

**ENTERPRISE FOR THE MODERNISATION OF POWER ENGINEERING
EQUIPMENT**

“REMAK” S.A. with its registered seat in Opole ul. Zielonogórska 3

**FINANCIAL STATEMENT
for 2008**

Auditor: Deloitte Audyt Sp. z o.o.

Opole, February 2009.

Annual report SA-R 2008

For the financial year 2008 covering the period from 2008-01-01 to 2008-12-31
and for the previous financial year 2007 covering the period from 01.01.2007 to 31.12.2007

The annual report includes:

The opinion and report of the entity authorized to review financial statements from the annual review of the financial statement.

The Management Board's declaration on reliability of preparing the financial statement.

The Management Board's declaration concerning the entity entitled to review financial statements.

A letter of the President of the Management Board.

Annual financial statement

Introduction

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List of changes in equity capital

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Additional information and explanations

The Management Board report (report from the issuer's activity)

CHOSEN FINANCIAL DATA	PLN thousand		EUR thousand	
	2008	2007	2008	2007
I. Net revenue on sales of products, trade goods and materials	171,006	224,971	48,415	59,567
II. Operating profit (loss)	2,305	-194	652	-51
III. Gross profit (loss)	5,785	-2,547	1,637	-674
IV. Net profit (loss)	4,711	-2,834	1,333	-750
V. Cash flows net from operating activities	22,266	11,691	6,304	3,095
VI. V. Cash flows net from investments	-2,777	-1,897	-786	-502
VII. Cash flows net from financial activities	-17,965	-1,753	-5,086	-464
VIII. Cash flows net, total	1,524	8,041	432	2,129
IX. Total assets	92,218	87,930	22,102	24,548
X. Liabilities and provisions for liabilities	58,569	59,104	14,037	16,501
XI. Short-term liabilities	23,679	46,083	5,675	12,865
XII Equity capital	33,649	28,826	8,065	8,047
XIII Share capital	7,500	7,500	1,798	2,094
XIV. Number of shares (pcs)	3,000,000	3,000,000	3,000,000	3,000,000
XV. Profit (loss) per one ordinary share (in PLN/EUR)	1.57	-0.94	0.44	-0.25
XVI. Accounting value per one ordinary share (in PLN/EUR)	11.22	9.61	2.69	2.68

THE OPINION OF THE ENTITY ENTITLED TO REVIEW FINANCIAL STATEMENTS ON THE REVIEWED ANNUAL FINANCIAL STATEMENT

The opinion concerning the reviewed annual financial statement – Attachment 1.1

THE REPORT OF THE ENTITY ENTITLED TO REVIEW FINANCIAL STATEMENTS ON THE REVIEWED ANNUAL FINANCIAL STATEMENT

The report from the review of annual financial statement – Attachment 1.2

THE MANAGEMENT BOARD DECLARATION OF RELIABILITY OF PREPARING THE FINANCIAL STATEMENT

The Management Board of Remak SA declares that according to its best knowledge the annual financial statement and the comparable data have been prepared in accordance with the binding accounting principles and that they reflect in a true, reliable and clear way the issuer's economic and financial condition as well as its financial result and that the annual report of the Management Board includes a true depiction of the development, achievements and condition of the issuer, including the description of main risks and threats.

THE MANAGEMENT BOARD DECLARATION CONCERNING THE ENTITY ENTITLED TO REVIEW FINANCIAL STATEMENTS

The Management Board of Remak SA declares that the entity authorised to review financial statements reviewing the annual financial statement was chosen in accordance with the regulations of the law and that this entity, the auditors and reviewing persons fulfilled the criteria to issue unbiased and independent report from the review in accordance with binding regulations of the Polish law.

A LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

A letter of the President of the Management Board – Attachment 2

ANNUAL FINANCIAL STATEMENT**INTRODUCTION TO ANNUAL FINANCIAL STATEMENT**

Introduction to annual financial statement - Attachment 3

BALANCE SHEET

	Notes	PLN thousand	
		2008	2007
ASSETS			
I. Fixed assets		18,803	17,509
1. Intangible fixed assets, including:	1	180	13
2. Tangible fixed assets	2	15,895	14,851
3. Long-term investments	4	110	110
3.1. Long-term financial assets		110	110
a) in other entities		110	110
4. Long-term prepayments	5	2,618	2,535
4.1. Deferred tax assets		2,618	2,535
II. Current assets		73,415	70,421
1. Inventories	6	234	144
2. Short-term receivables	7 8	47,019	39,938
2.1. from other entities		47,019	39,938
3. Short-term investments		11,375	9,512
3.1. Short-term financial assets	9	11,375	9,512
a) Cash and other monetary assets		11,375	9,512
4. Short-term prepayments	10	14,787	20,827
Total assets		92,218	87,930
EQUITY AND LIABILITIES			
I. Equity		33,649	28,826
1. Share capital	11	7,500	7,500
2. Supplementary capital	12	20,349	23,175
3. Revaluation reserve	13	1,089	985
4. Net profit (loss)		4,711	-2,834
II. Liabilities and provisions for liabilities		58,569	59,104
1. Provisions for liabilities	14	5,665	4,180
1.1. Deferred tax liability		1,277	1,974
1.2. Provision for retirement benefits and similar obligations		1,413	1,154
a) long-term		867	876
b) short-term		546	278
1.3. Other provisions		2,975	1,052
a) short-term		2,975	1,052
2. Short-term liabilities	15	23,679	46,083
2.1. Amounts owed to other entities		22,467	45,022
2.2. Special funds		1,212	1,061
3. Accruals and deferred income	16	29,225	8,841
3.1. Other accruals and deferrals		29,225	8,841
a) long-term		1,214	1,316
b) short-term		28,011	7,525
Total equity and liabilities		92,218	87,930
Accounting value		33,649	28,826
Number of shares (in pcs)		3,000,000	3,000,000
Accounting value per one share (PLN)	17	11.22	9.61

