

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

We hereby present the report from the activities of Remak SA with its registered seat in Opole. Main area of the Company's activities are modernizations and repairs of power equipment in power engineering industry. In this area of activity the company in 2008 increased its soliciting activities which resulted in signing several significant contracts, whose completion peak will fall in 2009. Particularly great success is signing one of the most valuable contracts executed independently in Grain, England.

In addition, in 2008 the execution of contracts for building water sewerage system in Opole and the area of Opole was completed within European support funds, which have been implemented since 2005.

The Company realizes its tasks also through its Branch in Germany and the Branch established in November 2008 in Great Britain, which prepare independent financial statements covered by a joint statement of the issuer.

I. Basic economic and financial values as well as factors having significant impact on business activity and achieved results.

The Company gained income from sales in the amount of PLN 171,003 thousand, and the participation of the German Branch in the total income was 35.8 %. The Branch in England was opened at the end of 2008, so its share in the income was insignificant.

The structure of the income from sales in 2008 and 2007 is the following:

	2008		2007	
	PLN thousand	structure	PLN thousand	structure
I. Total income from sales, including	171,006	100.0%	224,971	100.0%
- sales of products	170,917	99.9%	224,471	99.8%
- sales of goods	-	-	-	-
- sales of materials	89	0.1%	500	0.2%
II. Income from sales of products, including:	170,917	100.0%	224,471	100.0%
- industrial services	140,336	82.1%	129,376	57.6%
- construction services	26,698	15.6%	90,436	40.3%
- non-industrial services	2,332	1.4%	2,787	1.2%
- products	1,551	0.9%	1,872	0.9%
III. Income from sales of products (territorial structure) including	170,917	100.0%	224,471	100.0%
- home	64,876	38.0%	126,305	56.3%
- exports	106,041	62.0%	98,166	43.7%

In 2008 the Company reported decrease in income on sales, mainly due to termination of the contracts for building sewerage system in Opole and the area of Opole, whose share in the income from sales of products fell from 15.6% to 33.3% in the last year. However, due to active steps taken to win orders, which was very significant having in mind postponing of large contracts, income from industrial services was increased, which constitute the main area of the Company's activities. This increase calculated on a year-to-year basis amounted to 8.5%. In the scope of these works, the modernization works of power equipment constituted 76.7% of the income from sales of products and the repairs of power equipment - 5.4%.

In 2008 the share of income from national sales decreased in relation to the income from exports sales in relation to 2007, mainly due to much lower income from contracts for building sewerage system in Opole and the area of Opole.

The structure of sales according to geographical areas was the following:

Detailed list	2008 [%]	2007 [%]
Poland	38.0	56.3
Germany	36.9	35.0
Bulgaria	11.6	-
Austria	5.5	-
Belgium	4.5	-
Other	3.5	8.7

Total financial results in particular segments of business activity in 2008 were as follows:

No.	Detailed list	2008 PLN thousand	Dynamics 2008/2007
1.	Gross result on sales	12,294	144.6%
2.	Net result on sales	2,031	X
3.	Result on other operating activity	274	X
4.	Operating result	2,305	X
5.	Result on financial activity	3,480	X
6.	Gross result	5,785	X
7.	Income tax	1,074	X
8.	Net result	4,711	X

Economic and financial ratios

No.	Ratio	Algorithm	2008	Change in % points in relation to 2007
1.	Gross sales profitability	Gross result on sales/ net revenue on sales of products, goods and materials	7.2%	3.4
2.	Net sales profitability	Net result on sales/ net revenue on sales of products, goods and materials	1.2%	1.3
3.	Operating margin	Operating result / net revenue on sales of products, goods and materials	1.3%	1.4
4.	Gross earning potential	gross result / net revenue on sales of products, goods and materials	3.4%	4.5
5.	Net earning potential	Net result/ net revenue on sales of products, goods and materials	2.8%	4.0
6.	Share of costs in sales	Cost of sold products, goods and materials/ net revenue on sales of products, goods and materials	92.8%	-3.4
7.	Share of overheads in sales	Costs of general management / net revenue on sales of products, goods and materials	6.0%	2.1
8.	Financial liquidity ratio *	Current assets/ (short-term liabilities + short term prepayments and accruals)	1.32	-10.8
9.	Return on assets *	Net result/ total assets	5.6%	8.8
10.	Return on equity ROE *	Net result/ equity capital	16.3%	25.6

* balance sheet data calculated as average from 5 periods (at the end of the year preceding the financial year and at the end of each quarter of the financial year)

In 2008 the revenue on sales constituted 76.0 % of the revenue on sales for the parallel period of 2007 and amounted to 171,006 thousand PLN. Two basic factors influenced such a significant decrease in revenue. First, lower revenues from contracts for building a sewerage system in Opole and the area of Opole (PLN 24,160 thousand in 2008r. when compared to PLN 74,783 thousand in the corresponding period of the previous year) due to completion of these works in 2008. The second factor was the delay in commencing proper assembly works at the largest export contracts in Lingen, Neurath and Bełchatów for reasons lying on the side of the ordering parties, which was reflected in lower income than the planned one. The information on the above delays was reflected in active steps undertaken to acquire new orders to be executed in the 2nd half of 2008. These activities were successful, as winning the orders allowed to make up to a large extent for lacking income and to maintain the expected gross margin on sales.

