THE SECO/WARWICK GROUP

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS FOR THE PERIOD

JANUARY 1ST - SEPTEMBER 30TH 2010

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONTENTS

1. General information

Information on the SECO/WARWICK Group

The parent undertaking of the SECO/WARWICK Group is SECO/WARWICK Spółka Akcyjna of Świebodzin. SECO/WARWICK S.A. was incorporated through the transformation of a limited liability company (spółka z ograniczoną odpowiedzialnością – Sp. z o.o.) into a joint-stock company (spółka akcyjna – S.A.) under the name of SECO/WARWICK S.A. with registered office in Świebodzin. The transformation was effected in accordance with the provisions of the Polish Commercial Companies Code. On December 14th 2006, the General Shareholders Meeting of SECO/WARWICK Sp. z o.o of Świebodzin adopted a resolution approving the transformation. In the same notarial deed all the shareholders of SECO/WARWICK Sp. z o.o. submitted a representation on joining the joint-stock company under the name of SECO/WARWICK S.A. of Świebodzin and on acquisition of Series A Shares.

On January 2nd 2007, SECO/WARWICK S.A. was entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000271014, by virtue of the decision issued by the District Court of Zielona Góra, VIII Commercial Division of the National Court Register, on January 2nd 2007.

The product range of the SECO/WARWICK Group comprises five main product categories:

- vacuum furnaces,
- aluminium heat exchanger brazing systems,
- aluminium heat treatment systems,
- atmosphere furnaces,
- metallurgy equipment used for melting and vacuum casting of metals and specialty alloys.

The SECO/WARWICK Group's operations are divided into five business segments based on product groups:

- vacuum furnaces (Vacuum),
- aluminium heat exchanger brazing systems (Controlled Atmosphere Brazing),
- aluminium heat treatment systems (Aluminium Process),
- atmosphere furnaces (Thermal),
- metallurgy equipment used for melting and vacuum casting of metals and specialty alloys (Melting Furnaces).

SECO/WARWICK S.A. is the direct parent undertaking of the following three subsidiaries:

- Lubuskie Zakłady Termotechniczne „Elterma" S.A.
- SECO/WARWICK Corporation, and
- OOO SECO/WARWICK Group Moscow.

Other Group members are:

- SECO/WARWICK of Delaware Inc.

- SECO/WARWICK Industrial Furnace Co. Ltd. (Tianjin) China
- SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.,
- SECO/WARWICK Allied Pvt. Ltd. (Mumbai) India
- Retech Systems LLC

The aforementioned companies are described in detail in the table below.

Group Structure as at September 30th 2010

Table: As at September the 30th 2010 and as at the date of release of these financial statements, the structure of the SECO/WARWICK Group was as follows:

Company	Registered office	Business profile	Method of consolidation / valuation of equity holding	% of share capital held by the Group
Parent undertaking				
SECO/WARWICK S.A.	Świebodzin	Manufacture of vacuum furnaces, aluminium heat exchanger brazing systems and aluminium heat treatment systems	N/A	N/A
Direct and indirect subsidiaries				
Lubuskie Zakłady Termotechniczne „Elterma" S.A.	Świebodzin	Manufacture of metal heat treatment equipment	Full method	100%
SECO/WARWICK Corp.	Meadville (USA)	Manufacture of metal heat treatment equipment	Full method	100%
SECO/WARWICK of Delaware, Inc (1)	Wilmington (USA)	Management of holding companies; registration of trademarks and patents, and granting licences for use of the trademarks and patents by SECO/WARWICK Corp.	Full method	100%
OOO SECO/WARWICK Group Moscow	Moscow (Russia)	Distribution of the SECO/WARWICK Group's products.	Full method	100%
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd. (2)	Tianjin (China)	Manufacture of metal heat treatment equipment	Full method	75%
SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. (3)	Tianjin (China)	Manufacture of metal heat treatment equipment	Proportional method	50%
Retech Systems LLC (4)	Ukiah (USA)	Trade and services; manufacture of metallurgy equipment used for melting and vacuum casting of metals and specialty alloys	Equity method	50%
SECO/WARWICK Allied Pvt. Ltd. (5)	Mumbai (India)	Manufacture of metal heat treatment equipment	Equity method	50%

[(1)] SECO/WARWICK of Delaware, Inc is an indirect subsidiary owned through SECO/WARWICK Corp., which holds a 100% stake in SECO/WARWICK of Delaware, Inc.

[(2)]SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd. of China. The company is located in a special economic zone in Tianjin. SECO/WARWICK Retech is a 50/50 joint venture of SECO/WARWICK S.A. and Retech Systems LLC. SECO/WARWICK Retech promotes products from the following range: vacuum furnaces, CAB, atmosphere furnaces and other equipment manufactured on the basis of Retech's technology.

[(3)] SECO/WARWICK S.A., SECO/WARWICK Corp. and Tianjin Kama Electric hold, respectively, 25%, 25% and 50% of the share capital in SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. SECO/WARWICK S.A and SECO/WARWICK Corp are entitled to appoint two thirds of the members of the Chinese company's supervisory board.

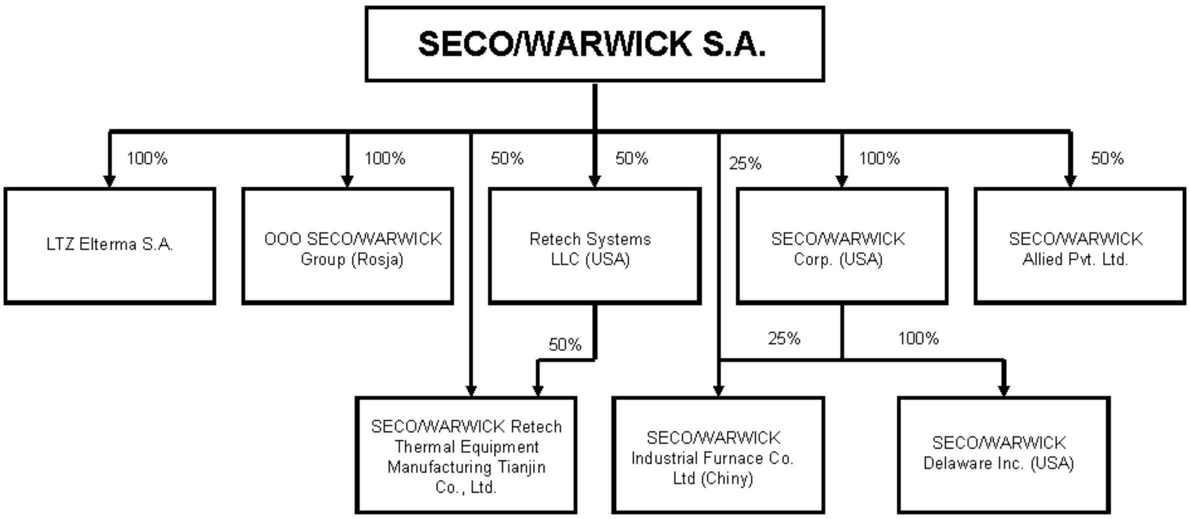
[(4)] 50% of the share capital in Retech Systems LLC is owned by SECO/WARWICK S.A., with the remainder held by Mr James A. Goltz, who is not party to any agreements or contracts with SECO/WARWICK S.A.

[(5)] The shares held by SECO/WARWICK S.A. represent 50% of SECO/WARWICK Allied Pvt. Ltd.'s share capital and confer the right to 50% of the total vote at the company's general shareholders meeting.

The SECO/WARWICK Group's structure as at this Report's release date

On August 25th 2010, the structure of the SECO/WARWICK Group changed following completion of the liquidation of Przedsiębiorstwo Handlowo-Usługowe „Eltus" Sp. z o.o., an indirect subsidiary owned through Lubuskie Zakłady Termotechniczne „Elterma" S.A.

The SECO/WARWICK Group's structure as at September 30th 2010 and as at this Report's release date:



2. Description of the adopted accounting policies, including methods of measurement of assets, equity and liabilities, revenue and expenses

These consolidated financial statements have been prepared based on a historical cost approach, except with respect to financial derivatives, which are measured at fair value through the statement of comprehensive income (or in accordance with IAS 39 if hedge accounting is applied). These consolidated financial statements are presented in the złoty ("PLN"), and unless specified otherwise, all the values are given in thousands of PLN.

These financial statements were drawn up in accordance with the same accounting policies and calculation methods as those applied in the most recent annual financial statements.

Presentation of financial statements

Presentation of the statement of financial position

In accordance with IAS 1 "Presentation of financial statements", assets and liabilities are presented in the statement of financial position as current and non-current.

In accordance with IFRS 5, non-current assets held for sale are presented separately in the statement of financial position.

Presentation of the statement of comprehensive income

In accordance with IAS 1 "Presentation of financial statements", in the statement of comprehensive income expenses are presented by function.

Earnings per share

Net earnings per share for each period are determined by dividing net profit for the period by the weighted average number of shares outstanding in the period. The weighted average number of shares accounts for the dilutive effect related to the issue of shares at the Warsaw Stock Exchange.

Intangible assets

As intangible assets the Group recognises such assets which are identifiable (they can be separated or sold), are controlled by the entity and are highly probable to bring future economic benefits to the entity.

Intangible items include mainly software and development expense, and are initially recognised at cost, which includes purchase price, import duties and non-deductible taxes included in the price, decreased by discounts and rebates and increased by all expenditure directly connected with the preparation of the asset for its intended use.

In order to determine whether a self-created intangible item meets the recognition criteria for an intangible asset, the entity distinguishes two phases in the asset origination process:

- the research phase,
- the development phase.

All costs originating in the first phase are charged directly to expense of the period.

Components of intangible items created as a result of development work are capitalised by the Group only if the following criteria are met:

- it is certain that the intangible item will be completed,
- the feasibility of the asset for use or sale can be demonstrated,
- the expenditure incurred can be measured reliably.

Goodwill arises on acquisition of a business and corresponds to the excess of the cost of a business combination over the acquirer's share in the fair value of net identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is recognised at cost less cumulative impairment losses. Goodwill is not amortised.