OFF-BALANCE SHEET ITEMS

	Note	PLN thousand	
		2008	2007
1. Contingent receivables		23,052	24,712
1.1. From other entities (due to)		23,052	24,712
- received guarantees and bonds		1,144	2,796
- promissory notes		1,508	1,516
- deed of submitting to execution		20,400	20,400
2. Contingent liabilities		61,961	56,979
2.1. For other entities (due to)		61,961	56,979
- granted guarantees and bonds		56,175	51,988
- granted avals		5,786	4,991
Total off-balance sheet items		85,013	81,691

PROFIT AND LOSS ACCOUNT

	Notes	PLN thousand	
		2008	2007
I. Net revenue on sales of products, trade goods and materials, including:		171,006	224,971
1. Net revenue on sales of products	18	170,917	224,471
2. Net revenue on sales of trade goods and materials	19	89	500
II. Costs of products, trade goods and materials sold, including:		158,712	216,470
1. Cost of products sold	20	158,667	216,015
2. Cost of sales of trade goods and materials sold		45	455
III. Gross profit (loss) on sale		12,294	8,501
IV. Administrative expenses	20	10,263	8,791
V. Profit (loss) on sales		2,031	-290
VI. Other operating revenue		1,054	933
1. Profit on disposal on non-financial fixed assets			44
2. Other operating revenue	21	1,054	889
VII. Other operating costs		780	837
1. Loss on disposal of non-financial fixed assets			3
2. Revaluation of non-financial fixed assets		66	126
3. Other operating costs	22	711	711
VIII. Operating profit (loss)		2,305	-194
IX. Financial income	23	4,176	346
1. Dividends and share in profits, including:		150	
2. Interest, including:		69	53
3. Profit on disposal of investments	25		262
4. Other		3,957	31
X. Financial costs	24	696	2,699
1. Interest, including:		606	1,123
2. Other		90	1,576
XI. Profit (loss) on economic activity		5,785	-2,547
XII. Gross profit (loss)		5,785	-2,547
XIII. Income tax	26	1,074	287
a) current part		1,853	149
b) deferred part		-779	138
XIV. Net profit (loss)		4,711	-2,834
Net profit (loss) (annualized)		4,711	-2,834
Weighted average number of ordinary shares (pcs.)		3,000,000	3,000,000
Profit (loss) per one ordinary share (PLN)	28	1.57	-0.94

LIST OF MOVEMENTS IN EQUITY CAPITAL

	thousand PLN	
	2008	2007
I. Equity capital in the beginning of the period (BO)	28,826	31,590
I.a. Equity capital in the beginning of the period (BO), after arranging to comparable data	28,826	31,590
1. Share capital in the beginning of the period	7,500	7,500
1.1. Share capital at the end of the period	7,500	7,500
2. Supplementary capital in the beginning of the period	23,175	24,842
2.1. Movement in supplementary capital	-2,826	-1,667
a) increases (due to)	8	7
- revaluation of fixed assets	8	7
b) decreases (due to)	2,834	1,674
- covering for the loss	2,834	1,674
2.2. Supplementary capital at the end of the period	20,349	23,175
3. Revaluation reserve in the beginning of the period	985	922
3.1. Movements in revaluation reserve	104	63
a) increases (due to)	218	106
- exchange differences	218	106
b) decreases (due to)	114	43
- sale of fixed assets	8	7
- exchange differences	106	36
3.2. Revaluation reserve at the end of the period	1,089	985
4. Profit (loss) from previous years in the beginning of the period	-2,834	-1,674
4.1. Loss from previous years in the beginning of the period	2,834	1,674
4.2. Loss from previous years in the beginning of the period, after adjusting to comparable data	2,834	1,674
a) decreases (due to)	2,834	1,674
- covering for the loss from supplementary capital	2,834	1,674
5. Net result	4,711	-2,834
a) net profit	4,711	
b) net loss		2,834
II. Equity at the end of the period (BZ)	33,649	28,826
III. Equity, upon consideration of the proposed distribution of the profit (covering for the loss)	33,649	28,826

CASH FLOW STATEMENT

	PLN thousand	
	2008	2007
A. Operating cash flows		
I. Net profit (loss)	4,711	-2,834
II. Total adjustments	17,555	14,525
1. Amortization	2,116	2,136
2. (Profit) loss on exchange rate differences	-317	100
3. Interest and share in profit (dividends)	527	1,183
4. . (Profit) loss on investments	3	-306
5. Movement in balance of stock	1,485	26
6. Movement in inventory	-89	28
7. Movement in receivables	-7,081	-3,763
8. Movement in current liabilities (less loans and advances)	-5,431	9,467
9. Movement in accruals	26,342	5,654
III. Operating cash flows net (I+/-II) – indirect method	22,266	11,691
B. Investment cash flows		
I. Income	164	442
1. Sale of intangible assets and fixed assets	14	62
2. From financial assets, including:	150	380
a) in other entities	150	380
- sale of financial assets		380
- dividends and share in profit	150	
II. Expenditure	2,941	2,339
1. Purchase of intangible assets and fixed assets	2,941	2,339
III. Investment cash flows (I-II)	-2,777	-1,897
C. Financial transaction cash flows		
I. Income		1,490
1. Loans and credits		1,490
II. Expenditure	17,965	3,243
1. Repayment of loans and credits	17,288	2,000
2. Interest	677	1,243
III. Financial transaction cash flows net(I-II)	-17,965	-1,753
D. Total cash flow net (A.III+/-B.III+/-C.III)	1,524	8,041
E. Balance movement of financial assets, including:	1,863	8,011
- movement in net cash position due to exchange differences	339	-30
F. Opening cash position	9,513	1,472
G. Year end cash position (F+/- D), including:	11,037	9,513
- with limited possibility of disposing	495	453

ADDITIONAL INFORMATION AND EXPLANATIONS**A. EXPLAINING NOTES****EXPLAINING NOTES TO THE BALANCE SHEET****Note 1 a**

INTANGIBLE ASSETS	thousand PLN	
	2008	2007
a) licenses, patents, permits and similar values, including:	180	13
Total intangible assets	180	13

