

## **The Group of Energomontaż-Północ SA reached PLN 23.5 million of the net profit after four quarters of 2008**

- **In 2008, the Group of Energomontaż-Północ noted the dynamic growth of consolidated profits and margins at each level of the account of the results.**
- **In 2008, the Group won over many significant contracts at present assuring itself infilling of the orders portfolio for the year 2009 in an amount of more than PLN 300 million.**
- **Energomontaż-Północ is prepared for economic crisis while weakening of the Polish currency per saldo has a positive impact on the results.**

After four quarters of 2008 the Capital Group of Energomontaż-Północ reached PLN 320.74 million of the revenue from sales (growth by 3 percent year-to-year). The gross consolidated profit to date increased to over PLN 40.2 million (growth by 33 percent year-to-year). In consequence of that, the gross margin on sales reached a level of 12.6 percent, in other words by 2.9 of percentage points more than one year ago.

The Group of Energomontaż-Północ noted over PLN 22 million of the operating profit in the face of less than PLN 2 million after four quarters of 2007. It is an effect of further decreasing of costs of activity of the Group, higher operating revenues, as well as of the profit from a single transaction of sale of an immovable in Koźienice in the fourth quarter. As a result, in 2008 the operating margin amounted to 6.9 percent and it is over eleven times higher than one year ago.

The year 2008 was a period of dynamic growth of the net profit in the Capital Group. The result increased by 372 percent, up to the level of PLN 23.5 million. In turn, the net margin attributed to the controlling shareholders reached 7.3 percent in the face of 1.6 percent in 2007. "The results for 2008 confirm rightness of the development strategy chosen by the Group," says Włodzimierz Dyrka, president of the Board of Energomontaż-Północ. "The better and better contracting, accurate cost control, which is priority for us, as well as conclusion of orders with satisfying margins enabled to reach the highest net consolidated profit since many years."

At an individual level, Energomontaż-Północ SA, the main holding company dealing with erection activity and general contracting, after four quarters noted PLN 154.4 million of the revenue from sales, i.e. by 9 percent more than one year ago, and PLN 14.9 million of the net profit (eleven times more in comparison to the previous year). Also the dependent companies noted much better results than one year ago. The net profit of Energomontaż-Północ Gdynia increased by 18 percent, ZRE Lublin by 57 percent, and Energop by 67 percent.

Thanks to consistent execution of the strategy and well-aimed anticipation of market events, the Group of Energomontaż-Północ so far has noted no problems connected with breakdown of financial markets, and what is following in the economy. "So far the last year has not brought limitation of investments in the sectors in which our group has been acting," president Dyrka says. "In the contrary, we have concluded the biggest contracts in the history, among others, for construction of the flue gas desulphurization plant in Koźienice, HON VII plant in Orlen, and PTA plant in Anwil Włocławek."

The orders portfolio of the Group is the biggest in the history, on the end of 2008 the value of the concluded contracts amounted to PLN 397 million, whereof PLN over 300 million is to come in 2009. "We have never had in the history such comfortable situation at the beginning of the year," president Dyrka says. In accordance with the announcements, in the nearest years, the Board of Energomontaż-Północ intends to concentrate on execution of orders for the widely understood power industry and environment protection. "At present these sectors should not slow down pace of investment processes, in the contrary, by virtue of many years' negligence they should intensify them," esteems the president of Energomontaż-Północ.

Also fluctuations of the currencies rate of exchange do not influence negatively on the results of the Group. "In general settlements of accounts, weakening of the zloty to the euro is profitable because about 30 percent of the consolidated revenues come from export," explains Przemysław Milczarek, vice president of Energomontaż-Północ responsible for finances. In 2008 Energomontaż-Północ concluded currency transactions worth EUR 12.2 million ensuring 30 percent of receipts from the contract for FGD in Kozienice (whereof 400 thousand were settled in 2008, and the rest in portions till the year 2011). Transaction fulfills criterion of accounting protections used by the company and it has no impact on current result (pricing of the contracts up to equitable value passes through own capitals).

"However on 70 percent of contract value remains open currency position, which at the present rate of exchange increases margins executed on this order," P. Milczarek adds.

#### Consolidated financial results of Energomontaż-Północ

In thousands of PLN	IV quarter of 2007	I-IV quarters of 2007	IV quarter of 2008	I-IV quarters of 2008	Change	Change
	1	2	3	4	3/1	4/2
<b>Revenues</b>	100 208	312 862	<b>99 978</b>	<b>320 739</b>	- 0,1%	<b>3%</b>
<b>Gross profit on sales</b>	10 527	30 285	<b>10 883</b>	<b>40 429</b>	3,3%	<b>33%</b>
<b>Operating profit</b>	3 449	1 999	<b>9 162</b>	<b>22 052</b>	165%	<b>1003%</b>
<b>EBITDA</b>	5 119	7 884	<b>11 211</b>	<b>29 385</b>	119%	<b>272%</b>
<b>Net profit*</b>	3 241	4 985	<b>11 766</b>	<b>23 551</b>	263%	<b>372%</b>
<b>EPS (in PLN)*</b>	0,14	0,21	<b>0,49</b>	<b>0,99</b>	250%	<b>371%</b>
<b>In percents</b>						
<b>Gross margin on sales</b>	10,5	9,68	<b>10,88</b>	<b>12,6</b>	3,6	<b>30,1</b>
<b>Operating margin</b>	3,44	0,06	<b>9,16</b>	<b>6,9</b>	166,2	<b>10 500</b>
<b>Net margin</b>	3,23	1,6	<b>11,76</b>	<b>7,3</b>	264	<b>356</b>

\*Attributed to the shareholders of the dominant entity

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