The table below summarises the Group's accounting policies with respect to intangible assets:

Item	Patents and licences	Computer software
Useful life	5 - 10 years	5 - 15 years
Method used	Amortised throughout the agreement term using the straight-line method	Amortised using the straight-line method
Origin	Acquired	Acquired
Review for impairment / recoverable value testing	Annual assessment whether there are any indicators of impairment.	Annual assessment whether there are any indicators of impairment.

Property, plant and equipment

Property, plant and equipment is carried at cost less cumulative depreciation and impairment losses, if any.
Depreciation is charged using the straight-line method by estimating the useful life of a given asset, which is:

Buildings and structures	from 10 to 40 years
Plant and equipment	from 5 to 30 years
Vehicles	from 5 to 10 years
Other tangible assets	from 5 to 15 years

Non-current assets held under finance lease agreements have been disclosed in the statement of financial position equally with other non-current assets and are depreciated in the same way.
The initial values of non-current assets held under finance lease agreements and of the obligations corresponding with such assets have been determined at an amount equal to the discounted value of future lease payments. Lease payments made in the reporting period have been charged against finance lease liabilities in an amount equal to the principal instalment and the excess (the finance charge) has been charged in full to finance expenses of the period.
Any gains and losses arising on a sale or liquidation are determined as the difference between the income from the sale and the net value of the tangible assets, and are included in the statement of comprehensive income..
The Group has adopted the principle that the residual value of tangible assets is always equal to “zero”.

Tangible assets under construction

Tangible assets under construction include expenditure on property, plant and equipment and intangible assets which are not yet fit for use, but it is highly probable that they will be completed. Tangible assets under construction are presented in the statement of financial position at cost less impairment. Tangible assets under construction are not depreciated.

Investment property

The Group classifies as investment property all property which is considered a source of income (earns rentals) and/or is held for capital appreciation.
Investment property is carried at cost less cumulative depreciation and impairment losses, if any.
Depreciation is charged over the estimated useful life of the investment property, using the straight line method. Land is not depreciated.

Financial assets and liabilities

Financial assets include interests in associates, assets at fair value through the statement of comprehensive income, hedging derivatives, loans and receivables and cash and cash equivalents.
Financial liabilities include loans and borrowings, other types of financing, overdraft facilities, financial liabilities at fair value through the statement of comprehensive income, hedging derivatives, trade payables, liabilities to suppliers of tangible assets, and lease liabilities.
Except for investments in subsidiaries, jointly controlled entities and associates, which are carried at cost in accordance with IAS 27 and IAS 28, financial assets and liabilities are recognised and measured in line with IAS 39 "Financial Instruments: Recognition and Measurement".

Recognition and measurement of financial assets

Upon initial recognition, financial assets are recognised at fair value which in the case of investments not measured at fair value through the statement of comprehensive income is increased by transaction costs directly attributed to such assets.

Receivables

Trade receivables are recognised and carried at amounts initially invoiced, less any impairment losses on doubtful receivables. Impairment losses on receivables are estimated when the collection of the full amount of a receivable is no longer probable.
If the effect of the time value of money is significant, the value of a receivable is determined by discounting the projected future cash flows to their present value using a discount rate that reflects the current market estimates of the time value of money. If the discount method has been applied, any increase in the receivable with the passage of time is recognised as finance income.
Other receivables include in particular prepayments made in connection with planned purchases of property, plant and equipment, intangible assets and inventories. As non-monetary assets, prepayments are not discounted.

Cash and cash equivalents

Cash and cash equivalents are held mainly in connection with the need to meet the Group's current demand for cash and not for investment or any other purposes.
Cash and cash equivalents include cash in bank accounts, cash in hand, as well as all liquid instruments which may immediately be converted into cash of known amount and in the case of which the risk of value changes is insignificant.

Recognition and measurement of financial liabilities

Liabilities under loans and other financial liabilities are initially recognised at fair value and then carried at amortised cost using the effective interest method.
Transaction costs directly connected with an acquisition or issue of a financial liability increase the carrying value of the liability, because upon initial recognition the liability is recognised at the fair value of amounts paid or received in exchange for the liability. Thereafter, such costs are amortised throughout the term of existence of the liability, using the effective interest method.

Hedge accounting

Hedge accounting recognises the offsetting effects on the statement of comprehensive income of changes in the fair value of hedging instruments and the hedged items.
There are three types of hedging relationships:

a) a fair value hedge: a hedge of the exposure to changes in the fair value of a recognised asset or liability or an identified portion of such an asset, liability or highly probable future liability that is attributable to a particular risk and could affect the statement of comprehensive income;
b) a cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of comprehensive income;
c) a hedge of a net investment in a foreign operation as defined in IAS 21.

A hedging relationship is subject to hedge accounting if, and only if, all of the following conditions are met:

a) The hedging relationship is formally designated and documented, including the entity's risk management objective and strategy for undertaking the hedge, at the time when the hedge is undertaken. The relevant documentation identifies the hedging instrument, the hedged item or transaction, the nature of the hedged risk, as well as how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.
b) The hedge is expected to be highly effective in offsetting changes in the fair value or cash flows attributable to the hedged risk, based on the originally documented risk management strategy pertaining to a given hedging relationship.
c) In the case of a cash flow hedge, the contemplated transaction to which the hedge relates is highly probable and exposed to variability in cash flows, which may ultimately affect the statement of comprehensive income.
d) The effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item attributable to the hedged risk, as well as the fair value of the hedging instrument, can be reliably measured.
e) The hedge is assessed on an ongoing basis and determined to have been highly effective throughout the financial reporting periods for which the hedge was designated.

Inventories

Inventories are measured at cost, using a weighted average cost formula. Any downward adjustment of the value of inventories to the net selling price is made through recognition of impairment losses. Furthermore, inventories that are slow-moving or which have become obsolete or whose usability has become in any way limited, are revalued at the end of each financial year. If the circumstances leading to a decrease in the value of inventories cease to apply, a reverse adjustment is made, i.e. inventories are remeasured at their pre-impairment value.

Impairment losses on inventories and stock-taking discrepancies are charged to cost of products sold.

Deferred income tax

In line with IAS 12 "Income Taxes", deferred income tax is determined using the liability method and recognised in the financial statements for all temporary differences between the carrying amounts of assets and liabilities and their tax values, as well as for any unused tax loss carry-forwards. Deferred tax assets are recognised for temporary differences to the extent it is probable that the assets will be realised and that taxable profit will be available against which the differences can be utilised. Unrecognised deferred tax assets are reviewed at each balance-sheet date. Any previously unrecognised deferred tax assets are recognised to the extent it is probable that there will be future taxable income against which the assets can be realised.

Deferred tax assets are recognised for all deductible temporary differences arising from investments in subsidiaries and associates only to the extent it is probable that:

- the temporary differences will reverse in the foreseeable future, and
- taxable profit will be available against which the temporary differences can be utilised.

In line with IAS 12, deferred tax assets and liabilities are not discounted. Deferred income tax is determined based on the tax rates that have been enacted or substantively enacted at the balance-sheet date.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the Group anticipates that the costs for which provisions have been made will be recovered, e.g. under an insurance agreement, any such recovery is recognised as a separate item of assets, but only when it is practically certain to occur.
The cost related to a given provision is recognised in the statement of comprehensive income net of any recoveries. If the effect of the time value of money is significant, the value of a provision is determined by discounting the projected future cash flows to their present value, using a pre-tax discount rate reflecting the current market estimates of the time value of money, as well as any risk associated with a given obligation. If the discount method has been applied, any increase in the provision with the passage of time is charged to finance expenses.
The estimates of outcome and financial effect are determined by the judgement of the companies' management, based on past experience of similar transactions and, in some cases, reports from independent experts.
Provisions are reviewed at each balance-sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.
The Group creates the following provisions:

- provision for warranty repairs – on the basis of the historical cost of warranty repairs;
- provision for unused holidays – in an amount equivalent to the number of days of accrued unused holidays multiplied by average gross daily pay;
- provision for retirement benefits and length-of-service awards – calculated by actuaries;
- provision for employee benefits – bonus payments, salaries and wages;
- provision for probable costs related to the current financial year which will only be invoiced in the following year (accrued expenses). Depending on the type of accrued expenses, they are charged to costs of products sold, selling costs or general and administrative expenses;
- provision for a defined benefit plan. Fixed contributions are paid to a separate entity (a fund), as a consequence of which the actuarial risk (that benefits will be lower than expected) and investment risk (that assets invested will be insufficient to meet the expected benefits) fall on the Group.

Assumptions underlying the estimates and the provision amounts are reviewed at each balance-sheet date.

Accruals and deferrals

In order to ensure the matching of revenues with related expenses, expenses or revenues relating to future periods are posted under liabilities of a given reporting period.

Accrued expenses
The Group recognises accrued expenses at probable values of current-period liabilities arising in particular under:

- services provided to the Group by its business partners, where the liability can be reliably estimated,
- up to the estimated contract revenue, advances received under construction contracts reduce the receivables under settlement of long-term contracts.

Deferred and accrued income
Deferred/accrued income includes primarily government grants intended to finance assets and revenue, as well as any excess of estimated revenue related to the stage of completion of a long-term contract, in accordance with IAS 11, over advances received.
Government grants are disclosed in the statement of financial position at the amount of funds received and then recognised as income over the periods necessary to match them with the related costs they are intended to compensate, on a systematic basis. Government grants are not credited directly to equity.
Accruals and deferrals settled over a period longer than 12 months as from the balance-sheet date are classified as non-current accruals and deferrals, whereas those settled over a period of 12 months or shorter are classified as current accruals and deferrals.

Functional currency and presentation currency

a) Functional currency and presentation currency

Items of the financial statements are measured in the currency of the primary economic environment in which the Company operates (“functional currency”). The financial statements are presented in the Polish złoty (PLN), which is the functional currency and the presentation currency of the Group.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions, as well as from balance-sheet valuation of monetary assets and liabilities expressed in foreign currencies, are recognised in the statement of comprehensive income, unless they are taken to equity (when they qualify for recognition as cash flow hedges or hedges of net investments).

Material judgements and estimates

In view of the fact that many items presented in the consolidated financial statements cannot be measured accurately, certain estimates need to be made in the preparation of the consolidated financial statements. The Management Board reviews such estimates taking into account the changes in the factors on which such estimates were based, new information and past experience.