Note 1 b

MOVEMENT IN INTANGIBLE ASSETS (ACC. TO TYPE GROUPS)							
thousand PLN							
	a	b	c		d	e	Total intangible assets
	Development costs	goodwill	Licenses, patents, permits and similar values, including:	- computer software	Other intangible assets	Payments on account	
a) Opening gross value of intangible assets			795	516	4		799
b) increases (due to)			273				273
- purchase			273				273
c) gross value of intangible assets at the end of the period			1,068	516	4		1,072
d) cumulated amortization (depreciation) in the beginning of the period			782	516	4		786
e) amortization for the period (due to)			106				106
- current depreciation			106				106
f) cumulated amortization (depreciation) at the end of the period			888	516	4		892
g) net value of intangible assets at the end of the period			180				180

Note 1c

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	thousand PLN	
	2008	2007
a) own	180	13
Total intangible assets	180	13

Note 2 a

TANGIBLE FIXED ASSETS	thousand. PLN	
	2008	2007
a) tangible assets, including:	15,895	14,259
- land (including right of perpetual usufruct of land)	1,316	1,417
- buildings, premises and structures of land and water engineering	7,299	7,227
- machinery and technical equipment	3,791	2,563
- transportation means	2,714	2,023
- other fixed assets	775	1,029
b) fixed assets under construction		592
Total tangible fixed assets	15,895	14,851

The mortgage for an amount up to a cap of PLN 40,000 thousand is registered upon the real estate of the Company, securing the guarantee line agreement up to PLN 40,000 thousand. The guarantee line as of 31.12.2008 is used up to the amount of PLN 41,331 thousand. Exceeding the amount of the guarantee line value was caused by the balance sheet evaluation of guarantees granted in exchange currencies. Fixed assets are burdened with appropriation and registered pledge for the benefit of banks, constituting the security for granted guarantees and the loan in the amount of PLN 7,798 thousand.

Note 2 b

MOVEMENT IN FIXED ASSETS (ACC. TO GENERIC GROUPS)						
thousand PLN						
	- land (including the right of perpetual usufruct of land)	- buildings, premises and structures of land and water engineering	- machinery and technical equipment	- transportation means	- other fixed assets	Total fixed assets
a) opening gross value of fixed assets	2,024	11,096	13,885	7,622	7,388	42,015
b) increases (due to)		310	1,909	1,232	123	3,574
- purchase		310	1,909	1,232	123	3,574
transfer(s) from construction in progress						
c) decreases (due to)			294	297	27	618
- physical liquidation			268		27	295
- sale				297		297
- theft			26			26
d) Gross value of fixed assets at the end of the period	2,024	11,406	15,500	8,557	7,484	44,971
e) cumulated amortization (depreciation) in the beginning of the period	607	3,868	11,318	5,521	6,351	27,665
f) amortization for the period (due to)	101	239	391	321	358	1,410
- current depreciation	101	239	667	619	385	2,011
- physical liquidation			-261		-27	-288
- sale				-297		-297
- theft			-15			-15
g) cumulated amortization (depreciation) at the end of the period	708	4,107	11,709	5,842	6,709	29,075
h) net value of fixed assets at the end of the period	1,316	7,299	3,791	2,714	775	15,895

Note 2 c

BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)	thousand PLN	
	2008	2007
a) own	14,579	12,842
b) used pursuant to lease/ rental agreement or other agreement including leasing agreement, including:	1,316	1,417
- perpetual usufruct of land	1,316	1,417
Total balance sheet fixed assets	15,895	14,259

Note 3 a

LONG-TERM RECEIVABLES	thousand PLN	
	2008	2007
a) write-offs of the receivables		6
long-term receivables gross		6

Note 3 b

MOVEMENT IN LONG-TERM RECEIVABLES (ACC. TO TITLES)	thousand PLN	
	2008	2007
a) opening position	6	14
- composition proceedings	6	14
b) decreases (due to)	6	8
- change in the qualification of payment criteria	6	8
c) position at the end of the period		6

Note 3 c

MOVEMENT IN WRITE-OFFS OF LONG-TERM RECEIVABLES	thousand PLN	
	2008	2007
Opening position	6	14
a) decreases (due to)	6	8
- change in the qualification of payment criteria	6	8
Position of write-offs of long-term receivables at the end of the period		6

Note 3 d

LONG-TERM RECEIVABLES (CURRENCY STRUCTURE)	unit	currency	thousand PLN	
			2008	2007
a) in Polish zloty				6
b1. in currency				
-				
Total long-term receivables				6

Note 4 a

LONG-TERM FINANCIAL ASSETS	thousand PLN	
	2008	2007
a) in other entities	110	110
- shares or stock	110	110
Total long-term financial assets	110	110

Note 4 b

MOVEMENT IN THE POSITION OF LONG-TERM FINANCIAL ASSETS (ACC. TO GENERIC GROUPS)	thousand PLN	
	2008	2007
a) opening position	110	228
- shares	47	165
stock	63	63
shares - contributed		
shares - adjustment of nominal value of share		
stock - adjustment of value		
b) decreases (due to)		118
- sold shares		118
c) position at the end of the period	110	110
- shares	47	47
- stock	63	63

Note 4 c

STOCK OR SHARES IN OTHER ENTITIES										
Lp.	thousand PLN									
	a	b	c	d	e		f	g	h	i
	business name of the entity, indicating legal status	seat	Company's scope of activities	balance sheet value of shares/ stock	Entity's equity capital, including:	- share capital	percent of possessed share capital	share in total number of votes at the general meeting	unpaid by the issuer value of shares/ stock	received or due dividends for the last financial year
1.	REMAK ROZRUCH	OPOLE	MODERNISATION SERVICES	63	17,686	510	12.30	12.30		150
2.	REMAK KRAK	KRAKÓW	MODERNISATION SERVICES	28	114	110	19.00	19.00		
3.	REMAK ENERGY	ZGORZELEC	MODERNISATION SERVICES	19	735	100	19.00	19.00		