Simultaneously, the share of costs in sales in 2008 decreased and amounted to 92.8% which resulted in obtaining gross earning potential on sales at the level of 7.2 in 2008 in comparison to 3.8% in 2007. The obtained gross result on sales allowed to cover the overheads and reach the profit on sales amounting to PLN 2,031 thousand, which gives earning potential on this result amounting to 1.2% (when compared to -0.1% in 2007).

Overheads increased nominally by 16.7% and their share in sales increased by 3.9% in 2007 to 6.0% in 2008.

The remaining operating activity increased the net profit on sales by PLN 274 thousand mainly due to release of provisions for fringe benefits (PLN 381 thousand) and received damages (PLN 338 thousand).

Result on operating activity amounted to PLN 2,305 thousand and was higher in comparison to the result of 2007, which amounted to PLN 194 thousand.

The Company's financial activity gained the profit in the amount of 3,480 thousand PLN, which was significantly influenced by exchange rate differences in the amount of PLN 3,957 thousand. The reported result on financial activity influenced further increase of gross result to the amount of PLN 5,785 thousand.

Net financial result in 2008 amounted to PLN 4,711 when compared to PLN 2,834 thousand in 2007.

Gained positive results at particular levels of the profit and loss account influenced the improvement of profitability ratios. Operating earning potential amounted to 1.3 % in comparison to -0.1% in 2007 and the net return on sales amounted to 2.8% in comparison to 1.3% in 2007. Also the rate on return from assets increased to 5.6% in comparison to -3.2% in 2007 and the rate of return on capital – to the level of 16.3% from 9.3% in 2007.

The balance sheet total at the end of 2008 amounted to PLN 92,218 thousand. The assets of the Company increased by 4.9% in relation to 2007. Tangible assets of the Company increased in comparison to the situation as of the end of 2007 by PLN 1,294 thousand i.e. by 7.4%. Also the share of fixed assets in balance sheet total increased from 19.9% at the end of 2007 to 20.4% at the end of 2008.

Current assets of the Company increased by PLN 2,994 thousand in comparison to the corresponding period of the previous year and its share in total assets constituted 79.6% (80.1% at the end of 2007). The structure of current assets was changed. The share of short-term liabilities in balance sheet total increased from 45.4% in 2007 to 51.0% at the end of 2008.

Similarly, the share of cash in balance sheet total increased from 10.8% in 2007 to 12.3% in 2008. Whereas, the share of short-term prepayments in balance sheet total decreased from 23.7% at the end of 2007 to 16.0% at the end of 2008.

In the structure of financing the assets, foreign capital prevails constituting 63.5% of balance sheet total. In 2008 it decreased by PLN 535 thousand i.e. by 0.9% in relation to 2007, mainly due to decrease of short-term liabilities by 48.6%. This results from the decrease of the loan by PLN 17,288 thousand in result of its total repayment and the decrease of liabilities due to deliveries of goods and services by PLN 10,874 thousand i.e. by 54.6% in relation to the corresponding period of the previous year.

The share of short-term liabilities in balance sheet total decreased from 52.4% at the end of 2007 to 25.7% at the end of 2008. In relation to 2007 the share of provisions in the balance sheet total increased from 4.8% to 6.1% at the end of 2008 and so did the share of accruals and deferred income from 10.1% to 31.7% at the end of 2008. The amount of accruals and deferred income increased in comparison to 2007 by PLN 20,384 thousand and it reached the level of PLN 29,225 at the end of 2008, which was mainly influenced by short-term accruals and deferred income related to the settlements of long-term contracts.

The Company's equity at the end of 2008 amounted to PLN 33,649 thousand which represents the increase by PLN 4,823 thousand i.e. by 16.7% in relation to 2007. The increase resulted mainly from reported positive financial result of the Company for 2008. The increase of equity capital in absolute values resulted in the increase of its share in the total sum of liabilities to 36.5% at the end of 2008 whereas in 2007 it amounted to 32.8%.

Fixed assets of the Company were financed in whole from the Company's equity capital. Current assets were financed in 20.2% from equity capital and in the remaining part from outside sources. In 2008 the receivables turnover was worsened. An average cycle of settling the receivables was elongated by 10 days and amounted to 80 days. The reason for elongating the cycle is a significantly lower share in the revenue of the works related to building the sewerage system in Opole and the area of Opole, which was characterized by a shorter cycle of receivables rotation. An average cycle of settling the liabilities was shortened by 4 days and amounted to 70 days.

The Company maintained its fluidity at the safe level, which is proven by the current liquidity ratio, which amounted to 1.32. The amount of the liquidity ratio and positive working capital allowed the Company to settle current liabilities.

The Company did not use derivative instruments securing the risk of changes in currency exchange rate, despite a large share of currency income, as the expenses in the prevailing part are also incurred or nominated in the contract currency. In case of contracts nominated in foreign currencies, the Company secures itself against the risk of changes in currency exchange rates by signing the contracts with suppliers and subcontractors in the currency of the country of income.

Free cash from operating activity amounting to PLN 22,226 thousand allowed to finance investment expenditures amounting to PLN 2,941 thousand and the total repayment of loans with interest in the amount of PLN 17,965 thousand. The amount of cash at the end of the period amounted to PLN 11,037 thousand.