Depreciation/amortisation charges

Depreciation/amortisation charges are determined based on the expected useful lives of property, plant and equipment and intangible assets. The Group reviews the useful lives of its assets annually, on the basis of current estimates.

Depreciation charges for tangible assets used under finance lease agreements

Depreciation charges for items of property, plant and equipment and intangible assets used under finance lease agreements are determined based on their expected useful lives, which is consistent with depreciation policy for assets that are owned. Useful lives equal to agreement term are not applied. The Group assumes that assets used under lease agreements must be purchased.

Deferred tax assets

Deferred tax assets are recognised in respect of all unused tax losses to be deducted in the future to the extent it is probable that taxable profit will be available which will enable these losses to be utilised.

Provision for unused holidays

Provision for accrued employee holidays is determined based on the number of days of accrued unused holidays as at the end of the reporting period.

Provision for old-age and disability retirement benefits

Old-age and disability retirement severance pays are paid to employees of the Group's subsidiaries operating under the Polish law in accordance with the provisions of Art. 92 of the Polish Labour Code, whereas at foreign companies such severance pays are paid in accordance with the local labour laws. Actuarial valuation of long- and short-term benefits is performed at the end of each financial year.

Provision for warranty repairs

Provision for warranty repairs is calculated on the basis of the historical costs of manufacturing the equipment sold and of the warranty repairs made in the previous years.

Long-term contracts

To account for long-term contracts, the Group applies the provisions of IAS 11 "Construction Contracts". When the outcome of a construction contract can be estimated reliably, the percentage of completion method is used. The stage of completion is determined by reference to the contract costs incurred to date and the total costs planned to be incurred.

At the end of each reporting period, the Group makes estimates regarding the outcome of each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised in the statement of comprehensive income.

The amount of such a loss is determined irrespective of: whether or not work has commenced on the contract, the stage of completion of contract activity, or the amount of profits expected to arise on other contracts which are not treated as single construction contracts in accordance with paragraph 9 of IAS 11.

The Group applies the above rules to account for commercial contracts related to the Group's core business whose performance term exceeds three months and whose total value is material from the point of view of reliability of the financial statements (the amount of revenue, expenses, and the financial result). The Group accrue only documented revenue, i.e. revenue which is guaranteed under the original contract, adjusted by any subsequent amendments to the original contract (annexes), or which constitutes any other revenue closely related to the project. Any changes of the contract revenue are taken into account if it is certain (i.e. a contract or annexes to a contract have been signed) or at least a highly probable (i.e. annexes to a contract or preliminary contracts have been initialled) that the client will accept the amendments and the revenue amounts provided for in the amendments, and provided further that such revenue can be reliably measured.

The stage of completion of a contract is determined by reference to the contract costs actually incurred in the reporting period and documented by appropriate accounting evidence, and the co-operator costs not yet invoiced, provided that all of the following conditions are met:

a) such costs can be measured reliably,

b) the value of the cooperation contract is PLN 250,000 - PLN 500,000.

c) the contract performance term is longer than three months.

The revenue as at the end of the reporting period is determined by reference to the stage of completion of the contract, net of any revenue which affected the financial result in previous reporting periods. Estimated contract revenue attributable to the given reporting period is recognised as sales revenue for the period, and disclosed under assets in the statement of financial position as receivables under settlement of long-term contracts.

Any excess of advances received under a contract over the estimated revenue attributable to a given reporting period is recognised under liabilities as prepaid deliveries. Up to the amount of the estimated contract revenue, advances reduce the receivables under settlement of long-term contracts.

Any excess of invoiced revenue is recognised as deferred income.

Derivative financial instruments

Derivative financial instruments are remeasured at the end of each reporting period at their fair value as determined by the bank.

Subjective judgement

Where a given transaction does not fall within the scope of any standard or interpretation, the Management Board relies on its subjective judgment to determine and apply accounting policies which will ensure that the financial statements contain only relevant and reliable information and that they:

- give an accurate, clear and fair view of the Group's assets, its financial standing, results of operations and cash flows,
- reflect the economic substance of transactions,
- are objective,
- conform with the principles of prudent valuation,
- are complete in all material respects.

Changes in accounting policies

Below are presented new standards and IFRIC interpretations which have been published by the International Accounting Standards Board and are effective for reporting periods beginning on or after January 1st 2010.

Revised IFRS 3 "Business Combinations"

Revised IFRS 3 was published by the International Accounting Standards Board on January 10th 2008 and is effective prospectively for annual periods beginning on or after July 1st 2009. The revised standard continues to apply the acquisition method of accounting for business combinations, however with some significant changes. For instance, all payments to purchase a business should be recognised at their acquisition-date fair value, with contingent payments classified as debt subsequently remeasured through profit or loss. Additionally, the revised standard defines new rules of applying the acquisition method, including a requirement to recognise acquisition-related costs as expenses in the period in which they are incurred. Moreover, there is a choice to measure the minority interest (non-controlling interest) in an acquiree either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.
The Group commenced to apply the standard starting from the financial statements for periods that begin on January 1st 2010.

Revised IAS 27 "Consolidated and Separate Financial Statements"

Revised IAS 27 was published by the International Accounting Standards Board on January 10th 2008 and is effective for annual periods beginning on or after July 1st 2009. The standard requires that the effects of transactions with minority shareholders be presented within equity as long as the entity remains under the control of the existing parent. The standard provides also a more detailed guidance on disclosure in the event of loss of control over a subsidiary, i.e. it requires that the residual holding be remeasured to fair value and the difference recognised in the statement of comprehensive income.
The Group started to apply the revised IAS 27 prospectively to transactions with minority shareholders (holders of non-controlling interest) starting from the annual financial statements for the period that begins on January 1st 2010.

Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives"

The amendments to IFRIC 9 and IAS 39 "Embedded Derivatives" were published by the International Accounting Standards Board on March 12th 2009 and are effective for annual periods ended on or after June 30th 2009.
The amendments constitute an improvement on the amendments to IFRIC 9 and IAS 39 issued in October 2008 concerning embedded derivatives. The amendments clarify that on reclassification of a

financial asset out of the "at fair value through profit or loss" category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements.
The Group commenced to apply the amendments to IFRIC 9 and IAS 39 as of January 1st 2010.

Improvements to IFRSs 2009

On April 16th 2009, the International Accounting Standards Board published "Improvements to IFRSs 2009"– a collection of amendments to 12 standards. The amendments involve accounting changes for presentation, recognition and measurement purposes as well as terminology and editorial changes. Most of the amendments are effective for annual periods beginning on or after January 1st 2010.

Amendments to IFRS 1 "First-Time Adoption of IFRSs"

Amendments to IFRS 1 "First-Time Adoption of IFRSs" were published by the International Accounting Standards Board on July 23rd 2009 and are effective for annual periods beginning on or after January 1st 2010. The amendments introduce additional exemptions from asset valuation as at the date of first-time adoption of the IFRSs for entities operating in the oil and gas sectors.

Amendments to IFRS 2 "Share-Based Payments"

Amendments to IFRS 2 "Share-Based Payments" were published by the International Accounting Standards Board on June 18th 2009 and are effective for annual periods beginning on or after January 1st 2010. The amendments clarify the accounting for group cash-settled share-based payment transactions. The amendments specify the scope of IFRS 2 and regulate the interaction of IFRS 2 and other standards. The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 and IFRIC 11.

IFRIC 12 "Service Concession Arrangements"

Interpretation IFRIC 12 was issued by the International Financial Reporting Interpretations Committee on November 30th 2006 and is effective for annual periods beginning on or after March 29th 2009. The interpretation provides guidance for application of the existing standards by entities participating in service concession arrangements between the private and the public sector. IFRIC 12 applies to contracts under which the grantor controls the kind of services that the operator provides using the infrastructure, as well as the recipient and price of these services.
The Group commenced to apply IFRIC 12 starting from the financial statements for periods that begin on January 1st 2010.

IFRIC 15 "Agreements for the Construction of Real Estate"

Interpretation IFRIC 15 was issued by the International Financial Reporting Interpretations Committee on July 3rd 2008 and is effective for annual periods beginning on or after January 1st 2010. The Interpretation provides guidance on how to determine whether an agreement for the construction of real estate should fall within the scope of IAS 11 Construction Contracts or IAS 18 Revenue for the purpose of presentation in financial statements. Moreover, IFRIC 15 clarifies when to recognise the revenue from provision of construction services.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

Interpretation IFRIC 16 was issued by the International Financial Reporting Interpretations Committee on July 3rd 2008 and is effective for annual periods beginning on or after July 1st 2009. The interpretation provides guidance on how to determine whether risk arises from the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements. Moreover, IFRIC 16 clarifies which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and in particular whether the parent entity holding the net investment in a foreign operation must also hold

the hedging instrument. IFRIC 16 explains also how an entity should determine the amounts to be reclassified from equity to the statement of comprehensive income for both the hedging instrument and the hedged item when the entity disposes of the investment.
The Group commenced to apply IFRIC 16 starting from the financial statements for periods that begin on January 1st 2010.

IFRIC 17 "Distributions of Non-Cash Assets to Owners"

Interpretation IFRIC 17 was issued by the International Financial Reporting Interpretations Committee on November 27th 2008 and is effective for annual periods beginning on or after July 1st 2009. The interpretation provides guidance on the moment of recognition of dividend, measurement of dividend and recognition of the difference between the value of dividend and the carrying amount of the distributed assets.
The Group will apply IFRIC 17 starting from the annual financial statements for the period that begins on January 1st 2010.

IFRIC 18 "Transfer of Assets from Customers"

Interpretation IFRIC 18 was issued by the International Financial Reporting Interpretations Committee on January 29th 2009 and is effective for annual periods beginning on or after July 1st 2009. The interpretation provides guidance on the recognition of transfer of assets from customers, namely it clarifies the circumstances in which the definition of an asset is met, the identification of the separately identifiable services (services in exchange for the transferred asset), the recognition of revenue and the accounting for transfers of cash from customers.
The Group commenced to apply IFRIC 18 starting from the financial statements for periods that begin on January 1st 2010.
The Management Board does not expect the above standards and interpretations to have any significant effect on the accounting policies applied by the Group, save for the need to make certain additional or new disclosures. The companies are in the process of analysing the consequences and effects of applying these new standards and interpretations on their financial statements.