Equity capital of the entities, in which Remak S.A. possesses stock, shares presented for Remak Rozruch and Remak Krak according to the position as of 30.06.2008. Remak Energy acc. to the position as of 31.12.2007

Note 4 d

SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE)	unit	value	thousand PLN	
			2008	2007
a) in Polish zloty			110	110
b1. in currency				
-				
Total securities, shares and other long-term financial assets			110	110

Note 4 e

SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS (ACC. TO TRANSFERABILITY)	thousand PLN	
	2008	2007
c1)....		
c2)....		
c1)....		
c2)....		
A. With unlimited transferability, not listed on a regulated market (balance sheet value)	110	110
a. stock (balance sheet value):	63	63
- opening value	63	63
- value acc. to purchase prices	63	63
b. other – acc. to generic groups (balance sheet value):	47	47
b1) shares	47	47
- revaluating adjustments (for the period)		118
- initial value	47	165
- value acc. to purchase prices	47	165
b2) ...		
c1)....		
c2)....		
Total value acc. to purchase prices	110	228
Total opening value	110	228
Total revaluating adjustments (for the period)		118
Total balance sheet value	110	110

Note 5 a

MOVEMENT IN ASSETS DUE TO DEFERED INCOME TAX	thousand PLN	
	2008	2007
1. Assets due to deferred income tax, including:	2,535	3,000
a) charged to financial result	2,535	3,000
- revaluation of receivables	78	80
- exchange differences	106	33
- prepaid expenses	41	28
- long-term contracts	1,783	2,456
Revaluation of fixed assets		
- unpaid remuneration and social insurance contributions	310	162
Revaluation of value of materials		
- provisions for fringe benefits	217	239
- unpaid interest on loans		2
2. Increases	4,356	2,740
a) charged to financial result of the period due to negative temporary differences (due to)	4,356	2,740
- revaluation of receivables	12	
- exchange differences	63	125
- prepaid expenses	241	43
- long-term contracts	3,375	1,954
revaluation of fixed assets		
- unpaid remuneration and social insurance contributions	601	570
revaluation of value of materials		
- provisions for fringe benefits	64	48
unpaid interest on loans		
3. Decreases	4,273	3,205
a) charged to financial result of the period due to negative temporary differences (due to)	4,273	3,205
- revaluation of receivables	10	2
- exchange differences	118	52

- prepaid expenses	36	30
- long-term contracts	3,882	2,627
revaluation of fixed assets		
- unpaid remuneration and social insurance contributions	211	422
revaluation of value of materials		
- provisions for fringe benefits	16	70
- unpaid interest on loans		2
4. Total assets due to deferred income tax at the end of the period, including:	2,618	2,535
a) charged to financial result	2,618	2,535
- revaluation of receivables	80	78
- exchange differences	51	106
- prepaid expenses	246	41
- long-term contracts	1,276	1,783
revaluation of fixed assets		
- unpaid remuneration and social insurance contributions	700	310
revaluation of value of materials		
- provisions for fringe benefits	265	217
- unpaid interest on loans		

Increasing of the assets due to deferred income tax in the amount of PLN 4,356 thousand relates to arising temporary differences.

Decreasing of the assets due to deferred income tax in the amount of PLN 4,273 thousand relates to reversal of temporary differences.

Particularization of these amounts is included in the above note.

Note 6 a

INVENTORY/STOCK	thousand PLN	
	2008	2007
a) materials	192	144
b) advances to suppliers	42	
Inventory/ stock total	234	144

In 2008 the Company did not create nor reverse overstock value.

Note 7 a

SHORT-TERM RECEIVABLES	thousand PLN	
	2008	2007
a) receivables from other entities	47,019	39,938
- for the delivery of goods and services, falling due:	44,928	36,817
- within 12 months	41,116	36,749
- after more than 12 months	3,812	68
- for taxes, donations, duties, social and health insurance and other benefits	584	1,942
- other	1,507	1,179
Total short-term receivables net	47,019	39,938
b) write-offs to receivables	1,097	1,640
Total short-term receivables gross	48,116	41,578

Note 7 b

MOVEMENT IN WRITE-OFFS TO SHORT-TERM RECEIVABLES	thousand PLN	
	2008	2007
Opening position	1,640	1,606
a) increases (due to)	152	113
- interest on receivables		13
- for doubtful debts	66	123
- qualification change	6	8
- other	80	-31
b) decreases (due to)	695	79
- repayment of receivables	8	46
redemption of receivables		
use		
- loss of liabilities included in write-offs	687	33
Position of write-offs to short-term receivables at the end of the period	1,097	1,640

Note 7 c

SHORT-TERM RECEIVABLES GROSS (CURRENCY STRUCTURE)	unit	currency	thousand PLN	
			2008	2007
a) in Polish zloty			7,640	18,547
b) in foreign currencies (acc. to currencies after conversion to PLN)			40,476	23,031
b1. in currency	thousand	EUR	6,419	6,243
after conversion to PLN thousand			26,784	22,363
b2. in currency	thousand	GBP	3,177	
after conversion to PLN thousand			13,632	
b3. in currency	thousand	CZK	3	4
after conversion to PLN thousand			1	
b4. in currency	thousand	NOK		1,480
after conversion to PLN thousand				665
b5. in currency	thousand	USD	6	1
after conversion to PLN thousand			19	3
b6. in currency BGN	thousand		19	
after conversion to PLN thousand			40	
Total short-term receivables			48,116	41,578

Note 7 d

RECEIVABLES FOR THE DELIVERY OF GOODS AND SERVICES (GROSS) – FALLING DUE AFTER THE BALANCE SHEET DATE:	thousand zł	
	2008	2007
a) within 1 month	16,086	14,294
b) after more than 1 month to 3 months	19,992	10,459
c) after more than 3 months to 6 months	2	2,050
d) after more than 6 months to 1 year	4	669
e) after more than 1 year	3,859	182
f) past-due receivables	6,012	10,743
Total receivables for the delivery of goods and services (gross)	45,955	38,397
g) write-offs to receivables for the delivery of goods and services	-1,027	-1,580
Total receivables for the delivery of goods and services (net)	44,928	36,817

Periods to one month and 1-3 months related to the Company's normal course of sale.

