by the General Directorate for National Roads and Motorways, Rzeszów Branch (the Principal) executed an agreement for the construction of the Tarnów–Rzeszów A4 Motorway (from the Krzyż interchange to the Dębica Pustynia interchange; km 502+797.96 to about km 537+550).

The accepted contract price is **PLN 1,434,761,287.80 (VAT exclusive)**; PLN 1,750,408,771.12 VAT inclusive).

The consortium agreed to complete the works within 24 months of the start of work.

The parties further agreed on the following percentage-based division of work:

- 1) PBG S.A., APRIVIA S.A. and HBP S.A. deliver and are responsible for 50% of the scope of work under the project;
- 2) SIAC Construction Ltd delivers and is responsible for 50% of the scope of work under the project.

#### July 22nd 2010

##### **Material Agreement for the Execution of Stage II of the Construction of Sewage Trunks for the Czajka Sewage Treatment Plant**

On July 22nd 2010, HBP S.A., acting as a consortium partner, executed an agreement with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. (the Principal) for construction of the intercepting sewers system connecting left-bank Warsaw to the Czajka sewage treatment plant (Stage II, delivery of the Zakład Farysa facilities, siphon crossing under the Vistula, facilities of Zakład Świderska, and right-bank trunks).

The contract price was agreed at **PLN 144,771,027.99 (VAT exclusive)** and the completion date at December 31st 2011.

The parties further agreed on the following percentage-based division of work:

- P.R.G. METRO Sp. z o.o. as the consortium leader will deliver 40% of the scope of work under the project and will be responsible for work coordination,
- HYDROBUDOWA 9 S.A. as a consortium partner will deliver 40% of the scope of work under the project,
- HBP S.A. as a consortium partner will deliver 15% of the scope of work under the project,
- INFRA S.A. as a consortium partner will deliver 5% of the scope of work under the project.

#### July 30th 2010

##### **Material Agreement for the Construction of the Kaczkowo–Korzeńsko Section of Poznań–Wrocław S5 Expressway**

On July 30th 2010, HBP S.A., as a consortium partner, executed a contract with the General Directorate for National Roads and Motorways, Poznań Branch (the Principal), for construction of the Kaczkowo-Korzeńsko section (the Bojanowo and Rawicz beltway) of the S5 Poznań (A2 – the Głuchowo interchange) – Wrocław (A8 – the Widawa interchange) expressway.

The accepted contract price is **PLN 777,239,570.60 (VAT exclusive)**; PLN 948,232,276.21 VAT inclusive).

The contract provides for a performance bond in the form of a bank guarantee with the value equal to 5% of the gross contract price.

The consortium agreed to complete the works within 20 months of the start of work. The time necessary for completing the work excludes the periods between December 15th and March 15th.

The parties agreed on the following percentage-based division of work:

- 1) ALPINE Bau GmbH as the consortium leader is obliged to deliver and is responsible for 60% of the scope of work under the project;
- 2) PBG S.A., APRIVIA S.A. and HBP S.A. as consortium partners are obliged to deliver and are responsible for 40% of the scope of work under the project.

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 21. Other Material Changes to Assets, Liabilities, Revenues and Costs

### 21.1. Trade and Other Receivables

#### NON-CURRENT RECEIVABLES

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<b>Financial assets</b>			
<b>Financial receivables</b>	<b>2,033</b>	<b>7,186</b>	<b>4,636</b>
Trade receivables	2,078	7,297	4,681
Impairment losses on trade receivables (-)	(45)	(111)	(45)
<b>Trade receivables (net)</b>	<b>2,033</b>	<b>7,186</b>	<b>4,636</b>
Receivables on sale of property, plant and equipment	-	-	-
Retained amounts (security deposits)	-	-	-
Receivables under finance lease	-	-	-
Other financial receivables	-	-	-
Impairment losses on other receivables (-)	-	-	-
<b>Other financial receivables (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-financial assets</b>			
<b>Non-financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax and other benefits receivable	-	-	-
Prepayments and advances	-	-	-
Other non-financial receivables	-	-	-
<b>Total non-current receivables</b>	<b>2,033</b>	<b>7,186</b>	<b>4,636</b>