VII. New standards to be applied by the Group

Below are presented new standards and IFRIC interpretations which have been published by the International Accounting Standards Board but are not yet effective for the current reporting period.

IAS 24 "Related Party Disclosures" (revised in November 2009) - effective for annual periods beginning on or after January 1st 2011. Revised IAS 24 has not been endorsed by the EU.

IFRS 9 "Financial Instruments" - effective for annual periods beginning on or after January 1st 2013. By the date of approval of these financial statements, the standard has not been endorsed by the EU.

Amendments to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" - effective for annual periods beginning on January 1st 2011. The amendments have not been endorsed by the EU.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" - effective for annual periods beginning on or after January 1st 2011. IFRIC 19 has not been endorsed by the EU.
Amendments to IFRS 1 "First-Time Adoption of International Financial Reporting Standards: Limited Exemption from Capital Comparative IFRS 7 Disclosures for First-time Adopters" - effective for annual periods beginning on or after January 1st 2011. The amendments have not been endorsed by the EU.
According to estimates, the above standards, interpretations and amendments to standards would not have any material effect on the financial statements if they were applied by the Group as at the balance-sheet date.

Alternative approaches under the IFRSs chosen by the Group

Some IFRSs allow application of alternative methods for the measurement or recognition of assets and liabilities. The table below provides information on the approaches chosen by the Group:

Standard	Alternative approach applied by the Group
IAS 2 "Inventories"	Inventories are measured at cost, using a weighted average cost formula.
IAS 16 "Property, Plant and Equipment"	Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.
IAS 38 "Intangible Assets"	Intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses.

3. Financial highlights

The table below presents average EUR/PLN exchange rates quoted by the National Bank of Poland for the periods covered by these financial statements and by the historical financial information:

Financial year	Sep 30 2010	Dec 31 2009	Sep 30 2009
Average exchange rate for the period*	4.0027	4.3406	4.3993
Exchange rate effective for the last day of the period	3.9870	4.1082	4.2226

**) the average of the exchange rates effective for the last day of each month in the period*

Assets and equity and liabilities in the consolidated statement of financial position have been translated using the EUR/PLN exchange rates quoted by the National Bank of Poland for the last day of the period.
Items of the consolidated statement of comprehensive income and consolidated statement of cash flows have been translated using the exchange rates calculated as the arithmetic means of the EUR/PLN mid market rates quoted by the National Bank of Poland as effective for the last day of each month in the reporting period.

The table below presents key items of the consolidated statement of financial position, statement of comprehensive income and statement of cash flows disclosed in these consolidated financial statements and the comparable data, translated into the euro:

Financial highlights - consolidated

Item	Q3 YTD Jan 1 - Sep 30		Q3 YTD Jan 1 - Sep 30	
	2010	2009	2010	2009
	(PLN '000)		(EUR '000)	
Net sales revenue	118,794	88,739	29,679	20,171
Cost of sales	-93,773	-65,134	-23,428	-14,806
Operating profit/(loss)	-3,401	-2,077	-850	-472
Pre-tax profit/(loss)	-589	-2,096	-147	-476
Net profit/(loss)	119	-2,155	30	-490
Net cash provided by/(used in) operating activities	-7,979	42,723	-1,993	9,711
Net cash provided by/(used in) investing activities	-7,478	-18,793	-1,868	-4,272
Net cash provided by/(used in) financing activities	3,054	-5,920	763	-1,346
	Sep 30 2010	**Dec 31 2009**	**Sep 30 2010**	**Dec 31 2009**
Total assets	234,015	211,440	58,694	51,468
Total liabilities	64,949	45,534	16,290	11,084
of which current liabilities	45,867	29,154	11,504	7,096
Equity	169,066	165,906	42,404	40,384
Share capital	3,471	3,471	871	845

The table below presents key items of the separate statement of financial position, statement of comprehensive income and statement of cash flows disclosed in these separate financial statements and the comparable data, translated into the euro:

Separate financial highlights

Item	Q3 YTD Jan 1 - Sep 30		Q3 YTD Jan 1 - Sep 30	
	2010	2009	2010	2009
	(PLN '000)		(EUR '000)	
Net sales revenue	65,129	52,685	16,271	11,976
Cost of sales	-45,346	-34,863	-11,329	-7,925
Operating profit/(loss)	4,781	4,937	1,194	1,122
Pre-tax profit/(loss)	5,162	-1,212	1,290	-276
Net profit/(loss)	4,075	-2,409	1,018	-548
Net cash provided by/(used in) operating activities	2,740	33,536	684	7,623
Net cash provided by/(used in) investing activities	-13,568	-16,153	-3,390	-3,672
Net cash provided by/(used in) financing activities	-63	-1,591	-16	-362
	Sep 30 2010	**Dec 31 2009**	**Sep 30 2010**	**Dec 31 2009**
Total assets	166,865	155,452	41,852	37,839
Total liabilities	28,502	21,066	7,149	5,128
of which current liabilities	21,455	14,520	5,381	3,534
Equity	138,363	134,386	34,703	32,712
Share capital	3,471	3,471	871	832

INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1ST - SEPTEMBER 30TH 2010

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PLN '000)

Assets	As at Sep 30 2010	As at Jun 30 2010	As at Dec 31 2009	As at Sep 30 2009
NON-CURRENT ASSETS	**117 677**	**125,569**	**112,305**	**112 498**
Property, plant and equipment	46,450	47,549	45,831	46,970
Investment property	438	442	448	452
Goodwill	4,397	5,103	4,284	4,337
Other intangible assets	10,480	8,978	9,838	8,377
Investments in associates	50,353	57,632	47,769	47,895
Financial assets available for sale	3	3	3	3
Non-current receivables				
Other assets				
Loans and receivables	1	1		3
Prepayments and accrued income				
Deferred tax assets	5,556	5,861	4,133	4,462
CURRENT ASSETS	**110,737**	**106,837**	**99,135**	**99,057**
Inventories	18,353	19,035	16,091	17,776
Trade receivables	28,151	34,511	21,103	25,350
Other current receivables	9,489	7,401	5,843	6,476
Prepayments and accrued income	2,851	2,050	1,740	1,674
Financial assets at fair value through profit or loss	237		143	
Loans and receivables	5	7	3	3
Cash and cash equivalents	12,809	25,103	25,254	30,426
Contract settlement	38,842	18,731	28,958	17,352
ASSETS HELD FOR SALE	**5,600**	**5,628**		
TOTAL ASSETS	**234,015**	**238,034**	**211,440**	**211,555**

Equity and liabilities	As at Sep 30 2010	As at Jun 30 2010	As at Dec 31 2009	As at Sep 30 2009
Equity	**169 066**	**174,109**	**165,906**	**164 573**
Equity attributable to owners of the parent	**168,376**	**173,255**	**165,906**	**164,573**
Share capital	3,471	3,471	3,471	3,471
Statutory reserve funds	140,914	140,914	143,833	143,833
Other reserves	36	36	2	367
Retained earnings/(deficit)	23,955	28,834	18,600	16,902
Non-controlling interests	**690**	**854**	**0**	**0**
NON-CURRENT LIABILITIES	**16,041**	**16,422**	**16,381**	**16,950**
Loans and borrowings				
Financial liabilities	361	264	234	784
Other liabilities	0	494	406	
Deferred tax liabilities	10,600	10,112	10,767	11,147
Provision for retirement and similar benefits	2,705	3,176	2,792	3 467
Provisions for liabilities				
Accruals and deferred income	2,376	2,376	2,181	1,552
CURRENT LIABILITIES	**45,867**	**44,666**	**29,154**	**30,033**
Loans and borrowings	2,370	2,090	365	211
Financial liabilities	562	2,936	2,080	4,601
Trade payables	17,479	13,525	11,118	9,688
Taxes, customs duties and social security payable	2,193	2,670	2,348	1,661
Other current liabilities	2,837	3,471	3,140	3,806
Provision for retirement and similar benefits	970	854	973	1,429
Other provisions	2,634	2,663	3,070	3,307
Accruals and deferred income	16,823	16,457	6,060	5,329
LIABILITIES HELD FOR SALE	**3,041**	**2,836**		
,				
TOTAL EQUITY AND LIABILITIES	**234,015**	**238,034**	**211,440**	**211,555**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME(PLN '000)

	Jan 1 - Sep 30 2010	Jul 1-Sep 30 2010	Jan 1 - Sep 30 2009	Jul 1-Sep 30 2009
	(Q3 2010 YTD)	(Q3 2010)	(Q3 2009 YTD)	(Q3 2009)
Net sales revenue, including:	**118,794**	**53,861**	**88,739**	**25,344**
Net revenue from sales of products	117,842	53,505	87,960	25,115
Net revenue from sales of goods for resale and materials	952	356	779	229
Cost of sales, including:	**-93,773**	**-39,648**	**-65,134**	**-20,622**
Cost of products sold	-93,171	-39,423	-64,693	-20,509
Cost of goods for resale and materials sold	-602	-225	-441	-114
Gross profit/(loss)	**25,021**	**14,213**	**23,605**	**4,722**
Other operating income	953	526	1,902	290
Selling costs	-7,902	-2,637	-7,078	-2,403
General and administrative expenses	-20,889	-7,601	-18,795	-5,660
Other operating expenses	-584	-236	-1,710	-541
Operating profit/(loss)	**-3,401**	**4,266**	**-2,077**	**-3,592**
Gain/(loss) on sale of all or a portion of shares in subordinated undertakings				
Finance income	2,825	988	9,250	5,617
Finance expenses	-1,447	-886	-16,518	-5,002
Share in net profit/(loss) of associates	1,435	-165	7,250	1,021
Pre-tax profit/(loss)	**-589**	**4,203**	**-2,096**	**-1,958**
Corporate income tax	1,206	-393	514	-1,048
Net profit/(loss) from continuing operations	**617**	**3,809**	**-,1,582**	**-3,005**
Profit/(loss) from discontinued operations	-558	90	-573	-207
Profit/(loss) attributable to non-controlling interests	-60	-60		
Net profit/(loss) for financial year	**119**	**3,959**	**-2,155**	**-3,212**