Note 7 e

RECEIVABLES FOR THE DELIVERY OF GOODS AND SERVICES, PAST-DUE (GROSS) – DIVIDED INTO RECEIVABLES UNPAID IN THE PERIOD:	thousand PLN	
	2008	2007
a) up to 1 month	2,161	3,880
b) after more than 1 month to 3 months	2,137	2,558
c)) after more than 3 months to 6 months	382	2,660
d) after more than 6 months to 1 year	367	72
e) after more than 1 year	965	1,573
Total receivables for the delivery of goods and services, past-due (gross)	6,012	10,743
f) write-offs to receivables for the delivery of goods and services, past-due	-974	-1,573
Total receivables for the delivery of goods and services, past-due (net)	5,038	9,170

Note 8 a

There are no disputable receivables.

Past-due receivables as of the balance sheet date amount to PLN 6,081 thousand and include the receivables for the delivery, works and services, out of which the receivables not included in write-offs amount to PLN 5,038 thousand.

Until the review date the amount of PLN 3,121 thousand remains unpaid. The remaining past-due receivables amounting to PLN 1,917 thousand do not constitute doubtful receivables.

Note 9 a

SHORT-TERM FINANCIAL ASSETS	thousand PLN	
	2008	2007
a) cash and other monetary assets	11,375	9,512
- cash in hand and at bank	4,340	9,312
- other cash assets	7,035	200
Total short-term financial assets	11,375	9,512

Note 9 b

SHORT-TERM LOANS (CURRENCY STRUCTURE)	unit	currency	thousand PLN	
			2008	2007
b1. in currency				
other currencies in thousand PLN				

Note 9 c

CASH AND OTHER MONETARY ASSETS (CURRENCY STRUCTURE)	unit	currency	thousand PLN	
			2008	2007
a) in Polish zloty			4,778	7,603
b) in foreign currencies (acc. to currencies after conversion to PLN)			6,597	1,909
b1. in currency	thousand	EUR	1,235	473
after conversion to PLN thousand			5,155	1,695
b2. in EEK	thousand		31	455
after conversion to PLN thousand			8	204
b3. in currency	thousand	CZK	19	75
after conversion to PLN thousand			3	10
b4. in BGN	thousand		670	
after conversion to PLN thousand			1,431	
Total cash and other monetary assets			11,375	9,512

Note 10 a

SHORT-TERM PREPAYMENTS	thousand PLN	
	2008	2007
a) prepaid expenses, including:		
- costs from performing unfinished services	4,251	3,339
guarantees of workmanship	3,758	2,947
- insurances	375	278
- other	118	114
b) other prepayments, including:	10,536	17,488
- receivables not reported to settlements	10,536	17,488
Total short-term prepayments	14,787	20,827

Note 11 a

SHARE CAPITAL (STRUCTURE)								
thousand PLN								
Series / issue	Type of share	Type of privilege on shares	Type of restrictions on the right to shares	Number of shares	Value of a series/ issue acc. to nominal value	Way of capital contribution	Registration date	Right to dividend (from the date)
A / ORDINARY				1,400,000	3,500	CASH	01.12.93	01.01.1995
B / ORDINARY				100,000	250	CASH	01.12.93	01.01.1995
C / ORDINARY				500,000	1,250	CASH	01.12.93	01.01.1995
D / ORDINARY				1,000,000	2,500	CASH	09.05.96	01.01.1995
Total number of shares				3,000,000				
Total share capital					7,500			
Nominal value of one share (in PLN)		2.50						

In the reporting period no changes in the Company's share capital occurred. In the nearest future no changes in share capital are planned due to its increase within the limits of target or conditional capital.

In the ownership structure of significant packages of shares of the Company, no changes were introduced when compared to the ones described in the report for 2007.

Mostostal Warszawa S.A. - 1,179,235 shares which represents 39.31% of the total number of votes at the General Meeting of Shareholders.

Legg Masson Zarządzanie Aktywami SA increased – 456,257 shares, which constitutes 15.21% of total number of votes at the General Meeting of Shareholders.

Mostostal Płock - 299,999 shares which represents 9.99% of the total number of votes at General Meeting of Shareholders.

PTE PZU SA on behalf of OFE PZU "Złota Jesień"- 150,631 shares which represents 5.02% of the total number of votes at General Meeting of Shareholders.

All issuer's shares are ordinary shares. Mostostal Warszawa SA is a dominant entity (affiliated entity, significant investor) in relation to Remak SA.

Note 12 a

SUPPLEMENTARY CAPITAL	thousand PLN	
	2008	2007
a) from sale of shares at the value exceeding their nominal value	7,000	7,000
b) required by law	2,500	2,500
c) created according to Articles of Association/ contract, beyond (minimum) value required by law	10,547	13,381
d) other (acc. to type)	302	294
Total supplementary capital	20,349	23,175

Note 13 a

REVALUATION RESERVE	thousand PLN	
	2008	2007
a) revaluation reserve of fixed assets	871	879
b) Exchange differences from settlements of foreign branches	218	106
Total revaluation reserve	1,089	985