In the Company's assessment, in the coming time no threats will occur to the Company's ability to repay incurred liabilities for reasons lying on the Company's side and on the side of the ordering parties.

In 2008 The Company has signed loan agreements and annexes to contracts for the total sum of PLN 13,500 thousand.

The Company reported no outstanding debt as of the balance sheet date.

In the reporting period the Company did not raise any loans.

Contingent liabilities in the Company relate to the contractual guarantees. In comparison to the position as of 31.12.2007, the position of contingent liabilities increased in value by PLN 4,982 thousand and as of 31.12.2008 reached the level of PLN 61,961 thousand.

During the reporting period the existing warranties issued in foreign currency were revaluated and new liabilities appeared with the value of PLN 34,200 thousand due to

- tendering guarantees and performance bonds granted by Bank Pekao S.A. for Foster Wheeler Europe BV, Foster Wheeler Energia Polska Sp. z o.o., Fabryka Kotłów Rafako S.A., Fabryka Elektrofiltrów ELWO S.A., AE&E.Inova GmbH Koln, Ansaldo Caldaie SPA, SNC Lavalin Polska Sp. z o.o., TMF Bulgaria EOOD, Baumgarte Boiler System GmbH, Austrian Energy & Environment AG&Co. KG and the differences in exchange rates from the valuation of previously issued guarantees amounting to PLN 25,631 thousand.
- bid bond guarantees granted by PZU S.A. in the amount of PLN 100 thousand.
- performance bonds granted by Bank Gospodarki Żywnościowej S.A. for Alstom Power System GmbH, Hitachi Power Europe GmbH, Alstom Power Sp. z o.o. and Fabryka Kotłów Rafako S.A. altogether amounting to PLN 5,193 thousand.
- tendering guarantees and performance bonds granted by ING BSK S.A for the total amount of PLN 496 thousand.
- issuing blank promissory notes for securing received guarantees for Polimex-Mostostal S.A. and Fabryka Kotłów SEFAKO SA altogether amounting to PLN 2,780 thousand.

Due to the end of the guarantee period and the balance sheet valuation in 2008, guarantees expired or decreased their value by the total sum of PLN 29,218 thousand.

Contingent liabilities as of 31.12.2008 decreased in relation to 31.12.2007 by PLN 1,660 thousand and amount to PLN 23,052 thousand. They include the following:

- securities submitted to the issuer by consortium members concluded in the purpose of executing the tasks for performing the sewerage system in Opole and the area of Opole in the total amount of PLN 20,400 thousand.
- performance bond and promissory notes received from the contracting parties in the total amount of PLN 2,652 thousand.

No contingent liabilities were reported towards affiliated entities.

Average employment in the Company amounted to 756 positions,

	including:	home	exports
- white-collar workers -	156	124	32
- blue-collar workers	600	336	264

As of 31 December 2008 the total number of the employed people amounted to 839 people. 58 employees were on unpaid holiday.

In 2008 the Company obtained several significant orders influencing the complete fill-out of the planned portfolio of orders. The perspectives of the development of the Company's activity are related to the presence on the EU markets as well as to increased share on the Polish market. We hope that intensive offering activities related to commencing the execution of large projects in power engineering, especially in Germany, but also in Poland, will have impact on receiving increased orders in the coming years.

II. Description of important threats and risk factors

The most important threats and risk factors for Remak S.A. include the following:

1. Risk related to changes in currency exchange rates related to significant share of revenue from exports.
2. Price competition on the side of the EU member states.
3. Risk related to economic crisis which could result in suspending the implementation of investment projects or delays in starting new contracts.

III. Characteristics of external and internal factors crucial for the company's development and the description of the perspectives of development of business activity.

Within the last years our Company has achieved the leader's position among Polish companies providing investment and modernization services in power engineering. This opinion is justified by a large number of realized works including the assembly of large power boilers in Neurath, Lingen, Bełchatów and Grain. The above assignments are implemented on the basis of own technological and organisational studies.

Moreover, the execution of difficult, highly specialized tasks causes that the competition in this scope is not as strong as in case of smaller boilers.

A strong position of the Company may be established within the coming years in relation to the forecasted modernizations and investments in our sector of activity.

Whereas in Poland it is difficult to assess the size of this market in particular years due to lack of multi-years plans of power engineering development the fact itself that until 2030 the recreation or building of 25 thousand MW units is required allows to suppose that within a short time horizon there will be a huge demand for our services.

On the German market, which due to its potential, is the most important market for us, till 2021 closing of nuclear plants with the power of approximately 21 thousand MW is stipulated and building of new conventional power units with the power of approx. 26 thousand MW.

A new phenomenon in 2009 will probably be the increase in competition due to expected results of the crisis in particular industries, especially in industrial construction.

In our assessment, in 2009 we should not expect a significant increase of prices for services due to increased competition, even the decline of prices is possible.

A projected investment program in power engineering within the coming years in Poland and abroad will allow to take full advantage of our production capacity. We expand the places of providing services by new countries and this tendency will be maintained.

In the face of such a market development there are two potential perspectives for the Company's development in the area of its activity, which is why we anticipate the increase in income and results in the years to come.