OTHER COMPREHENSIVE INCOME:	Jan 1 - Sep 30 2010	Jul 1-Sep 30 2010	Jan 1 - Sep 30 2009	Jul 1-Sep 30 2009
	(Q3 2010 YTD)	(Q3 2010)	(Q3 2009 YTD)	(Q3 2009)
Valuation of cash flow hedging derivatives	163	976	2,581	835
Exchange differences on translating foreign operations	2,051	-10,027	-1,814	6,101
Income tax relating to other comprehensive income	-31	-185	-490	-158
Other comprehensive income, net	**1,919**	**9,237**	**277**	**6,778**
Total comprehensive income	**2,038**	**-5,278**	**-1,878**	**3,566**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (PLN '000)

	Jan 1 - Sep 30 2010 (Q3 2010 YTD)	Jan 1 - Sep 30 2009 (Q3 2009 YTD)
OPERATING ACTIVITIES		
Pre-tax profit/(loss)	-589	-2,669
Total adjustments:	**-7,423**	**44,815**
Share in net profit of subordinated undertakings accounted for using the equity method	-1,435	-7,250
Depreciation and amortisation	3,623	3,799
Foreign exchange gains/(losses)	193	246
Interest and profit distributions (dividends)	466	179
Profit/(loss) on investing activities	-1,097	12,566
Change in provisions	-618	-1,496
Change in inventories	-2,339	2,227
Change in receivables	-12,396	39,518
Change in current liabilities (other than financial liabilities)	9,751	-12,402
Change in accruals and deferrals	-1,099	14,472
Derivatives	-725	-7,253
Other adjustments	-1,748	211
Cash from operating activities	**-8,012**	**42,147**
Income tax (paid)/refunded	33	576
Net cash provided by/(used in) operating activities	**-7,979**	**42,723**
INVESTING ACTIVITIES		
Cash provided by investing activities	**398**	**38**
Proceeds from disposal of intangible assets and property, plant and equipment	53	28
Proceeds from disposal of financial assets		
Dividends and profit distributions received		
Repayment of non-current loans advanced		
Interest received		
Other cash provided by financial assets	6	9
Cash received in connection with derivative instruments	339	0
Cash used in investing activities	**7,876**	**18,831**
Investments in intangible assets, property, plant and equipment, and investment property	7,031	5,115
Acquisition of related undertakings		0
Acquisition of financial assets		0
Increase in long-term loans advanced		0
Other cash used in investing activities	845	1,146
Cash paid in connection with derivative instruments	0	12,570
Net cash provided by/(used in) investing activities	**-7,478**	**-18,793**

FINANCING ACTIVITIES		
Cash provided by financing activities	**3,658**	**,0**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	1,444	
Loans and borrowings	2,213	
Issue of debt securities		
Other cash provided by financing activities		
Cash used in financing activities	**603**	**5,920**
Acquisition of own shares		
Dividends and other distributions to owners		
Profit distributions other than to owners		
Repayment of loans and borrowings	225	5,492
Redemption of debt securities		
Other financial liabilities		
Decrease in finance lease liabilities	253	248
Interest paid	125	179
Other cash used in financing activities		
Net cash provided by/(used in) financing activities	**3,054**	**-5,920**
Total net cash flow	**-12,402**	**18,010**
Balance-sheet change in cash, including:	**-11,257**	**18,008**
- effect of exchange rate fluctuations on cash held	338	77
Cash at beginning of period	**25,103**	**12,154**
Cash at end of period, including:	**12,701**	**30,164**
- restricted cash		

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

	Share capital	Statutory reserve funds	Capital reserve from revaluation of derivatives	Other reserves	Translation reserve	Retained earnings/(deficit)	Non-controlling interests	Total equity
Nine months ended Sep 30 2009								
Equity as at Jan 1 2009	**3,471**	**135,792**	**(2,211)**		**3,007**	**25,460**	**0**	**165,521**
Total comprehensive income for nine months ended Sep 30 2010			2,091		(1,814)	(2,155)		**(1,878)**
Share-based payments				367				**367**
Distribution of profit		8,040				(8,040)		
Changes in equity of SECO/WARWICK Allied (India) not related to net profit/loss						564		**564**
Equity as at Sep 30 2009	**3,471**	**143,833**	**(120)**	**367**	**1,193**	**15,829**	**0**	**164,573**
Twelve months ended Dec 31 2009								
Equity as at Jan 1 2009	**3,471**	**135,792**	**(2,211)**	**0**	**3,007**	**25,461**	**0**	**165,521**
Total comprehensive income for twelve months ended Dec 31 2009			2,211		(1,936)	(555)		**(281)**
Distribution of profit		8,040				(8,040)		
Share-based payments				2				**2**
Changes in equity of SECO/WARWICK Allied (India) not related to net profit/loss						339		**339**
Changes in equity of RETECH not related to net profit/loss						324		**324**
Equity as at Dec 31 2009	**3,471**	**143,833**	**0**	**2**	**1,072**	**17,529**	**0**	**165,906**
Nine months ended Sep 30 2010								
Equity as at Jan 1 2010	**3,471**	**143,833**	**0**	**2**	**1,072**	**17,529**	**0**	**165,906**
Total comprehensive income for nine months ended Sep 30 2010			(132)	0	2,051	119		**2,038**
Distribution of profit/ (coverage of loss)		(2,918)				2,918		
Change in the Group’s structure (acquisitions/disposals)							690	**690**
Share-based payments				34				**34**

Changes in equity of SECO/WARWICK Allied (India) not related to net profit/loss							399		**399**
Equity as at Sep 30 2010	**3,471**	**140,914**		**(132)**	**36**	**3,122**	**20,965**	**0**	**169,066**

INTERIM CONDENSED

SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY 1ST - SEPTEMBER 30TH 2010

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
(PLN '000)

Assets	As at Sep 30 2010	As at Jun 30 2010	As at Dec 31 2009	As at Sep 30 2009
NON-CURRENT ASSETS	**97,605**	**99,200**	**91,746**	**90,726**
Property, plant and equipment	25,435	25,151	23,782	23,815
Investment property	438	442	448	452
Goodwill				
Other intangible assets	10,369	8,307	7,619	6,036
Investments in subsidiary, jointly-controlled and associated undertakings	58,977	58,977	58,707	58,707
Financial assets available for sale				
Other assets				
Loans and receivables		4,000		
Prepayments and accrued income				
Deferred tax assets	2,386	2,323	1,190	1,716
CURRENT ASSETS	**68 241**	**60,226**	**63,706**	**65,646**
Inventories	10,398	8,952	8,361	10,602
Trade receivables	16,672	22,605	12,626	14,949
Other current receivables	4,634	3,870	3,262	2,910
Prepayments and accrued income	985	1,004	1,047	839
Financial assets at fair value through profit or loss				
Loans and receivables	4,731			
Cash and cash equivalents	7,803	17,823	18,662	25,100
Contract settlement	23,017	5,974	19,748	11,246
ASSETS HELD FOR SALE	**1,018**	**1,018**		
TOTAL ASSETS	**166,865**	**160,444**	**155,452**	**156,373**

Equity and liabilities	As at Sep 30 2010	As at Jun 30 2010	As at Dec 31 2009	As at Sep 30 2009
EQUITY	**138,363**	**133,559**	**134,386**	**132,565**
Equity attributable to owners of the parent	**138,363**	**133,559**	**134,386**	**132,565**
Share capital	**3,471**	**3,471**	**3,471**	**3,471**
Statutory reserve funds	128,011	128,011	128,531	128,530
Other reserves	36	36	2	191
Retained earnings/(deficit)	6,845	2,041	2,382	373
Non-controlling interests				
NON-CURRENT LIABILITIES	**7,047**	**6,371**	**6,545**	**5,789**
Loans and borrowings				
Financial liabilities	8	50		
Other liabilities		494	450	457
Deferred tax liabilities	4,593	3,381	3,844	3,704
Provision for retirement and similar benefits	70	70	70	75
Provisions for liabilities				
Accruals and deferred income	2,376	2,376	2,181	1,552
CURRENT LIABILITIES	**21,455**	**20,515**	**14,520**	**18,019**
Loans and borrowings				
Financial liabilities	379	2,191	1,826	4,416
Trade payables	9,825	7,020	5,440	5,411
Taxes, customs duties and social security payable	1,440	1,440	1,177	1,025
Other current liabilities	1,760	2,056	1,774	1,925
Provision for retirement and similar benefits	489	346	586	899
Other provisions	1,123	1,123	1,580	831
Accruals and deferred income	6,439	6,338	2,138	3,513
LIABILITIES HELD FOR SALE				
TOTAL EQUITY AND LIABILITIES	**166,865**	**160,444**	**155,452**	**156,373**

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME(PLN '000)

	Jan 1 - Sep 30 2010 (unaudited)	Jul 1 - Sep 30 2010 (unaudited)	Jan 1 - Sep 30 2010 (unaudited)	Jul 1 - Sep 30 2009 (unaudited)
	(Q3 2010 YTD)	(Q3 2010)	(Q3 2009 YTD)	(Q3 2009)
Net sales revenue, including:	**65,129**	**30,886**	**52,685**	**16,263**
Net revenue from sales of products	64,884	30,820	52,411	16,190
Net revenue from sales of goods for resale and materials	245	66	274	73
Cost of sales, including:	**-45,346**	**-20,188**	**-34,863**	**-11,970**
Cost of products sold	-45,184	-20,145	-34,679	-11,928
Cost of goods for resale and materials sold	-162	-43	-185	-43
Gross profit/(loss)	**19,783**	**10,699**	**17,822**	**4,293**
Other operating income	988	457	1,484	321
Selling costs	-3,569	-1,253	-2,853	-886
General and administrative expenses	-11,637	-4,216	-10,146	-3,139
Other operating expenses	-785	-287	-1,369	-433
Operating profit/(loss)	**4,781**	**5,401**	**4,937**	**156**
Gain/(loss) on sale of all or a portion of shares in subordinated undertakings				
Finance income	1,916	199	7,419	5,513
Finance expenses	-1,534	-622	-13,568	-4,677
Share in net profit/(loss) of associates				
Pre-tax profit/(loss)	**5,162**	**4,977**	**-1,212**	**991**
Corporate income tax	-1,087	-964	-1,197	-1,638
Net profit/(loss) from continuing operations	**4,075**	**4,013**	**-2,409**	**-646**
Profit/(loss) from discontinued operations				
Net profit/(loss) for financial year	**4,075**	**4,013**	**-2,409**	**-646**