#### CURRENT RECEIVABLES

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<b>Financial assets</b>			
<b>Financial receivables</b>	<b>514,495</b>	<b>426,780</b>	<b>612,368</b>
Trade receivables	529,906	435,180	632,475
Impairment losses on trade receivables (-)	(18,321)	(10,174)	(20,851)
<b>Trade receivables (net)</b>	<b>511,585</b>	<b>425,006</b>	<b>611,624</b>
Receivables on sale of property, plant and equipment	150	277	586
Receivables under finance lease	-	-	-
Receivables under court proceedings	29,931	58,533	55,573
Receivables on sale of shares	-	50	-
Other financial receivables	2,760	1,447	158
Impairment losses on other receivables (-)	(29,931)	(58,533)	(55,573)
<b>Other financial receivables, net</b>	<b>2,910</b>	<b>1,774</b>	<b>744</b>
<b>Non-financial receivables</b>	<b>42,519</b>	<b>42,554</b>	<b>47,998</b>
VAT receivable	25,786	-	-
Taxes, customs duties and subsidies receivable	17	20	18
Prepayments and advances	15,803	34,665	47,147
Settlements with employees	348	1,635	1,612
Other non-financial receivables, net	1,366	7,224	5
Impairment losses on other financial receivables	(801)	(990)	(784)
<b>Total receivables</b>	<b>557,014</b>	<b>469,334</b>	<b>660,366</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 21.2. Trade and Other Liabilities

### NON-CURRENT LIABILITIES

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<b>Financial liabilities</b>	<b>14,442</b>	<b>14,715</b>	<b>15,640</b>
Trade payables	14,441	14,714	15,638
Liabilities under purchase of property, plant and equipment	-	-	-
Other financial liabilities	1	1	2
<b>Non-financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax and other benefits payable	-	-	-
Prepayments and advances received for deliveries	-	-	-
Prepaid construction services	-	-	-
Other non-financial liabilities	-	-	-
<b>Total liabilities</b>	<b>14,442</b>	<b>14,715</b>	<b>15,640</b>

### CURRENT LIABILITIES

Item	as at Jun 30 2010	as at Jun 30 2009	as at Dec 31 2009
<b>Financial liabilities</b>	<b>425,646</b>	<b>330,548</b>	<b>534,211</b>
Trade payables	424,029	325,322	531,736
Liabilities under purchase of property, plant and equipment	130	461	255
Liabilities under investment purchases	-	-	-
Liabilities under purchase of claims	-	-	-
Liabilities under purchase of shares	-	-	-
Other financial liabilities	1,487	4,765	2,220
<b>Non-financial liabilities</b>	<b>47,481</b>	<b>36,922</b>	<b>55,173</b>
VAT payable	40,474	15,340	45,205
Tax, customs duties and subsidies payable	1,693	1,569	1,760
Prepayments and advances received for deliveries	-	-	-
Prepaid construction services	4,856	19,917	8,123
Other non-financial liabilities	458	96	85
<b>Total liabilities</b>	<b>473,127</b>	<b>367,470</b>	<b>589,384</b>

## 21.3. Construction Contracts

### CONSTRUCTION CONTRACTS

Item	as at Jun 30 2010	as at Sep 30 2009	as at Jun 30 2010
Revenue as Initially agreed in the contracts	4,204,356	4,901,098	4,533,208
Change	28,420	37,194	2,853
<b>Total revenue under the contracts</b>	<b>4,232,776</b>	<b>4,938,292</b>	<b>4,536,061</b>
Costs incurred by the balance-sheet date	2,852,352	2,179,550	2,437,086
Costs to be incurred by the contract completion	1,001,624	2,348,575	1,644,971
<b>Estimated total cost of the contracts</b>	<b>3,853,977</b>	<b>4,528,125</b>	<b>4,082,057</b>
<b>Estimated profit</b>	<b>378,799</b>	<b>410,167</b>	<b>454,004</b>
<b>Percentage of completion as at the balance-sheet date</b>	<b>74%</b>	<b>48%</b>	<b>60%</b>

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

Prepayments received as at the balance-sheet date	10,124	60,342	53,190
Prepayments that can be set off with receivables under construction contracts	-	7,114	11,754
Retentions total	20,836	16,174	29,490
Costs incurred by the balance-sheet date related to the contract performance	2,852,352	2,179,550	2,437,086
Profit or loss recognised as at the balance-sheet date	255,220	107,368	258,040
<b>Revenue estimated as at the balance-sheet date</b>	<b>3,107,572</b>	<b>2,286,918</b>	<b>2,695,126</b>
Amounts invoiced as at the balance-sheet date	2,627,329	1,827,531	2,273,731
<b>Receivables under the contracts as at the balance-sheet date</b>	<b>496,118</b>	<b>479,796</b>	<b>435,014</b>
Receivables under the contracts payable to the consortium as at the balance-sheet date	-	-	-
<b>Receivables under the contracts payable to the consortium as a whole as at the balance sheet date, reduced by prepayments that can be set off</b>	<b>496,118</b>	<b>472,682</b>	<b>423,260</b>
<b>Payables under the contracts as at the balance-sheet date</b>	<b>14,180</b>	<b>20,409</b>	<b>13,619</b>