Considering the quality of our services and delivering of products more and more corresponding to our Clients' needs we have obtained ASME certificates.

Within the coming months we intend to complete works over the implementation of the Hygiene and Safety and Work Management System. Holding the certificate in this respect will allow us to meet the requirements of our contracting parties related to adjusting the level of work safety and hygiene to the standards binding in the European Union. Thus, obtaining the certificate is an important element of enhancing competitiveness of the Company and ensuring it the access to a wider market of services.

The barriers for the development may be the company's capital insufficient for stepwise increase of production capacity and guaranteeing possibilities.

IV. Investments.

The expenditures for purchases and modernizations of tangible and intangible fixed assets amounted in 2008 PLN 3,255 thousand. In the structure of purchasing fixed assets the greatest share had technical appliances and machines being a specialist equipment for the execution of services and means of transport. The Company's investments in 2008 were financed in whole with own resources.

The investment plan for 2009 assumes investment expenditures amounting to PLN 5,463 and covers the purchase of plant, appliances and specialized assembly, welding equipment and means of transport. The purpose of the above investments is recreation and modernisation of production and transportation fixed assets in relation to the stipulated increase in the income from the main area of activity. The above expenditures will be financed with own resources. No important capital investments are forecasted in the coming period.

V. Outlets and sources of supply in materials for production, goods and services.

In 2008 the Company performed over 38% of its works in the country. The greatest national contracts implemented in this period are the following:

- two contracts with the commune of Opole for building the sewerage system in the districts of Opole and localities in the province of Opole (co-financed from the means of EU Cohesion Fund) - the final stage;
- contracts realized in the Łagisza Plant with Foster Wheeler Energia Polska for the assembly of 460 MW boiler and with Elwo S.A. for the assembly of an electro filter;
- contract realized in consortium with Polimex-Mostostal SA Warsaw in Bełchatów Plant for the assembly of 833 MW boiler .

62.0 % of works were performed beyond Poland. We implemented 18 foreign contracts, including 11 contracts in Germany, 1 in Bulgaria, 1 in Belgium, 1 in Austria, 1 in Estonia, 2 in Holland and 1 in Great Britain.

The geographical structure of sales was the following:

- the Polish market 38.0%
- the German market 36.9%
- the Bulgarian market 11.6%
- the Austrian market 5.5%
- the Belgian market 4.5%
- the Estonian market 1.6%
- the Dutch market 1.3%
- the English market 0.6%

The greatest Polish outlets are the commune of Opole, where the revenue constituted 41.2% of national income, the Łagisza Plant – 31.6% of national income and the Bełchatów Plant with 8.7% share in national income.

The main foreign outlet was the German market and the most important contractors of works on this market were the consortium Alstom Power Boiler and Hitachi Power Europe, Austrian Energy & Environment AG & Co. KG. and Alstom Power Generation AG Mannheim

The greatest German contract was the assembly of 2 1100MW boilers in the Neurath Plant, which is executed by the consortium Polimex-Mostostal S.A. and Remak S.A. The value of the contract currently amounts to PLN 130,896.8 (37,280 thousand EUR) and the share of each consortium company is 50%.

The second German contract is the contract for the assembly of 2 waste heat boilers in KW Emsland in Lingen. The value of the contract with additional works amounts to PLN 36,817.7 thousand (the equivalent of 10,500.9 thousand EUR).

On the Bulgarian market the contract with Foster Wheeler Energia Polska is realized for the assembly of boiler pressure part CFB in Deven on Varna with the value with additional works amounting to PLN 20,426.1 thousand (5,915.3 thousand EUR).

On the Austrian market the contract with AE&E Inova GmbH is realized for the assembly of boiler pressure part and components in AVN Abfallverwertung Niederösterreich an der Donau with the total value with additional works amounting to PLN 12,151.6 thousand (the equivalent of 3,423.95 thousand EUR).

General subcontractors for the assembly works in the reporting period were: EGBUD Sp. z o.o. Bogatynia, PPHU Hydromont Opole, PPU Remak-Energy Sp. z o.o. Zgorzelec, ZRE Katowice S.A., Remak-Krak Sp. z o.o. Kraków.

The subcontractors provided specialist assembly and construction works for Remak SA.

The Company assemblies, first of all, the deliveries of manufactured elements of boilers and boiler appliances and associated plant, supplied by the contractors of modernization works. General suppliers of these elements were the following companies: Foster Wheeler Energia Polska, Rafako S.A., Alstom Power Systems GmbH, Hitachi Power Europe GmbH – with respect to boilers and boilers equipment, ELWO SA – deliveries of electro filters.

Main materials consumed in the production and service activities of the Company are metallurgical projects (boiler pipes, plates), welding electrodes, technical gases and gas mixtures. Due to the character of carried out activity and not aiming at creating excessive inventories, the Company does not conclude permanent contracts with material manufacturers (except technical

gases suppliers) and their deliveries take part on the basis of written orders and come from industry suppliers. General consumption of materials in 2009 constituted 7.5% of net revenue on sales of products. There is not a supplier of materials whose share in the value of supply purchases is greater than 10% of revenue on total sales of the company.