OTHER COMPREHENSIVE INCOME:	Jan 1 - Sep 30 2010	Jul 1 - Sep 30 2010	Jan 1 - Sep 30 2009	Jul 1 - Sep 30 2009
	(Q3 2010 YTD)	(Q3 2010)	(Q3 2009 YTD)	(Q3 2009)
Valuation of cash flow hedging derivatives	-163	976	2,581	835
Income tax relating to other comprehensive income	31	-185	-490	-159
Other comprehensive income, net	**-132**	**790**	**2,091**	**676**
Total comprehensive income	**3,943**	**4,803**	**-318**	**30**

INTERIM SEPARATE STATEMENT OF CASH FLOWS
(PLN '000)

	Jan 1 - Sep 30 2010	Jan 1 - Sep 30 2009
	(Q3 2010 YTD)	(Q3 2009 YTD)
OPERATING ACTIVITIES		
Pre-tax profit/(loss)	**5,162**	**-1,212**
Total adjustments:	**-1,555**	**34,171**
Share in net profit of subordinated undertakings accounted for using the equity method		
Depreciation and amortisation	1,887	1,949
Foreign exchange gains/(losses)	181	281
Interest and profit distributions (dividends)	30	51
Profit/(loss) on investing activities	361	10,126
Change in provisions	-554	138
Change in inventories	-2,037	934
Change in receivables	-6,053	29,772
Change in current liabilities (other than financial liabilities)	4,924	-6,064
Change in accruals and deferrals	1,287	4,046
Derivatives	-1,614	-7,253
Other adjustments	33	191
Cash from operating activities	**3,608**	**32,959**
Income tax (paid)/refunded	-868	577
Net cash provided by/(used in) operating activities	**2,740**	**33,536**
INVESTING ACTIVITIES		
Cash provided by investing activities	**102**	**3**
Proceeds from disposal of intangible assets and property, plant and equipment		3
Proceeds from disposal of financial assets		
Dividends and profit distributions received		
Repayment of non-current loans advanced		
Cash received in connection with derivative instruments	102	
Other cash provided by financial assets		
Cash used in investing activities	**13,670**	**16,156**
Investments in intangible assets, property, plant and equipment, and investment property	6,305	4,881
Acquisition of related undertakings	1,751	0
Loans advanced	4,779	
Other cash used in investing activities	835	1,146
Cash paid in connection with derivative instruments	0	10,129
Net cash provided by/(used in) investing activities	**-13,568**	**-16,153**
FINANCING ACTIVITIES		
Cash provided by financing activities		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity		
Loans and borrowings		
Issue of debt securities		
Other cash provided by financing activities		
Cash used in financing activities	**63**	**1,591**
Acquisition of own shares		

Dividends and other distributions to owners		
Profit distributions other than to owners		
Repayment of loans and borrowings	0	1,507
Redemption of debt securities		
Other financial liabilities		
Decrease in finance lease liabilities	32	33
Interest paid	30	51
Other cash used in financing activities		
Net cash provided by/(used in) financing activities	**-63**	**-1,591**
Total net cash flow	**-10,891**	**15,792**
Balance-sheet change in cash, including:	**-10,860**	**15,830**
- effect of exchange rate fluctuations on cash held	32	38
Cash at beginning of period	**18,495**	**9,048**
Cash at end of period, including:	**7,604**	**24,840**
- restricted cash		

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (PLN '000)

	Share capital	Statutory reserve funds	Capital reserve from revaluation of hedging instruments	Other reserves	Retained earnings/(deficit)	Non-controlling interests	Total equity
Nine months ended Sep 30 2009							
Equity as at Jan 1 2009	**3,471**	**125,631**	**(2,211)**	**0**	**5,801**	**0**	**132,693**
Total comprehensive income for nine months ended Sep 30 2009			2,091		(2,409)		**(318)**
Share-based payments				191			**191**
Distribution of profit		2,899			(2,899)		
Equity as at Sep 30 2009	**3,471**	**128,530**	**(120)**	**191**	**493**	**0**	**132,565**
Twelve months ended Dec 31 2009							
Equity as at Jan 1 2009	**3,471**	**125,631**	**(2,211)**	**0**	**5,801**	**0**	**132,693**
Total comprehensive income for twelve months ended Dec 31 2009			2,211		(520)		1,691
Liquidation of tangible assets		0			0		
Share-based payments				2			2
Distribution of profit		2,899			(2,899)		
Equity as at Dec 31 2009	**3,471**	**128,530**	**0**	**2**	**2,382**	**0**	**134,386**
Nine months ended Sep 30 2010							
Equity as at Jan 1 2010	**3,471**	**128,530**	**0**	**2**	**2,382**	**0**	**134,386**
Total comprehensive income for nine months ended Sep 30 2010			(132)		4,075		**3,943**
Share-based payments				34			**34**
Distribution of profit		(520)			520		**0**
Equity as at Sep 30 2010	**3,471**	**128,011**	**(132)**	**36**	**6,977**	**0**	**138,363**

SUPPLEMENTARY INFORMATION
TO THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30TH 2010

Selected supplementary information

As provided for under IAS 18, revenue from the sale of products, goods for resale, materials and services, net of any VAT, discounts and rebates, is recognised when the entity has transferred to the buyer the significant risks and rewards incidental to their ownership.

Sales revenue and total revenue and income of the Group are as follows:

Item	Q3 2010	Q3 2009
Sale of products	117,842	87,960
Sale of goods for resale and materials	952	779
TOTAL sales revenue	**118,794**	**88,739**
Other operating income	953	1,902
Finance income	2,825	9,250
TOTAL revenue and income	**122,572**	**99,890**

OPERATING SEGMENTS

IFRS 8 "Operating Segments", which has superseded previously binding IAS 14 "Segment Reporting", is effective as of January 1st 2009. The new standard introduces the "management approach" to segment disclosures and requires that segment information be presented based on those components of the entity that management monitors in making decisions about operating matters. An operating segment is a component of an entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance. This change in accounting standards has had no impact on the Group's segment reporting.
The SECO/WARWICK Group's business comprises the following segments:

Vacuum furnaces (Vacuum)

Vacuum furnaces have multiple applications in a number of industries, including machine tool, aviation, energy, electrical engineering, medical equipment, automotive and specialised industries. The vacuum furnace solutions may be used in a wide variety of processes such as heat treatment of steel and alloys, brazing, sintering, and degassing. Vacuum furnaces are not only economically efficient but also environmentally friendly.

Aluminium heat exchanger brazing systems (CAB)

The CAB systems are used primarily in the automotive industry for brazing heat exchangers mounted in passenger cars and trucks (charge air coolers, air conditioning evaporators and condensers, oil coolers, etc.). Outside the automotive sector, CAB processes are used in the manufacture of IC radiators, steam condensers for CHP plants, exhaust gas heat exchangers for power generators, etc.

Atmosphere furnaces (Thermal)

Atmosphere furnaces are widely used in the process of thermal and thermochemical treatment of steel and metals in protective atmospheres for improved hardness. Atmosphere furnaces designed for thermal and thermochemical treatment are employed in the gas carburising, gas nitriding and other processes. The furnaces are meant chiefly for the automotive and metal industries, including for the manufacturing of anti-friction bearings, as well as for use in commercial hardening plants and specialty industries.

Aluminium heat treatment systems (Aluminium Process)

The SECO/WARWICK Group specialises in a selected range of aluminium heat treat processes which generally offer a plethora of applications. The aluminium process solutions offered by the Group are used in the production of aluminium sheet for the automotive and aviation industries, as well as for the manufacturing of packaging foil for multiple applications. In addition, the aluminium process systems are used to heat treat aluminium castings.

Melting furnaces

The metallurgy applications of the vacuum melting furnaces include alloying, melting and purifying specialty metals, including reactive metals (e.g. titanium, zirconium) and heat-resistant metals (e.g. tantalum). Due to their physical properties, specialty metals may only be treated with the use of advanced technological solutions under high vacuum conditions.
The different types of melting furnaces include melting and holding furnaces used for the manufacture of precision castings (such as components of jet engines, power turbines, and medical implants).
Melting furnaces may also be used as an element of the globally-unique processes involving disposal of hazardous waste (such as nuclear by-products).

Financial data for the segments includes only segment revenue, expenses and segment profit or loss. It is impracticable for the Group to allocate assets to the particular segments as its plant and equipment (including buildings and structures) is common to all the segments.

Revenue and profit/loss of operating segments as at Sep 30th 2010

Item	Continuing operations						Discontinued operations	Unallocated items	Total operations
	Vacuum	*CAB*	*Thermal*	*Aluminium Process*	*Melting Furnaces*	*Total*			
Segment profit/(loss)									
Total segment revenue	**47,959**	**10,234**	**40,165**	**2,400**	**4,778**	**105,536**		**13,258**	**118,794**
Total segment expenses	**(31,209)**	**(7,465)**	**(35,137)**	**(3,041)**	**(4,107)**	**(80,959)**		**(12,814)**	**(93,773)**
General and administrative expenses								(20,889)	**(20,889)**
Selling costs								(7,902)	**(7,902)**
Operating income								953	**953**
Operating expenses								(584)	**(584)**
Profit/(loss) from continuing operations before tax and finance expenses	**16,750**	**2,769**	**5,028**	**(641)**	**671**	**24,577**			(3,401)
Finance income								2,825	**2,825**
Net finance expenses								(1,447)	**(1,447)**
Share in profit of associate								1,435	**1,435**
Pre-tax profit/(loss)									**(589)**
Income tax								1,206	**1,206**
Net profit/(loss) from continuing operations									**617**
Profit/(loss) from discontinued operations							(558)		**(558)**
Profit/(loss) attributable to non-controlling interests									**(60)**
Net profit/(loss) for period									**119**

Revenue and profit/loss of operating segments as at Sep 30th 2009

Item	Continuing operations						Discontinued operations	Unallocated items	Total operations
	Vacuum	*CAB*	*Thermal*	*Aluminium Process*	*Melting Furnaces*	*Total*			
				Segment profit/(loss)					
Total segment revenue	**21,104**	**22,755**	**19,874**	**6,727**	**2,807**	**73,267**		**15,471**	**88,738**
Total segment expenses	**(16,489)**	**(11,622)**	**(15,907)**	**(6,899)**	**(1,908)**	**(51,825)**		**(13,309)**	**65,134**
General and administrative expenses								(18,795)	**(18,795)**
Selling costs								(7,078)	**(7,078)**
Operating income								1,902	**1,902**
Operating expenses								(1,710)	**(1,710)**
Profit/(loss) from continuing operations before tax and finance expenses	**4,616**	**11,133**	**3,967**	**828**	**899**	**21,442**			**(2,077)**
Finance income								9,250	**9,250**
Net finance expenses								(16,518)	**(16,518)**
Share in profit of associate								7,250	**7,250**
Pre-tax profit/(loss)									**(2,096)**
Income tax								514	**514**
Net profit/(loss) from continuing operations									**(1,582)**
Profit/(loss) from discontinued operations							(573)		**(573)**
Profit/(loss) attributable to non-controlling interests									
Net profit/(loss) for period									**(2,155)**

PROPERTY, PLANT AND EQUIPMENT

In the period January 1st - September 30th 2010, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 7,031 thousand.