## ESTIMATES

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
Revenue as initially agreed in the contracts	4,204,356	4,902,393	4,542,164
Change in revenue under the contracts	28,420	37,194	2,853
<b>Total revenue under the contracts</b>	<b>4,232,776</b>	<b>4,939,587</b>	<b>4,545,017</b>
Costs incurred by the balance-sheet date	2,852,352	2,178,664	2,445,924
Costs to be incurred by the contract completion	1,001,624	2,349,460	1,626,186
Estimated total cost of the contracts	3,853,976	4,528,124	4,072,110
<b>Estimated total profit (loss) under the construction contracts, including:</b>	<b>378,800</b>	<b>411,463</b>	<b>472,907</b>
profit	<b>461,038</b>	<b>474,468</b>	<b>552,403</b>
loss (-)	<b>(82,239)</b>	<b>(63,005)</b>	<b>(79,496)</b>

In H1 2010, there were no material changes in the estimates of revenues and costs related to construction contracts.

### Joint Venture

The parent undertaking assumes various roles in joint ventures, e.g. as a formal leader or a formal partner (co-leader) of a joint venture. In either case, in connection with financial settlements among the partners, the parent undertaking is entitled to a half of the funds deposited in the escrow accounts. For the purpose of joint ventures, the Company has joint escrow accounts with its partners. An escrow account is a joint account that can be used by consortium partners, acting jointly and unanimously.

Where the parent undertaking is the leader of a consortium, funds in escrow accounts are recognised as the parent undertaking's cash. Under the provisions of escrow account agreements, these funds are restricted cash. As at June 30th 2010, restricted cash totalled PLN 12,632 thousand (PLN 1,206.00 thousand as at December 31st 2009; PLN 0.00 thousand as at Jun 30th 2009).

Where the parent undertaking is a partner in a joint venture, the funds in escrow accounts are not recognised by the parent undertaking in the balance sheet. The total of funds in the escrow accounts that were not recognised in the balance sheet as at June 30th 2010 was PLN 5,896 thousand (PLN 97,589 thousand as at December 31st 2009; PLN 0.00 thousand as at June 30th 2009).

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

## 21.4. Operating Income and Expenses

### COSTS BY TYPE

Item	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
Depreciation/amortisation	9,764	7,634	17,792
Materials and energy used	122,583	88,243	276,928
Contracted services	583,148	351,527	1,133,509
Taxes and charges	7,841	3,659	14,158
Employee benefits	57,380	63,871	129,223
Other costs by type	5,971	6,184	16,628
<b>Total costs by type</b>	<b>786,687</b>	<b>521,118</b>	<b>1,588,238</b>
Change in products, production in progress (-)	(41,624)	(6,330)	(76,359)
General and administrative expenses	(25,563)	(27,581)	(50,474)
<b>Cost of sales</b>	<b>719,500</b>	<b>487,207</b>	<b>1,461,405</b>

### OTHER OPERATING INCOME

Item	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
Gain on disposal of non-financial non-current assets	51	44	<b>663</b>
Fair-value measurement of investment property	18	8,856	10,235
Reversals of impairment losses on property, plant and equipment and intangible assets	-	-	2
Reversals of impairment losses on receivables	15,410	4,978	8,446
Reversals of impairment losses on inventories	558	405	411
Release of unused provisions	7	-	244
Fines and damages received	1,512	208	<b>341</b>
Subsidies	35	44	44
Lease revenue	-	-	-
Other	772	772	2,756
<b>Total other operating income</b>	<b>18,363</b>	<b>15,307</b>	<b>23,142</b>

### OTHER OPERATING EXPENSES

Item	Jan 1-Jun 30 2010	Jan 1-Jun 30 2009	Jan 1-Dec 31 2009
Loss on disposal of non-financial non-current assets	111	142	144
Fair-value measurement of investment property	-	-	-
Impairment losses on goodwill	304	-	-
Impairment losses on property, plant and equipment and intangible assets	-	-	-
Impairment losses on receivables	13 011	2 504	14 274
Impairment losses on inventories	7	-	-
Provisions for fines and damages	-	-	-
Fines and damages paid	15 216	2 218	4 615
Donations granted	462	461	2 422

