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Good second quarter of Energomontaż-Północ

- **After losses in the first quarter, the second quarter of the year 2010 was again good – the Group of Energomontaż-Północ worked out PLN 4.5 million of the net profit accrued to the dominant shareholders.**
- **In the first half-year, the sale amounted to PLN 139.2 million, while the net profit PLN 305 thousand.**
- **Restructuring of the costs, carried out since the third quarter of 2010, has already been bringing results, while the Group concentrates on actions to increase revenues.**

The second quarter of the year 2010 in performance of the Group was the good one – comparable with the second quarter of the year 2008 and a little worse than the second quarter of the year 2009, which was the best one in the history of Energomontaż-Północ. The revenues from sale amounted to PLN 71.8 million, and the net profit accrued to the dominant shareholders PLN 4.5 million. The gross sales margin reached the level of 15.4 percent and was the highest one from the so far reached by the Group.

„In the second quarter of the year 2010 there were already visible certain symptoms of improvement of situation,” says Włodzimierz Dyrka, president of the management board of Energomontaż-Północ. “Despite the fact that there are still a few orders from the power industry and offshore segment, prospects begin to look encouragingly. Rigorous cost discipline allowed us to reach positive result in the second quarter.”

The good second quarter contributed to make up for the earlier losses and to close the first half-year with profit. To tell the truth, after 6 months the revenues of the Capital Group of Energomontaż-Północ were lower than in the analogical period of the year 2009 by 26 percent, but the Group worked out PLN 305 thousand of the net profit.

The best situation is still in the erection segment - Energomontaż-Północ SA had the revenues only by 4 percent lower than in the record first half-year of the year 2009, while the net profit was higher (PLN 3.7 million in relation to PLN 3.1 million).

It has also been improving gross sales margin, which in case of the mother company amounted to 9.9 percent in relation to 7.4 percent one year ago.

Also ZRE Lublin, which deals with engineering services, is doing well. The revenues of the company were higher than one year ago, while the net profit amounted to above PLN 1 million.

The biggest problem is the low sale in the production segment, which resulted from postponing in time of the new investment projects in the power industry and off-shore branch. Restructuring activities, which has been carried out since a few months by the companies from the Capital Group have already been bringing results, but the winning of orders remains the main task.

With this end in view, expect the areas, where the Group has been present a long time, there have been developing new segments of activity, like ships repairs or components of offshore wind farms.

The situation should get better in the second half-year of the next year. *“At present, the Group has the submitted tender offers for total amount of PLN 1.8 milliard. We count that we will manage to win a part of these tenders and increase the sale in 2011,”* president Dyrka says.

Energomontaż-Północ S.A. is the dominant company of the Capital Group. The companies included in it carry out construction/erection works, and their specialization is in the services for the power industry, chemical, environmental and petrochemical sectors, as well as in the municipal and industry construction.

The Group employs about 2000 persons. In 2009, it achieved over PLN 390 million of the revenues and PLN 32.6 million of the net profit.

The principal shareholder of the company is Polimex-Mostostal S.A., possessing 65.55 percent of share in the capital and in the votes at the General Assembly of the Shareholders (WZA). More information about the company you can find on www.energomontaz.com.pl

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