VI. Contracts significant for the Company's operation concluded in the reporting period.

In 2009 the Company concluded the following trading agreements of significant value:

- with Foster Wheeler Energia Polska sp. z o.o. for the assembly of boiler pressure part CFB 300MW in Devnya, Bulgaria with a total value of PLN 15,366.05 thousand (the equivalent of EUR 4.300 thousand);
- with Foster Wheeler Energia Polska sp. z o.o.; annexes with the total value of PLN 6,095.0 thousand to the contract for the boiler assembly in Łagisza Plant;
- with Baumgarte Boiler Systems GmbH, Germany for the assembly of the complete boiler pressure part with components in RDF - Plant Oostende, Belgium with the value of PLN 7,633.36 thousand (the equivalent of EUR 2,140 thousand);
- between the consortium Alstom Power sp. z o.o. and Rafako SA – the ordering party and the consortium Polimex-Mostostal SA and Remak SA – the contractor for the assembly of boiler pressure part within the package No. 1, 2, 4, 5 for the 858 MW unit in Bełchatów Plant with the value of PLN 49,000.00 thousand; the share of Remak SA in the execution of the assignment is 50%;
- and the annex to the above contract for the assembly of flanges of the pressure part in Bełchatów Plant, with the total value of commissioned works amounting to PLN 4,500.00 thousand, the share of Remak SA in the execution of the assignment amounts to 50%;
- with Ansaldo Caldaie S.p. a. Italy; annexes increasing the value of contracts by PLN 4,426.43 thousand (the equivalent of 1,294.28 thousand EUR) - the annexes relate to final settlements of Knapsack and Herdecke construction sites in Germany;
- with AE & E Inova GmbH, Germany for the assembly of the complete boiler pressure part with components in AVN Abfallverwertung Niederösterreich an der Donau, Austria with the value of PLN 10,565.94 thousand (the equivalent of EUR 3,080.00 thousand EUR);
- with Foster Wheeler Energia Polska sp. z o.o. for the assembly of one boiler within the FORTUM HEAT POLSKA project in Częstochowa with the total value of PLN 16,303.53 thousand plus option worth PLN 196.47 thousand;
- between Alstom Power Boiler GmbH – the ordering party and the consortium Polimex-Mostostal SA and Remak SA – the contractor for the assembly of flanges of diagonal piping of G Unit – part 1 in Neurath Power Plant, Germany, total value of additionally ordered works amounts to PLN 4,781.5 thousand (the equivalent of EUR 1,419. 1 thousand); the share of Remak S.A in the execution of the assignment amounts to approx. 50%;
- and the annex between Hitachi Power Europe GmbH – the ordering party and the consortium Polimex-Mostostal SA and Remak SA – the contractor for the assembly of flanges of the upper part of F/G Unit – in Neurath Power Plant, Germany, total value of additionally ordered works amounts to PLN 3,498.87 thousand (the equivalent of EUR 1,080.90 thousand); the share of Remak S.A in the execution of the assignment amounts to approx. 50%;
- contract with Austrian Energy Inova GmbH for the complete assembly of boiler pressure part with components in Heizkraftwerk Afferde, Hameln, Germany with the value of PLN 8,337.41 thousand (the equivalent of EUR 2,499.00 thousand);

- contract with Austrian Energy Inova GmbH for the complete assembly of pressure parts of two boilers with components for the project Delfzijl in Farmsum, Holland with the value of PLN 17,573.10 thousand (the equivalent of EUR 5,299.00 thousand);
- between Alstom Power Boiler GmbH – ordering party and the consortium Polimex-Mostostal SA, Remak SA and ZRE Sp.z o.o. in Krakow for the assembly of pressure parts of two 800 MW power units for the project STKW Westfalen in Hamm Uentrop, Germany - total value of assembly works amounts to PLN 121,839.68 thousand (the equivalent of EUR 31,336.56 thousand). The projected share of Remak S.A in the execution of the assignment amounts to 50%;
- with Alstom Power Ltd for the assembly of 3 waste heat boilers in Grain Power Plant, Great Britain with the value of PLN 80,861.74 thousand (the equivalent of GBP 17,999.68 thousand).

Among the contracts other than manufacture, concluded by the issuer in the reporting period, the most valuable contracts were the following:

- with Bank Pekao S.A. , the annex to the agreement for a guarantee line up to the amount of 40,000 thousand extending the term of agreement validity until 31st March 2009;
- with Bank Pekao S.A., the annex to the agreement for a short-term working capital facility up to the amount of PLN 7,500 thousand extending the term of agreement validity until 31st March 2009;
- with Bank Pekao S.A., the annex to the agreement for a working capital facility for financing of ISPA4 assignment in which the repayment period for the amount of PLN 3,000 thousand was extended until 9th August 2008;
- with BGŻ S.A. tripartite agreement between the consortium Polimex–Mostostal S.A., Remak S.A. and Bank Gospodarki Żywnościowej S.A. for a guarantee line for granting by BGŻ S.A. a guarantee up to the total amount of PLN 7,350 thousand. Within the agreement the Bank shall grant the aforementioned Consortium performance bond and the guarantee of workmanship for the contract for the assembly of the pressure part of the boiler in Bełchatów Power Plant. The term of the agreement validity is 31st December 2009;
- with ING Bank Śląski S.A., the annex to the agreement for a guarantee line up to the amount of 3,000 thousand extending the term of agreement validity until 31st March 2009.