Note 14 a

MOVEMENTS IN PROVISIONS AGAINST DEFERRED INCOME TAX	thousand PLN	
	2008	2007
1. Opening provision against deferred income tax, including:	1,974	2,300
a) charged to financial result	1,974	2,300
- balance sheet revenue related to settlements of unfinished services	1,809	2,294
Unpaid interest on receivables		
- positive exchange differences – balance sheet valuation	7	6
- difference in tax and balance sheet amortization	158	
2. Increases	1,930	1,611
a) charged to financial result from the period due to positive temporary differences (due to)	1,930	1,611
- balance sheet revenue related to settlements of unfinished services	1,437	1,357
- unpaid interest on receivables	2	1
- positive exchange differences – balance sheet valuation	347	95
- difference in tax and balance sheet amortization	123	158
- provision against income tax in England	21	
3. Decreases	2,627	1,937
a) charged to financial result from the period due to positive temporary differences (due to)	2,627	1,937
- execution of revenue related to settlements of unfinished services	2,549	1,842
- payment of interest on receivables		1
- positive exchange differences – balance sheet valuation	63	94
- difference in tax and balance sheet amortization	15	
provision against income tax in England		
4. Total provision against deferred income tax at the end of the period	1,277	1,974
a) charged to financial result	1,277	1,974
- revenue related to settlements of unfinished services	697	1,809
- unpaid interest on receivables	2	
- positive exchange differences – balance sheet valuation	291	7
- difference in tax and balance sheet amortization	266	158
- provision against income tax in England	21	

Increasing the provisions against deferred income tax in the amount of PLN 1,930 thousand relates to occurring positive temporary differences.

Decreasing the provisions against deferred income tax in the amount of PLN 2,627 thousand relates to reversals of positive temporary differences in time.

Particularization of these amounts is included in the above note.

Total provisions against deferred income tax acc. to the position as of the beginning and the end of the period.

- Balance sheet valuation related to settlements of uninvoiced receivables: PLN 1,809 thousand (01.01.2008); PLN 697 (31.12.2008),
- difference in tax and balance sheet amortization: PLN 158 thousand (01.01.2008); PLN 266 thousand (31.12.2008),
- positive exchange differences – balance sheet value: PLN 7 thousand (01.01.2008); PLN 291 thousand (31.12.2008),
- Other: PLN 0 thousand (01.01.2008); PLN 21 thousand (31.12.2008),

TOTAL: PLN 1,974 thousand (01.01.2008); PLN 1,277 thousand (31.12.2008),

Note 14 b

MOVEMENT IN LONG-TERM PROVISION FOR RETIREMENT BENEFITS AND SIMILAR (ACC. TO TITLES)	thousand PLN	
	2008	2007
a) opening position	876	722
- provision for service anniversary awards	674	568
- provision for retirement benefits	202	154
b) increases (due to)	154	154
- created provision for service anniversary awards	119	95
- provision for retirement benefits (qualification change from short-term to long-term)	35	48
- qualification change of the provision for long-term service anniversary awards		11
c) use (due to)	146	
- qualification change of the provision for service anniversary awards into short-term	146	
provision for retirement benefits		
d) release (due to)	17	
provision for service anniversary awards (change of actuarial evaluation)		
- qualification change of the provision for service anniversary awards into short-term	17	

e) position at the end of the period	867	876
- provision for service anniversary awards	647	674
- provision for retirement benefits	220	202

Note 14 c

MOVEMENT IN THE POSITION OF SHORT-TERM PROVISIONS FOR RETIREMENT BENEFITS AND SIMILAR BENEFITS (ACC. TO TITLES)	thousand PLN	
	2008	2007
A initial position	278	567
- provision for service anniversary awards	150	161
- provision for retirement benefits	26	4
- provision for unused holiday leaves	102	402
b) increases (due to)	662	439
- provision for retirement benefits	126	62
- - provision for service anniversary awards (qualification change from long-term)	171	275
- provision for costs of unused holiday leaves	203	102
- qualification change of the provision for service anniversary awards	146	
- qualification change of the provision for retirement benefits	16	
c) use (due to)	394	728
- payment of anniversary awards	171	275
- provision for retirement benefits	126	40
- payment of remuneration for outstanding holiday leaves	97	402
- qualification change of the provisions for service anniversary awards from short-term to long-term provision for anniversary awards		11
qualification change of the provision for retirement benefits		
d) position at the end of the period	546	278
- provision for service anniversary awards	296	150
- provision for retirement benefits	42	26
- provision for unused holidays	208	102

Note 14 d

MOVEMENT IN THE POSITION OF OTHER SHORT-TERM PROVISIONS (ACC. TO TITLES)	thousand PLN	
	2008	2007
a) opening position	1,052	564
- provision for costs	1,052	564
b) increases (due to)	2,857	1,052
- provision for costs	2,857	1,052
c) use (due to)	934	564
- provision for costs	934	564
provision for costs		
position at the end of the period	2,975	1,052
- provision for costs	2,975	1,052

Note 15 a

SHORT-TERM LIABILITIES	thousand PLN	
	2008	2007
a) amounts owed to other entities	22,467	45,022
- credits and loans, including:		17,288
- trade payables, falling due:	9,041	19,915
- within 12 months	8,637	19,471
- after more than 12 months	404	444
- payments received on account	443	
- other (acc. to titles)	12,983	7,819
- public law settlements	7,539	3,768
- remuneration settlements	4,383	2,434
- other	1,061	1,617
b) special funds (acc. to titles)	1,212	1,061
- Company Social Benefits Fund	1,212	1,061
Total short-term liabilities	23,679	46,083

Note 15 b

SHORT-TERM LIABILITIES (CURRENCY STRUCTURE)	unit	currency	thousand PLN	
			2008	2007
a) in Polish zloty			14,355	40,332
b) in foreign currencies (acc. to currencies and after conversion to PLN)			9,324	5,751
b1. in currency	thousand	EUR	1,501	1,567
after conversion to PLN thousand			6,263	5,614
b2. in currency	thousand	GBP	614	
after conversion to PLN thousand			2,637	1
b3. in BGN	thousand		192	
after conversion to PLN thousand			409	
b4. in currency	thousand	USD	5	
after conversion to PLN thousand			15	
b5. in currency	thousand	NOK		301
after conversion to PLN thousand				136
Total short-term liabilities			23,679	46,083

Note 15 c

SHORT-TERM LIABILITIES – CREDITS AND LOANS													
thousand PLN													
Name of the Company:	Seat	Amount of credit/loan pursuant to the agreement				Outstanding amount of credit/loan				Interest rate	Deadline for repayment	Securities	Other
		thousand PLN	in currency	unit	currency	thousand PLN	in currency	unit	currency				
PEKAO SA	WARSAW	7,500								WIBOR 1M + 1.2 p%	31.03.09	assignment of liabilities, promissory note, submission to enforcement, , power of attorney to a bank account	
PEKAO SA	WARSAW	1,000								WIBOR 1M + 1 p%	31.03.09	promissory note, submission to enforcement, , power of attorney to a	
ING BSK SA	KATOWICE	2,000								WIBOR 1M + 1.25 p%	08.05.09	assignment of liabilities, promissory note, submission to enforcement, , power of attorney to a bank account	

Securing of short-term credits as of 31.12.2008.