Name of the Group:	HYDROBUDOWA POLSKA GROUP		
Period covered by the financial statements:	January 1st–June 30th 2010	Reporting currency:	Polish złoty (PLN)
Rounding:	All figures in PLN '000 (unless stated otherwise)		

Cost of maintenance of investment property	302	326	461
Other	429	320	160
<b>Total other operating expenses</b>	<b>29 842</b>	<b>5 971</b>	<b>22 076</b>

## 21.5. Finance Income and Expenses

### FINANCE INCOME

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
<i>Interest income from financial instruments not measured at fair value through profit or loss:</i>	-	-	-
Cash and cash equivalents (deposits)	430	537	792
Loans and receivables	3,876	857	1,319
Debt securities held to maturity	684	-	-
Interest income from financial instruments not measured at fair value through profit or loss	4,990	1,394	2,111
<i>Gains on valuation and settlement of financial instruments measured at fair value through profit or loss:</i>	-	-	-
Derivatives held for trading	-	-	-
Derivative hedging instruments	-	1,094	11,427
Shares of listed companies	-	-	-
Debt securities	-	-	-
Investment fund units	-	-	-
Gains on valuation and settlement of financial instruments measured at fair value through profit or loss	-	1,094	11,427
<i>Foreign exchange gains/(losses):</i>			
Cash and cash equivalents	14,697	10,433	25,177
Loans and receivables	(8,960)	(2,986)	(30,290)
Financial liabilities measured at amortised cost	177	(1,608)	(997)
Foreign exchange gains/(losses)	5,914	5,839	(6,110)
Gains on available-for-sale assets transferred from equity	-	-	-
Dividend on available-for-sale financial assets	-	-	-
Reversals of impairment losses on loans	-	-	-
Other finance income	7	-	299
<b>Total finance income</b>	<b>10,911</b>	<b>8,327</b>	<b>7,727</b>

### FINANCE EXPENSES

Item	Jan 1–Jun 30 2010	Jan 1–Jun 30 2009	Jan 1–Dec 31 2009
<i>Interest expense on financial instruments not measured at fair value through profit or loss:</i>			
Finance lease liabilities	102	72	120
Bank loans	3,905	8,417	13,968
Overdraft facilities	4,975	1,600	3,561
Loans other than bank loans	(4)	216	216
Debt securities	-	-	-
Trade and other payables	1,466	409	224
Interest expense on financial instruments not measured at fair value through profit or loss	10,444	10,714	18,089
<i>Losses on valuation and settlement of financial instruments measured at fair value through profit or loss:</i>			
Derivatives held for trading	-	-	-
Derivative hedging instruments	933	-	-
Shares of listed companies	23	-	-
Debt securities	-	-	-

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish złoty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Investment fund units	-	-	-
Losses on valuation and settlement of financial instruments measured at fair value through profit or loss	956	-	-
<i>Foreign exchange gains/(losses):</i>			
Cash and cash equivalents	-	-	-
Loans and receivables	-	-	15
Financial liabilities measured at amortised cost	-	-	-
Foreign exchange gains/(losses)	-	-	15
Losses on available-for-sale assets transferred from equity	-	-	-
Impairment losses on loans	-	-	696
Impairment losses on held-to-maturity investments	-	-	-
Impairment losses on available-for-sale financial assets	-	-	-
Other finance expenses	1,131	680	188
<b>Total finance expenses</b>	<b>12,531</b>	<b>11,394</b>	<b>18,988</b>

## 22. Other Legally Required Information (Key Items Translated into the Euro)

In the periods covered by these condensed consolidated financial statements, the key items were translated into the euro using the following PLN/EUR average exchange rates quoted by the National Bank of Poland:

- exchange rate effective for the last day of the reporting period: June 30th 2010 – PLN/EUR 4.1458, June 30th 2009 – PLN/EUR 4.4696, December 31st 2009 – PLN/EUR 4.1082;
- average exchange rate for the period, calculated as the arithmetic mean of exchange rates effective for the last day of each individual month in the given period: January 1st – June 30th 2010: PLN/EUR 4.0042, January 1st – June 30th 2009: PLN/EUR 4.5184, January 1st – December 31st 2009: PLN/EUR 4.3406;
- The highest and the lowest exchange rate in the period: January 1st – June 30th 2010: PLN/EUR 3.8356 – 4.1735, January 1st – June 30th 2009: PLN/EUR 3.9170 – 4.8999, January 1st – December 31st 2009: PLN/EUR 3.9170 – 4.8999.

