

Current Report No. 43/2010

Date: 28 October 2010

Subject: Intention of merging the Company with the subsidiary Centrum Kapitałowe-Modus Sp. z o.o.

Legal basis: Article 56 par. 1 pt. 2 of the Act on Public Offerings – current and periodic information

The Management Board of Energomontaż-Południe S.A. (the Issuer, the Company) announces that on 27 October 2010 it adopted a resolution on the intention of merging the Company with Centrum Kapitałowe-Modus Sp. z o.o. (CK-Modus).

#### Method of the planned merger and its legal basis

The planned merger of the companies will take place by Energomontaż-Południe S.A. assuming control over its subsidiary CK-Modus. The merger will be conducted under the procedure set out in Article 492 par. 1 pt. 1 of the Commercial Companies Code, through a transfer of the assets of CK-Modus as the target company to Energomontaż-Południe S.A. as the acquiring company (by way of a takeover). The merger will be effected in compliance with Article 515 of the Commercial Companies Code, without an increase in the share capital of Energomontaż-Południe S.A.

#### Justification for the decision on the intention of merging

In consideration of the conclusion of Phase One of the construction of the Książęce Estate in Ligota in Katowice and the planned commencement of the construction of the shopping part located next to the Książęce Estate, located mainly on real estate which belongs to Energomontaż-Południe S.A., there is no further purpose for the continued functioning of Centrum Kapitałowe-Modus Sp. z o.o. as an independent entity. Currently there are no plans to commence further construction stages of the residential complex in Ligota. The merger will simplify the structure of the Energomontaż-Południe Capital Group and, in the long term, will increase operational effectiveness by optimising management and sales costs, improving financial liquidity by eliminating the need to make mutual settlements with CK-Modus, and optimising taxation.

After the conclusion of the merger, the value of the Issuer's assets will increase, and this will make it easier in future to mobilise financial resources for project implementation.

In the opinion of the Management Board of Energomontaż-Południe S.A., the most proper form for liquidating the company CK-Modus is merging that company with Energomontaż-Południe S.A. On the scale of the capital group, the merger will make it possible to save the costs of liquidation, and after the merger, the Management Board of Energomontaż-Południe S.A. will be able to manage the real estate of CK-Modus.

#### Characteristics of the target company – Centrum Kapitałowe-Modus Sp. z o.o.

The basic business purpose of CK-Modus is the performance of general construction work in connection with erecting buildings. CK-Modus was created in connection with the implementation of developer investments in order to ensure reporting transparency and to facilitate access to external financing (as a special purpose vehicle). The entity mainly conducted developer operations on the basis of an investment entitled *The Książęce Estate in Katowice*. Centrum Kapitałowe-Modus Sp. z o.o. in Katowice was established by a notarial deed on 30 September 1999. It is entered in the National Court Register kept by the District Court for Katowice-Wschód in Katowice, VIII Division Commercial of the National Court Register under No. 0000112995. It holds business identification number (REGON) 276649643 and tax identification number (NIP) 634-23-50-232. The registered office of the entity is in Katowice at ul. Mickiewicza 15. Its share capital is PLN 15,900,000, divided into

31,800 shares of a par value of PLN 500 each. Energomontaż-Południe S.A. holds 100 per cent of the shares in CK-Modus.

Characteristics of the acquiring company – Energomontaż-Południe S.A.

For 58 years, the Company has been operating on the Polish and international power production and industrial construction markets.

Its core business is providing services involving construction and assembly production, general contracting for investments, and assembling, upgrading and refurbishing power production and industrial equipment and installations. Energomontaż-Południe S.A. in Katowice was established by a notarial deed on 7 March 1992. Its registered office is in Katowice at ul. Mickiewicza 15.

The Company is entered in the National Court Register kept by the District Court for Katowice-Wschód in Katowice, VIII Division Commercial of the National Court Register under number KRS 0000080906. It holds business identification number (REGON) 270649263 and tax identification number (NIP) 634-013-54-81. Its share capital is PLN 70,972,001, divided into 70,972,001 ordinary bearer shares of a par value of PLN 1 each.

The documents referred to in Article 19 par. 2 and par. 3 of the Regulation of the Minister of Finance on current and periodic information [...] will be made publicly available immediately after they have been drawn up or obtained.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY:

Andrzej Hołda	President of the Membership Board
Alina Sowa	Vice President of the Management Board