The interest rate for the credits is agreed at the level of one month WIBOR plus the bank margin.

The interest rate for the guarantee is settled every time individually for each guarantee depending on the duration of the guarantee granted within the line.

VII. Significant transactions with affiliated entities.

In 2008 the Company did not execute significant transactions with affiliated entities.

VIII. Other information

1. Information on changes in organisational or capital relations of the issuer with other entities and pointing to major national and foreign investments, including capital investments made outside the capital group and the description of their financing.

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

In 2008 the issuer did not make capital investments in Poland or abroad.

2. Presenting the shareholders holding at least 5% of votes at the General Meeting of Shareholders.

The state of possession of the shareholders holding at least 5% of votes at the General Meeting of Shareholders in the beginning and at the end of the period was as follows:

Detailed list	1 January 2008	31 December 2008
1. Mostostal Warszawa SA	1,179,235 shares/votes i.e. 39.31% votes at AGM	1,179,235 shares/votes i.e. 39.31% votes at AGM
2. Legg Mason Zarządzanie Aktywami SA	456,257 shares/votes i.e. 15.21% votes at AGM	456,257 shares/votes i.e. 15.21% votes at AGM
3. Mostostal Płock SA	299,999 shares/votes i.e. 9.99% votes at AGM	299,999 shares/votes i.e. 9.99% votes at AGM
4. PTE PZU S.A. on behalf of OFE PZU "Złota Jesień"	150,631 shares/votes i.e. 5.02 % votes at AGM	150,631 shares/votes i.e. 5.02 % votes at AGM

According to the information about the exceeding of 5% of votes at AGM from 21 August 2007 PTE PZU S.A. on behalf of OFE PZU "Złota Jesień" possessed 150,631 shares, which corresponded to 5.02% votes at AGM.

According to the state as of 08 April 2008 (date of the last Annual General Meeting of Shareholders) PTE PZU S.A. on behalf of OFE PZU "Złota Jesień" possessed 189,650 blocked shares, which corresponded to 6.32% votes at AGM.

3. Changes in the composition of managing and supervising personnel of the issuer during the reporting period, principles of appointing and recalling of managing people, agreements providing for compensation and the value of remunerations.

On 30th September 2008 the Supervisory Board of the Company acting pursuant to the Company's Articles of Association and on the motion of the President of the Management Board, appointed as of December 2008 Mr. Zbigniew Cudek for the function of the Vice-President of the Management Board.

Currently the Management Board of the Company is composed as follows: President - Marek Brejwo, Vice-President - Aleksandra Kowalska, Vice-President - Adam Rogala and Vice-President - Zbigniew Cudek.

In 2008 the composition of the Supervisory Board was not changed.

Currently the Supervisory Board is composed as follows: Jarosław Popiołek, Tadeusz Szymański, Miguel Vegas Solano, Barbara Gronkiewicz and Andrzej Sitkiewicz.

Commonly binding regulations of the law and the Company's Articles of Association are applicable at appointing and recalling the managing personnel.

The contracts concluded with the members of the Management Board provide for compensations in the situation they are removed or resign.

4. Specifying the total number and nominal value of all issuer's shares and shares and stock in the entities belonging to the issuer's capital group being in the possession of managing and supervising personnel.

Managing and supervising personnel does not possess shares of Remak SA.

As for the date of submitting of this statement the Company has not received any information on changes in the state of possessed issuer's shares by managing and supervising people.

5. Description of the issuer's use of revenue on issuances.

The company did not issue securities in the reporting period.

6. Explanation of the differences between financial results presented in the mid-year statement and the previously published projected results for 2008.

The Company did not publish its forecasted financial results for 2008.

7. The information on the contracts known to the issuer, in result of which changes in the proportion of possessed shares by the so-far existing shareholders may occur.

As for the day of submitting this report, the issuer has no knowledge of contracts, in result of which changes in the proportion of possessed shares by the so-far existing shareholders might occur.

8. Presenting the possessors of any securities, which bear special control rights in relation to the issuer.

The Company did not issue any securities, which bear special control rights in relation to the issuer.

9. Information on the control system of the employee shares programme.

The Company does not carry out any employee shares programmes.

10. Presenting all restrictions related to the right of transferring the ownership right of issuer's securities and in the scope of exercising the right to vote.

There are no restrictions related to the right of transferring the ownership right to issuer's securities and no restrictions in the scope of exercising the right to vote.

11. Date of concluding the contract with the entity entitled to review financial statements and the total amount of remuneration following from the contract.

Pursuant to the decision of the Company's Supervisory Board as of 12 June 2008 the company Deloitte Audyt Sp. z o.o. with the seat at ul. Piękna 18, 00-549 Warsaw, entered in the the National Chamber of Statutory Auditors (Polish abbrevtaion- KIBR) register under number 73 was chosen as the entity entitled to review financial statements for 2008 .

The contract was signed on 24 June 2008.

The total amount of remuneration amounts to PLN 130 thousand net.

The information presented in the above report reflects the actual position of the company.

Currently, the Management Board does not possess any other information which might be important for the activities of the issuer and its shareholders.

Opole, dated 12 February 2008.