1. Transferability and registered pledges with the value of PLN 827 thousand on fixed assets, whose net accounting value amounts to PLN 261 thousand with the assignment of rights from insurance policy.
2. Assignment of receivables from SNC Lavalin Polska Sp. z o.o., Fabryka Kotłów Rafako SA, Fabryka Elektrofiltrów ELWO SA, AUSTRIAN Energy&Environment, Alstom Power Generation AG, Foster Wheeler Energia Polska Sp. z o.o.
3. Blank promissory notes.
4. Power of attorney to a bank account.

Note 16 a

OTHER ACCRUALS AND DEFERRALS	thousand PLN	
	2008	2007
a) accrued expenses	3,844	3,178
- short-term (acc. to titles)	3,844	3,178
- costs related to performance of unfinished services	3,106	452
- provisions for losses on unfinished services	38	2,726
- provision for costs	700	
b) deferred income	25,381	5,663
- long-term (acc. to titles)	1,214	1,316
- received free tangible fixed assets	1,214	1,316
- short-term (acc. to titles)	24,167	4,347
- revenue from execution of unfinished services	24,066	4,246
- other	101	101
Other accrued expenses, total	29,225	8,841

Note 17 a

Bookkeeping value per 1 share constitutes quotient of equity capital and number of shares. There are no circumstances which could result in dissolution of bookkeeping value per 1 share.

EXPLAINING NOTES FOR PROFIT AND LOSS ACCOUNT

Note 18 a

NET REVENUE ON THE SALE OF PRODUCTS (BY CATEGORY – TYPES OF ACTIVITIES)	thousand PLN	
	2008	2007
- products	1,551	1,872
including: from affiliated entities		
- industrial services	140,336	129,376
- non-industrial services	2,332	2,787
- construction services	26,698	90,436
including: from affiliated entities		
Total net revenue on the sale of products	170,917	224,471

Note 18 b

NET REVENUE ON THE SALE OF PRODUCTS (TERRITORIAL STRUCTURE)	thousand PLN	
	2008	2007
a) country	64,876	126,305
b) exports	106,041	98,166
Total net revenue on the sale of products	170,917	224,471

Note 19 a

NET REVENUE ON THE SALE OF GOODS AND MATERIALS (BY CATEGORY – TYPES OF ACTIVITIES)	thousand PLN	
	2008	2007
Sale of goods purchased from ordering parties		
- sale of materials	89	500
Total net revenue on the sale of goods and materials	89	500

Note 19 b

NET REVENUE ON THE SALE OF GOODS AND MATERIALS (TERRITORIAL STRUCTURE)	thousand PLN	
	2008	2007
a) country	89	500
Total net revenue on the sale of goods and materials	89	500

Note 20 a

COSTS ACCORDING TO TYPE	thousand PLN	
	2008	2007
a) amortization	2,116	2,136
b) cost of materials and energy consumed	13,664	18,171
c) external services	72,612	128,727
d) taxes and fees	1,011	977
e) salaries	57,804	53,279
f) social insurance contributions and other staff costs	16,118	17,418
g) other costs by nature (due to)	4,196	3,223
Total costs according to type	167,521	223,931
Movement in provisions, products and prepayments	1,409	875
Administrative expenses (negative value)	-10,263	-8,791
Cost of products sold	158,667	216,015

Note 21 a

OTHER OPERATING REVENUE	thousand PLN	
	2008	2007
a) released provisions (due to)	484	719
- payments of anniversary awards	171	275
- revaluation write-offs of assets	8	14
- retirement bonuses	125	40
- cost of unused holiday leaves	85	371
- other	1	19
- released provisions for local taxes	94	
b) other, including:	570	170
- received damages from insurance companies	338	42
redemption of liabilities		
- other	131	27
- write-offs of instalments of received free right of perpetual usufruct of land	101	101
Other operating income, total	1,054	889

The Company released revaluation write-offs:

- to receivables in the amount of 8 thousand PLN in relation to repayment of receivables.

Note 22 a

OTHER OPERATING INCOME	thousand PLN	
	2008	2007
a) created provisions (due to)	646	660
- for payments of anniversary awards and retirement bonuses	450	480
- for unused holidays	188	89
- other	8	91
b) other, including:	65	51
- subsidies	13	6
- costs of post-accidents repairs	22	31
- damages and penalties		1
redeemed liabilities		
- other	30	13
Other operating income	711	711

The Company created revaluation write-offs:

- value of receivables due to deliveries and past-due and doubtful services in the amount of PLN 66 thousand.

Note 23 a

FINANCIAL INCOME ON DIVIDENDS AND SHARE IN PROFIT	thousand PLN	
	2008	2007
a) from other entities	150	
Total financial income on dividends and share in profit	150	

Note 23 b

FINANCIAL INCOME ON INTEREST	thousand PLN	
	2008	2007
a) other interests	69	53
- from other entities	69	53
Total financial income on interest	69	53

Note 23 c

OTHER FINANCIAL INCOME	thousand PLN	
	2008	2007
a) positive exchange differences	3,957	
executed	2,619	
- not executed	1,338	
b) released provisions (due to)		31
- for interest		31
Other financial income total	3,957	31

Note 24 a

FINANCIAL COSTS OF INTEREST	thousand PLN	
	2008	2007
a) on loans and credits	597	1,118
- for other entities	597	1,118
b) other interest	9	5
- for other entities	9	5
Financial costs of interest total	606	1,123

Note 24 b

OTHER FINANCIAL COSTS	thousand PLN	
	2008	2007
a) negative exchange differences, including:		1,490
- executed		513
- not executed		977
b) created provisions (due to)		13
- revaluating write-offs to liabilities due to interest		13
c) other, including:	90	73
- commissions	66	71
- other	24	2
Total other financial costs	90	1,576

Note 25 a

In the reporting period the issuer did not possess shares (stock) in subordinate entities.