Item	Sep 30 2010	Dec 31 2009	Sep 30 2009
Tangible assets	40,097	42,303	43,700
Tangible assets under construction	6,353	3,528	3,270
Prepayments for tangible assets under construction			
Property, plant and equipment	**46,450**	**45,831**	**46,970**

IMPAIRMENT LOSSES ON ASSETS

In the periods under review, the SECO/WARWICK Group did not recognise or reverse any impairment losses on property, plant and equipment or intangible assets.

As at September 30th 2010, trade receivables of PLN 975 thousand were classified as unrecoverable and an appropriate impairment loss was recognised. As at December 31st 2009, impairment losses amounted to PLN 1,063 thousand.

As at September 30th 2010, the SECO/WARWICK Group carried PLN 1,090 thousand (at the end of 2009: PLN 1,092 thousand) of impairment losses on inventories.

DIVIDENDS PROPOSED OR APPROVED BY WAY OF RESOLUTION BY THE DATE OF APPROVAL OF THESE FINANCIAL STATEMENTS

No dividends were paid in 2010 or 2009. By the date of publication of these financial statements, no resolutions concerning dividend were adopted.

INVESTMENT COMMITMENTS

As at September 30th 2010, the Group had capital commitments of PLN 140 thousand for expenditure related to acquisition of property, plant and equipment. As at the end of 2009, investment commitments stood at PLN 52 thousand. These amounts were earmarked for purchases of new plant and equipment.

As at September 30th 2010, SECO/WARWICK S.A. had investment commitments of PLN 472 thousand (PLN 1,142 thousand as at December 31st 2009) towards SECO/WARWICK ALLIED Pvt. LTD. The commitments arose under the share purchase agreement concerning shares in the company.

OFF-BALANCE SHEET CONSOLIDATED ITEMS

Changes in contingent liabilities and contingent assets, which occurred after the end of the previous financial year

	As at Sep 30 2010	As at Dec 31 2009	As at Sep 30 2009
Contingent receivables	**72**	**402**	**200**
From related undertakings			
From other undertakings (including)	72	402	200
- guarantees and sureties	72	402	200
Contingent liabilities	**27,654**	**19,320**	**17,231**
From related undertakings		855	866
From other undertakings (including)	27,654	18,465	16,388
- guarantees and sureties	27,654	18,465	16,388

SURETIES ISSUED BY SECO/WARWICK S.A.

Company name	Bank name	Surety in respect of	Currency	Sep 30 2010	*AMOUNT (PLN)*
LZT ELTERMA	BZ WBK	Guarantee facility	PLN	2,500	2,500
S/W ALLIED Pvt. Ltd.		Guarantee and credit facility	INR	147,500	10,325
TOTAL					**12,825**

On June 17th 2010, the Management Board of SECO/WARWICK S.A. held a meeting to decide whether to issue a surety for a credit facility contracted by SECO/WARWICK Allied Pvt. Ltd. of Mumbai. SECO/WARWICK Pvt. Ltd. is an associated undertaking in which SECO/WARWICK S.A. holds a 50% interest. Under Indian law, shareholders must stand surety in respect of credit facilities contracted by companies in which they hold shares.
The Company's Management Board decided to issue a surety of INR 147,500 thousand.
The surety has the form of a guarantee letter issued for the benefit of the Union Bank of India.

On March 18th 2010, SECO/WARWICK S.A. issued a surety of up to PLN 2,500 thousand with respect to amounts due from LZT ELTERMA to Bank BZ WBK S.A. under loans.

RESTRUCTURING PROVISION

In the period from January 1st 2010 to September 30th 2010, the SECO/WARWICK Group did not create any provisions for restructuring costs.

SETTLEMENTS RELATED TO COURT CASES

In the opinion of the Parent Undertaking's Management Board, there are no material settlements related to court cases.

BUSINESS COMBINATIONS

In Q3 2010, there were no mergers or acquisitions of non-controlling interests.

Consistency of the accounting policies and computation methods applied in the preparation of the interim financial statements for Q3 2010

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the IFRS endorsed by the European Union. The IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These interim condensed separate consolidated financial statements have been prepared in accordance with International Accounting Standard 34.

Seasonality or cyclicality in the operations of SECO/WARWICK S.A. or its Group

The operations of SECO/WARWICK S.A. are not subject to any material seasonality or cyclicality factors.

Types and amounts of items affecting assets, equity and liabilities, share capital, net profit/(loss), or cash flows which are unusual due to their type, size or effect

In the business activities of SECO/WARWICK S.A. and its Group, there do not occur any material types or amounts of items that would affect assets, equity and liabilities, share capital, net profit/(loss) or cash flows and that would be unusual due to their type, size or effect.

Types and amounts of changes in estimates disclosed in previous interim periods of the financial year 2009 or changes in estimates disclosed in previous financial years if they have a material bearing on Q3 2010

In the business activities of SECO/WARWICK S.A. and its Group, there occurred no changes in the disclosed estimates that would, due to their type or amount, have a material bearing on the results of Q3 2010.

Issues, redemptions and repayments of debt and equity securities

No debt or equity securities were issued, redeemed or repurchased in Q3 2010.

SECO/WARWICK S.A. fully used the net proceeds of PLN 40.2m from the issue carried out on December 5th 2007.

Earnings per share

	Sep 30 2010	Sep 30 2009
Weighted average number of shares	9,572,003	9,572,003
Earnings attributable to owners of the parent	119	(2,155)
Earnings per share	0.01	(0.23)
Diluted earnings per share	0.01	(0.23)

Material events after Q3 2010, not disclosed in the financial statements for Q3 2010, but potentially with a material bearing on future performance of the SECO/WARWICK Group

In the business activities of SECO/WARWICK S.A. and its subsidiaries, there occurred no particular events that might have a material bearing on the future performance of SECO/WARWICK S.A. and its Group but have not been disclosed in the quarterly report.

Other supplementary information

1. Changes in the Group's structure, including changes resulting from mergers, acquisitions or disposals of the Group undertakings, long-term investments, demergers, restructuring or discontinuation of operations

There occurred changes in the structure of the SECO/WARWICK Group subsequent to August 25th 2010. The process of liquidation of Przedsiębiorstwo Handlowo-Usługowe „Eltus" Sp. z o.o. was completed. The company was an indirect subsidiary owned through Lubuskie Zakłady Termotechniczne „Elterma" S.A.

On October 8th 2010, the Board of Directors of SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. executed an agreement providing for the sale to Chinese shareholder Tianjin Kama Electric Thermal Equipment Manufacturing Co., Ltd. of a 25% equity interest in SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. held by SECO/WARWICK Corp. for USD 300 thousand and a 25% equity interest held by SECO/WARWICK S.A. for USD 300 thousand. It was agreed that the transaction would be finalised by December 31st 2010. The President of SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. was obliged to change the company's name by the end of November 2010. As at June 30th 2010, the parent undertaking recognised an impairment loss on the shares to reflect the difference between their net value and selling price, which is USD 600 thousand. As at the balance-sheet date, the value of the impairment loss was PLN -373 thousand. The impairment loss amount may change, depending on how the sale of shares in SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. proceeds.

In the period January 1st - September 30th 2010, assets classified as held for sale amounted to PLN 5,600 thousand.
In the same period, liabilities classified as held for sale amounted to PLN 3,041 thousand.

In Q3 2010, there were no other changes in the Group's business consisting in mergers, acquisitions of Group undertakings, long-term investments, demergers, or restructurings.

2. Management Board's position on the feasibility of meeting any previously published forecasts for 2010 in the context of results presented in the Q3 2010 report

SECO/WARWICK S.A. has not published any financial forecasts for 2010 concerning the Company or the SECO/WARWICK Group.

3. Shareholders holding, directly or indirectly, 5% of the total vote at the General Shareholders Meeting as at the release date of this Report, including information on any changes that occurred subsequent to the release of the previous periodic report

The data presented in the table below reflects the number of shares notified on the record date by the shareholders participating in the Annual General Shareholders Meeting held on April 29th 2010. As at the date of release of the Q3 2010 report, the Management Board of SECO/WARWICK S.A. had no knowledge of any reductions or increases in the number of shares held by the shareholders participating in the Annual General Shareholders Meeting held on April 29th 2010.

Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total vote at the General Shareholders Meeting as at August 31st 2010 and November 15th 2010

	Number of shares	% of share capital held	Number of votes at GM	% of total vote
SW Poland Holding B.V. (Netherlands)	4,119,508	43.04%	4,119,508	43.04%
Spruce Holding Limited Liability Company (USA)	1,726,174	18.03%	1,726,174	18.03%
ING NN OFE	723,199	7.56%	723,199	7.56%
OFE POLSAT S.A.	485,974	5.08%	485,974	5.08%
PZU Asset Management S.A.	484,692	5.06%	484,692	5.06%
PKO TFI S.A.	478,601	5.00%	478,601	5.00%

- share capital	1,914,400.60
- number of shares	9,572,003
- par value per share	0.2

There occurred no changes in the holdings of significant blocks of the Company shares subsequent to the release date of the consolidated report for H1 2009.