Signatures of members of the Management Board:

..... Marek Brejwo Aleksandra Kowalska Adam Rogala Zbigniew Cudek
President	Vice-President	Vice-President	Vice-President

Report concerning the application of corporate governance principles in Remak S.A.

Pursuant to:

- §29 section 5 of the Stock Exchange By-laws ordering to attach the report concerning the principles of corporate governance in the company to the issuer's annual statement,
- Resolution No. 1013/2007 pf the Management Board of Warsaw Stock Exchange SA on specifying the scope and structure of the above statement,

Remak S.A. presents the following information:

1. Presenting the principles of corporate governance included in the document “Good Practices of Companies Listed at WSE” which were not applied by Remak S.A. in 2008 together with presenting the circumstances and reasons for not applying the specific principle.

Item	Principle	Comment by Remak S.A.
I. Recommendations concerning good practices of listed companies		
1.	The Company should carry out transparent and effective information policy, both using traditional methods and with use of modern technologies providing quickness, safety and wide access to information. The Company, using these methods of communication in the widest possible scope, should ensure proper communication with investors and analysts, enable broadcasting of sessions of annual general meeting via the Internet, register the course of the session and publish it on its website.	In accordance with this principle, the Issuer should enable to broadcast the sessions of Annual General Meeting via the Internet, register the course of the session and publish it on its website. In the assessment of the Management Board the so-far conducted course of the Issuer's Annual General Meetings does not point to the need for making such a transmission nor registration in the purpose of providing a wider access to information among market participants. At the same time, the Management Board declares that in case of notification of such a need on the side of shareholders or members of the Supervisory Board in advance, the Management Board will put all its efforts to introduce this principle.
5.	Remunerations of members of the company bodies should relate to the scope of works and responsibility following from performed function, they should correspond to the size of the company and stay in the reasonable relation to its economic results.	The above principle is not fully applied. The Company in accordance with the resolution of the annual general meeting which determined the remuneration principles, implements the principle applied in the capital group Mostostal Warsaw, pursuant to which members of the Supervisory Board being employees of a company which belongs to Mostostal Warsaw capital group do not obtain remuneration for performing their function in the Supervisory Board.
II. Good practices implemented by management boards of listed companies.		
1.4)	The information on the date and place of an annual general meeting, the agenda and draft resolutions with justification as well as other available materials related to general meetings of the company at least 14 days before the set date of the meeting.	This principle is not and will not be applied in the part concerning the date of publishing on the Company's website draft resolutions with justification and other available materials related to the general meetings of the Company. The date of publishing the contents of draft resolutions with attachments at least 8 days before the set date of the meeting referred to in paragraph 39 section 1 item 3 in relation to paragraph 97 section 5 of the 19 October 2005 Minister of Finance Resolution on current and periodical reports submitted by the issuers of securities is the date sufficient for getting familiar with their content.

Item	Principle	Comment by Remak S.A.
1.6)	Annual reports from the activity of the Supervisory Board with consideration to the work of its committees, together with the assessment of the work of the supervisory board, the system of internal control and the system of managing the risk important for the company submitted by the supervisory board.	According to this principle, annual report from the activity of the supervisory board with consideration to the work of its committees should be also published on the website of the company. As there were no committees created within the Supervisory Board, it is not possible to take into consideration their work in the reports from the activity of the Supervisory Board.
2.	The Company ensures the functioning of its website in the English language, at least in the scope presented in part II item 1. This principle should be applied on 1 January 2009 at the latest.	The above principle is not currently applied in the Company. The Company will do its best to adjust to the conditions following from this principle in 2009.
III. Good practices applied by members of supervisory boards.		
6.	At least two members of the supervisory board should meet the criteria of independence from the company and the entities affiliated with the company. In the scope of the independence criteria of members of the supervisory board Attachment II to the Recommendation of the European Commission of 15 February 2005 should be applied, concerning the role of non-executive directors or being the members of supervisory board of listed companies and commissions of the (supervisory) board. Irrespective of the provisions of item b) above of the said Attachment a person being an employee of a company, subsidiary or an affiliated entity may not be deemed as meeting the independence criteria referred to in this Attachment. Besides, within the meaning of this principle, the actual and material relation with a shareholder exercising the right to vote amounting to 5% and more at a general meeting is also understood as excluding the condition of independence of the supervisory board member.	The principle is not applied. The reason is the fact that the Company has a strategic shareholder who has sufficient knowledge and experience in exercising effective and proper owner's supervision by its own representatives, whose knowledge and qualifications can be trusted upon. Personal composition of the Company's Supervisory Board is a proper security for the interests of all groups of shareholders.
7.	Within the supervisory board at least one audit committee should function. The committee should be composed of at least one member independent from the company and its affiliated entities, competent in the field of accounting and finances. In the companies whose supervisory board is composed of the minimum number of members required by law the assignments of the committee may be fulfilled by the supervisory board.	This principle is not followed in relation to Principle No. 6 which is not applied.
8.	In the scope of assignments and functioning of the committees operating in the supervisory board Attachment No. I to the Recommendation of the European Commission as of 15 February 2005 should be applied concerning the role of non-executive directors (...).	This principle is not followed in relation to Principles No. 6 and 7, which are not applied.