Key items of the consolidated balance sheet, income statement and statement of cash flows, translated into the euro, are presented in the table below:

<b>Name of the Group:</b>	<b>HYDROBUDOWA POLSKA GROUP</b>		
<b>Period covered by the financial statements:</b>	<b>January 1st–June 30th 2010</b>	<b>Reporting currency:</b>	<b>Polish zloty (PLN)</b>
<b>Rounding:</b>	<b>All figures in PLN '000 (unless stated otherwise)</b>		

Item	Jan 1–Jun 30 2010 PLN	Jan 1–Jun 30 2009 PLN	Jan 1–Dec 31 2009 PLN	Jan 1–Jun 30 2010 EUR	Jan 1–Jun 30 2009 EUR	Jan 1–Dec 31 2009 EUR
<b>Income statement</b>						
Sales revenue	794,143	550,966	1,675,623	198,328	121,938	386,035
Operating profit/(loss)	36,063	40,291	115,244	9,006	8,917	26,550
Pre-tax profit/(loss)	34,443	39,019	103,983	8,602	8,636	23,956
Net profit/(loss) from continuing operations	31,122	43,297	97,934	7,772	9,582	22,562
Net profit/(loss) attributable to:	31,122	43,297	97,934	7,772	9,582	22,562
- owners of the parent	31,108	43,223	97,910	7,769	9,566	22,557
- minority interests	14	74	24	3	16	6
Earnings/(loss) per ordinary share (PLN / EUR)	0.15	0.21	0.47	0.04	0.05	0.11
Diluted earnings/(loss) per ordinary share (PLN / EUR)	0.15	0.21	0.47	0.04	0.05	0.11
PLN / EUR average exchange rate				4.0042	4.5184	4.3406
<b>Statement of cash flows</b>						
Net cash provided by/(used in) operating activities	(40,018)	(92,377)	36,630	(9,994)	(20,445)	8,439
Net cash provided by/(used in) investing activities	(36,718)	(7,520)	(16,296)	(9,170)	(1,664)	(3,754)
Net cash provided by/(used in) financing activities	74,208	99,693	(10,533)	18,533	22,064	(2,427)
Net change in cash and cash equivalents	(2,528)	(204)	9,801	(631)	(45)	2,258
PLN / EUR average exchange rate				4.0042	4.5184	4.3406

Item	Jun 30 2010 PLN	Dec 31 2009 PLN	Dec 31 2007 PLN	Jun 30 2010 EUR	Dec 31 2009 EUR	Dec 31 2007 EUR
<b>Balance sheet</b>						
Assets	1,435,951	1,332,335	1,457,838	346,363	298,088	354,861
Non-current liabilities	42,222	83,610	48,788	10,184	18,706	11,876
Current liabilities	959,428	989,677	1,019,548	231,422	221,424	248,174
Equity	434,301	259,048	389,502	104,757	57,958	94,811
Share capital	210,558	210,558	210,558	50,788	47,109	51,253
Number of shares	210,558,445	210,558,445	210,558,445	210,558,445	210,558,445	210,558,445
Book value per share (PLN / EUR)	210,558,445	210,558,445	210,558,445	210,558,445	210,558,445	210,558,445
Dividend per share declared or paid (PLN / EUR)	-	-	-	-	-	-
PLN / EUR exchange rate as at end of period**				4.1458	4.4696	4.1082

Name of the Group:	<i>HYDROBUDOWA POLSKA GROUP</i>		
Period covered by the financial statements:	<i>January 1st–June 30th 2010</i>	Reporting currency:	<i>Polish złoty (PLN)</i>
Rounding:	<i>All figures in PLN '000 (unless stated otherwise)</i>		

### 23. Approval for Publication

These interim condensed consolidated financial statements for the six months ended June 30th 2010 (along with comparative data) have been approved for publication by the Management Board of the parent undertaking on August 20th 2010.

#### Signature of the person responsible for the preparation of these consolidated financial statements:

Date	Name	Position	Signature
August 20th 2010	Joanna Zwolak	Chief Accountant	

#### Signatures of all members of the parent undertaking's Management Board:

Date	Name	Position	Signature
August 20th 2010	Jerzy Ciechanowski	President of the Management Board	
August 20th 2010	Edward Kasprzak	Vice-President of the Management Board	
August 20th 2010	Jarostaw Dusito	Vice-President of the Management Board	
August 20th 2010	Szymon Tamborski	Vice-President of the Management Board	
August 20th 2010	Rafał Damasiewicz	Member of the Management Board	
August 20th 2010	Andrzej Zwierzchowski	Member of the Management Board	