4. Shares of SECO/WARWICK held by the members of the Management Board and Supervisory Board as at the release date of this report, including information on any changes since the publication of the H1 2010 report

	Aug 31 2010				Nov 15 2010			
	Number of SECO/ WARWICK S.A. shares held	% of share capital held	% of total vote	Decrease/ increase	Number of SECO/ WARWICK S.A. shares held	% of share capital held	% of total vote	Total par value of shares (PLN)
MANAGEMENT BOARD								
Leszek Przybysz	-	-	-	-	-	-	-	-
Andrzej Zawistowski	307,100	3.21%	3.21%	-	307,100	3.21%	3.21%	61,420
Witold Klinowski	58,100	0.61%	0.61%	-	58,100	0.61%	0.61%	11,620
Józef Olejnik	58,100	0.61%	0.61%	-	58,100	0.61%	0.61%	11,620
Wojciech Modrzyk	400	0.004%	0.00%	-	400	0.004%	0.00%	80
Supervisory Board								
Jeffrey Boswell	293,404	3.07%	3.07%	-9,989	283,415	2.96%	2.96%	56,683
Henryk Pilarski	1,000	0.01%	0.01%	-	1,000	0.01%	0.01%	200
Piotr Kowalewski	-	-	-	-	-	-	-	-
Piotr Kula	8,500	0.09%	0.09%	-	8,500	0.09%	0.09%	1,700
Mariusz Czaplicki (1)	-	-	-	-	-	-	-	-
Artur Rusiecki (2)	-	-	-	-	-	-	-	-

Commercial proxies								
Dorota Subsar	-	-	-	-	-	-	-	-
Total	726,604	7.60%	7.60%	-9,989	716,615	7.49%	7.49%	143,323

(1) Mr Mariusz Czaplicki has been a member of the Supervisory Board since April 29th 2010.
(2) Mr Artur Rusiecki has been a member of the Supervisory Board since April 29th 2010.

Item	***Sep 30 2010***
Number of shares	9,572,003
Par value of shares	0.2
Share capital	1,914,400.60

In the analysed period, the members of the Management Board and Supervisory Board of SECO/WARWICK S.A executed the following transactions involving their shares in SECO/WARWICK S.A.

On October 27th 2010, SECO/WARWICK S.A. received a notification required under Art. 160 of the Act on Trading in Financial Instruments from Jeffrey Boswell, Chairman of the Supervisory Board. According to the notification, from October 22nd to October 25th 2010, the Chairman of the Supervisory Board sold a total of 5,397 Company shares at an average price of PLN 38.42 per share. The shares were sold on the regulated market (the WSE) at regular trading sessions.

On November 2nd 2010, SECO/WARWICK S.A. received a notification required under Art. 160 of the Act on Trading in Financial Instruments from Jeffrey Boswell, Chairman of the Supervisory Board. According to the notification, from October 27th to October 29th 2010, the Chairman of the Supervisory Board sold a total of 4,592 Company shares at an average price of 34.63 PLN per share. The shares were sold on the regulated market (the WSE) at regular trading sessions.

The members of the Management Board and Supervisory Board of SECO/WARWICK S.A. do not hold any shares in related undertakings.

5. Court, arbitration or administrative proceedings

In Q3 2010, the individual or aggregate value of liabilities or receivables of SECO/WARWICK S.A or the Group’s undertakings toward any business partner or its group, which were disputed in court, arbitration or administrative proceedings did not represent 10% or more of SECO/WARWICK S.A’s equity.

6. Information on the conclusion by the Company or its subsidiary undertaking of a single transaction or a series of transactions with related parties where the value of any such transaction or all such transactions jointly is material and the transactions have not been concluded at arm’s length

In the period from the beginning of the financial year until this report publication date, SECO/WARWICK S.A. and its subsidiary undertakings did not enter into any transactions with related parties whose terms would differ from arm’s length terms and where the value of a single transaction or all transactions would be material.

7. Material achievements and failures of SECO/WARWICK S.A. and its Group in Q3 2010, including a list of the pertinent events

Material achievements of the SECO/WARWICK Group include:

- Generation of PLN 4m in net profit of by SECO WARWICK S.A. in Q3 2010, owing to strong sales in the high margin yielding vacuum segment.
- Consolidation of net profit of Retech Systems LCC at PLN 398 thousand.
- Share in the net profit of SW Allied (India): PLN +1.04m
- Completion of the production phase of contracts with a key Scandinavian customer.
- Orders received by SECO/WARWICK Allied India totalling USD 7.5m in the A/P segment.

The Management Board has no knowledge of any material failures by the parent undertaking or by any direct or indirect subsidiary occurring in the analysed period or after September 30th 2010.

8. Sureties for loans or guarantees issued by SECO/WARWICK S.A. or its subsidiary undertakings, jointly to one entity or its subsidiary, if the total amount of outstanding sureties or guarantees exceeds 10% of SECO/WARWICK S.A.'s equity

Q3 2010 saw no changes in sureties for loans or guarantees exceeding 10% of the Company's equity, issued by SECO/WARWICK S.A. or its subsidiary undertakings..

9. Other information which is, according to the Company, material for the assessment of its staffing levels, assets, financial standing and financial performance, as well as their changes, and information material for assessment of the Company's ability to fulfil its obligations

According to the SECO/WARWICK Group, the improvement seen in the economic situation of industry may have a bearing on the assessment of the Group's staffing levels, assets, financial standing and financial performance, as well as their changes. Activities aimed at obtaining new orders started to produce results in Q3 2010, when the Group received a significant number of orders. At the end of Q3 2010 its order book value was PLN 130.2m. This allows us to expect a marked improvement in our financial performance in 2010 compared with 2009.

On October 8th 2010, the Board of Directors of SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. executed an agreement providing for the sale to Chinese shareholder Tianjin Kama Electric Thermal Equipment Manufacturing Co., Ltd. of a 25% equity interest in SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. held by SECO/WARWICK Corp. for USD 300 thousand and a 25% equity interest held by SECO/WARWICK S.A. for USD 300 thousand. It was agreed that the transaction would be finalised by December 31st 2010. The President of SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. was obliged to change the Company's name by the end of November 2010. As at June 30th 2010, the parent undertaking recognised an impairment loss on the shares to reflect the difference between their net value and selling price, which is USD 600 thousand. As at the balance-sheet date, the value of the impairment loss was PLN -373 thousand. The impairment loss amount may change, depending on how the sale of shares in SECO/WARWICK (Tianjin) Industrial Furnace Co. Ltd. proceeds.

On July 9th 2010, SECO/WARWICK S.A reported on the launch of a new production facility operated by SECO/WARWICK Allied, the Group's Indian undertaking. The new production plant, located near Mumbai, has a production floor of 4,000 square meters divided into two erection shops. Given the size of the investment plot the company owns, a further enlargement to reach the target total production floor of approx. 8,000 square meters is possible. The total capital expenditure incurred by the SECO/WARWICK Group on construction of the new plant exceeded USD 3m. Taking into account the purchase of a 50% interest in Allied in 2008, SECO/WARWICK S.A. is one of the major Polish investors in the Indian industrial sector. The new plant will focus on the manufacture of the following products: vacuum furnaces, aluminium heat exchanger brazing systems, aluminium heat treatment systems, and bell type furnaces. Given its current volume of orders, SECO/WARWICK Allied was able to use the new plant's production capacities in full already from the opening day. At present, the SECO/WARWICK Group's Indian undertaking employs 220 staff.

The information presented above may be important for assessing the Company's staffing levels, assets, financial standing and financial performance, as well as their changes, as well as the Company's ability to fulfil its obligations.

All liabilities related to the business are paid on a timely basis.

10. Factors which in the Group's opinion will affect its results in a period covering at least the next quarter

- Between March 24th 2010 and September 6th 2010, SECO/WARWICK S.A. and its subsidiary LTZ Elterma S.A. concluded with BRE Bank S.A. of Warsaw fourteen forward contracts for the sale of euro with a total value of EUR 4,020 thousand (PLN 16,645 thousand), four forward contracts for the sale of US dollars, with a total value of USD 835 thousand (PLN 2,606 thousand), and one forward contract for the sale of pound sterling, with a value of GBP 365 thousand (PLN 1,583 thousand). The total value of these forward contracts amounts to PLN 20,835 thousand.
- On September 14th 2010, SECO/WARWICK S.A. reported that the Company and James A. Goltz, a joint-owner of Retech Systems LLC (USA), executed a Term Sheet specifying key terms and conditions of the acquisition of 50% of shares in Retech Systems LLC by SECO/WARWICK S.A. As a result of this planned transaction, the Company will come to hold 100% of shares in Retech Systems LLC, which is one of the world leaders in the production of equipment for heat treatment of titanium and high-quality metal alloys, equipment for vacuum casting of small parts made of specialty alloys, and systems for plasma treatment used in melting and destructing of hazardous waste. The value of the transaction is USD 12.5m (PLN 38,43m). The transaction is planned to be finalised in December 2010. SECO/WARWICK SA has held a 50% interest in Retech Systems LCC since July 2007. By acquiring full control over the company, the SECO/WARWICK Group will be able to fully exploit Retech's experience and technology to develop technologically advanced products using plasma heat treatment. The acquisition will also enable the Group to better utilize the production capacities of SECO/WARWICK Corporation, which is SECO/WARWICK S.A.'s US subsidiary. At the end of September 2010, Retech Systems LCC's order book value was PLN 85.2m, and was considerably higher than a year earlier.

11. Description of factors and events, especially of non-recurring nature, with a material bearing on the financial performance in Q3 2010

Factors and events which had a material bearing on the results posted in Q3 2010 included:

- Sales double the H1 figure,
- Considerable improvement in margins,
- Net profit generated by the Group at PLN 3.95m,

- Considerable backlog of PLN 130.2m at Group level,
- Good performance by SECO/WARWICK Allied (India),
- Launch of a new production facility near Mumbai and SW Allied's strong backlog,
- A new strategy for the Chinese market.