Item	Principle	Comment by Remak S.A.
IV. Good practices applied by the shareholders		
1.	The representatives of media should be given the possibility to participate at general meetings.	The principle is not and will not be applied. People entitled to participate and serve the AGM participate at general meetings of Company's shareholders. The Company does not see the need to introduce further obligations for shareholders related to special enabling of participation at AGM to representatives of free media. Binding regulations of the law, including the 19 October 2005 Resolution of the Minister of Finance on current and periodical reports submitted by issuers of securities are sufficient to regulate the execution of the information duties binding for listed companies in the scope of openness and transparency of the issues being the subject of AGM sessions. In case of any questions related to AGM directed to the Company by the representatives of the media, the Company shall immediately provide proper responses.

2. Description of the operation of general meeting and its crucial entitlements as well as shareholders' rights and manner of exercising these rights.

Annual General Meeting of Shareholders is the supreme authority of the Company. It operates pursuant to the commonly binding regulations, in particular the Commercial Companies Code, Company's Articles of Association and the adopted By-laws of AGM. The content of the Articles of Association and the By-laws is available on the Company's website www.remak.com.pl.

The competencies of the Annual General Meeting include in particular: reviewing and approving annual financial statements, adopting resolutions on the allocation of profit or covering of losses and acknowledging the fulfilment of duties by members of the Company's bodies, changes in the Company's Articles of Association including increasing and decreasing of share capital, appointment and dismissal of members of the Supervisory Board and settling their remuneration.

Members of the Management Board and the Supervisory Board participate at the Annual General Meeting.

The course of the Annual General Meeting is managed by the Chairman in accordance with the adopted agenda, regulations of the law, the Articles of Association and By-laws, with preservation of rights and interest of all participants of the Annual General Meeting. The Chairman cannot remove issues included in the agenda on his own, change the sequence of its particular items or include in the session subjects not included in the agenda.

Each participant of the General Meeting has the right to ask questions to the Management Board and the Supervisory Board in matters not included in the agenda in the scope of currently discussed issue. Members of the Management Board and Supervisory Board – each within the limits of their competencies – are obliged to provide answers to posed questions, in the scope necessary to decide upon matters discussed by the Annual General Meeting.

The shareholders of the Company execute their corporate rights in the manner and within the limits set by the commonly binding regulations, the Company's Articles of Association and the By-laws of the Annual General Meeting. All shares are bearer shares. Each share bears the right to one vote. There are no restrictions in executing the right to vote on shares of the Company and no shareholder possesses special control rights towards the Company.

3. Personal composition and the principles of operation of managing and supervising bodies of the company and their committees.

Personal composition of managing and supervising bodies of Remak S.A. as for 31 December 2008.

- The Management Board:
 - Marek Brejwo - President
 - Aleksandra Kowalska – Vice-President
 - Adam Rogala – Vice-President
 - Zbigniew Cudek – Vice-President

- Supervisory Board:
 - Jarosław Popiołek
 - Tadeusz Szymański
 - Miguel Vegas Solano
 - Barbara Gronkiewicz
 - Andrzej Sitkiewicz

The competencies of the Management Board include all matters not reserved as the competencies of Annual General Meeting or Supervisory Board. The obligations and By-laws of the Management Board are specified in a formal document which describes its role in detail. The content of the By-laws of the Management Board is available on the Company's website www.remak.com.pl. Particular members of the Management Board manage the entrusted to them areas of the Company's activity and their work is co-ordinated by the President of the Management Board.

The Supervisory Board of the Company performs its activities on the basis of Commercial Companies Code, the Company's Articles of Association, resolutions of the Annual General Meeting and the By-laws of the Supervisory Board. The content of the By-laws of the Supervisory Board is available on the Company's website www.remak.com.pl. The term of office of the Supervisory Board lasts three years, and the remunerations for members of the Supervisory Board are determined by Annual General Meeting. The Supervisory Board exercises permanent supervision over the Company's activities. Annually, the Board submits its concise assessment of the Company's situation to the Annual General Meeting. The competencies of the Supervisory Board include in particular representing of the Company in contracts and disputes between the Company and members of the Management Board, approving the By-laws of the Management Board, settling the remuneration principles for members of the Management Board, choice of the auditor, expressing opinions on Management Board's motions directed to the sessions of Annual General Meeting.

No committees were appointed within the Company's Management Board and the Supervisory Board.

4. Description of main qualities of internal control systems applied in the company and risk management systems in relation to the process of preparing financial statements.

The Company applies the internal control systems in the scope of preparing its financial and accounting reports which enable reliable and clear presentation of its economic and financial position. The Company possesses the documentation describing the adopted accounting principles specifying methods of valuation of assets and liabilities and setting financial result as well as the manner of keeping accounting books and the system of data protection and collection.

The adopted accounting principles are applied on a permanent basis ensuring the comparability of financial statements and applying the principles of continuity in operations and prudent valuation.

Financial statements of the Company are subject to review by authorized entities chosen pursuant to a Supervisory Board resolution. They are also subject of publication required by the regulations of the law.

Remak S.A. keeps accounting books in the IT system FK by Infra sp. z o.o. The system is protected with a password against unauthorized access and functional access limitations. The structure of the system ensures a transparent division of competences, cohesion of operational records in the books and controls between the reporting, general and auxiliary books. High flexibility of the system allows for its current adjustment to changing accounting principles and other legal standards.