Note 26 a

CURRENT TAX INCOME	thousand PLN	
	2008	2007
1. Gross profit (loss)	5,785	-2,547
2. Differences between gross profit (loss) and the taxable basis for income tax (acc. to titles)	4,479	2,616
- release of construction and material provision (RMB) from previous years	-88	-94
- creating RMB for costs	1,208	163
- revaluation write-offs to receivables	57	50
Releasing of revaluation write-offs to fixed assets		
- exclusions from tax revenues	-1,847	-118
- donations	12	5
Provisions for losses		
- National Fund for the Rehabilitation of Disabled (Polish abbreviation: PFRON)	619	542
- executed exchange differences from previous years	-63	-12
- unpaid salaries for orders	2,044	781
- valuation of long-term contracts	3,261	-729
- not executed exchange differences (balance sheet valuation)	210	547
Interest on investments and promissory notes for previous year		
- provisions for fringe benefits	265	-26
- differences between balance sheet and tax amortization	-571	-842
- taxable income abroad	-1,159	1,934
Interest on unpaid receivables		
- other	139	163
- deductions from revenue	-11	-4
- costs of lease of passenger cars exceeding the tax limit	322	183
- representation and advertisement	81	73
3. Taxable basis for income tax	10,264	69
4. Income tax at 19 %	1 950	13
5. Increases, ceases, exemptions, deductions and decreases of income	29	
6. Current income tax included (reported) in tax statement, including:	1,979	13
- reported in the profit and loss account	1,853	13

Note 26 b

DEFERRED INCOME TAX REPORTED IN PROFIT AND LOSS ACCOUNT:	thousand PLN	
	2008	2007
- decreases (increases) due to creation and reversing of temporary differences	-779	138
Total deferred income tax	-779	138

Income tax reported in the profit and loss account amounting to PLN 1,074 includes the following:

1. income tax in Poland – PLN 1,979 thousand
2. income tax on the revenue of the German branch in Germany – PLN -126 thousand
3. deferred income tax in England Branch – PLN 21 thousand
4. deferred income tax in Poland – PLN -800 thousand

No income tax exists on ceased activity and result on extraordinary activities.

Note 27 a

The Management Board will propose allocation of the whole profit for 2008 to the increase of supplementary capital of the Company.

Note 28 a

Profit per 1 share constitutes the quotient of net profit for the period of 12 months of 2008 and the number of shares. All issuer's shares are ordinary shares. There are no circumstances which could result in dissolution of profit per 1 share.

EXPLAINING NOTES TO CASH FLOW STATEMENT

1. The structure of cash in the beginning and at the end of the period in thousand PLN.

Balance sheet position of cash – 9,512 (opening position) and 11,375 (at the end of the period) including:

- cash in hand and at bank 9,312. (opening position) and 4,340 9 (at the end of the period)
- Short-term investments: 200 (opening position) and 7,035 (at the end of the period)

Adjustment by exchange differences: 1 (opening position) and 338 (at the end of the period)

Position of cash accepted to the cash flow statement: 9,513. (opening position) and 11,037 (at the end of the period)

- cash in hand and at bank: 9,313. (opening position) and 4,114 (at the end of the period)
- short-term investments: 200 (opening position) and 6,923 (at the end of the period)

Structure of cash included in cash-flow statement is not different than its structure adopted for preparing the balance sheet.

2. Explanation of incompatibilities between the balance sheet movements and the movements of the same items reported in cash flow statement:

a.

- movement in the position of short-term liabilities (without credits) acc. to the balance sheet – 5,116
- increase of liabilities on investment - 315
- movement in the liabilities in the cash flow statement – 5,431

b.

- balance sheet movement of cash – 1,863
- movement in the items of the cash flow statement – 1,524
- difference in the amount of 339 is a change in exchange differences from cash.

3. The statement of cash flows is prepared using indirect method.

4. Cash with limited possibility of disposal is the cash collected on the accounts of the Company Social Benefits Fund.

CASH FLOWS ON OPERATING ACTIVITY (INDIRECT METHOD)	thousand PLN	
	2008	2007
I. Net profit (loss)	4,713	-2,834
II. Total adjustments	17,553	14,525
1. Amortization	2,116	2,136
2. (Profit) loss on exchange differences	-318	100
3. Interest and shares in profit (dividends)	527	1,183
4. (Profit) loss on investment activity	3	-306
5. Movements in the provisions	1,703	26
6. Movements in inventories	-90	28
7. Movement in receivables	-7,074	-3,763
8. Movement in short-term liabilities except loans and credits	-5,628	9,467
9. Movement in prepayments	26,314	5,654
III. Cash flows net on operating activity (I+/-II)	22,266	11,691

B. ADDITIONAL EXPLAINING NOTES

Additional explaining notes – Attachment 4.

SIGNATURES

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:			
Date	First name and surname	Position/Function	Signature
2009-02-12	Marek Brejwo	President	
2009-02-12	Aleksandra Kowalska	Vice-President	
2009-02-12	Adam Rogala	Vice-President	
2009-02-12	Zbigniew Cudek	Vice-President	

SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING ACCOUNTING BOOKS			
Date	First name and surname	Position/Function	Signature
2009-02-12	Aleksandra Kowalska	Financial and economic director	

REPORT OF THE MANAGEMENT BOARD (REPORT FROM THE ISSUER'S ACTIVITY)

Report of the Management Board – Attachment 5. The report concerning application of corporate governance principles by Remak SA. - Attachment 6.