THE SECO/WARWICK GROUP

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
OCTOBER 1ST–DECEMBER 31ST 2011
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS

CONTENTS

1. General information

Information on the SECO/WARWICK Group

The parent of the SECO/WARWICK Group (“Group”, “SECO/WARWICK Group”) is SECO/WARWICK Spółka Akcyjna of Świebodzin (“Issuer”, “ Company”). The Company was incorporated on January 2nd 2007 by virtue of the decision issued by District Court for Zielona Góra, VIII Commercial Division of the National Court Register, and entered in the Register of Entrepreneurs of the National Court Register under No. KRS 0000271014.

The Group's manufactures 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 corresponding to the 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 parent of the following six subsidiaries:

- SECO/WARWICK ThermAL S.A. (formerly: Lubuskie Zakłady Termotechniczne Elterma S.A.),
- SECO/WARWICK Corporation,
- OOO SECO/WARWICK Group Moscow,
- Retech Systems LLC,
- SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.,
- SECO/WARWICK GmbH.

Other Group companies are:

- SECO/WARWICK of Delaware Inc.,
- Retech Tianjin Holdings LLC,
- SECO/WARWICK Allied Pvt., Ltd. (Mumbai) India.

The companies are described in the table below.

Structure of the Group as at December 31st 2011

Table: As at December 31st 2011 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	Group's ownership interest
Parent				
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				
SECO/WARWICK ThermAL S.A. (1)	Świebodzin	Manufacture of metal heat treatment equipment	Full	100%
SECO/WARWICK Corp.	Meadville (USA)	Manufacture of metal heat treatment equipment	Full	100%
SECO/WARWICK of Delaware, Inc (2)	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	100%
OOO SECO/WARWICK Group Moscow	Moscow (Russia)	Distribution of the SECO/WARWICK Group's products	Full	100%
Retech Systems LLC (3)	Ukiah (USA)	Trade and services; manufacture of metallurgy equipment used for melting and vacuum casting of metals and specialty alloys	Full	100%
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd. (4)	Tianjin (China)	Manufacture of metal heat treatment equipment	Full	100%
Retech Tianjin Holdings LLC (5)	(USA)	Management of holding companies	Full	100%
SECO/WARWICK Allied Pvt., Ltd. (6)	Mumbai (India)	Manufacture of metal heat treatment equipment	Equity	50%
SECO/WARWICK GmbH (7)	Stuttgart, Germany	Intermediation in the sale of furnaces manufactured by SECO/WARWICK S.A. and SECO/WARWICK ThermAL S.A., and provision of technical assistance to customers in Germany, Austria, the Netherlands, Liechtenstein and Slovenia.	Full	51%

(1) On January 5th 2011, by virtue of Resolution No. 1 on amending the company's Articles of Association, the Extraordinary General Shareholders Meeting of Lubuskie Zakłady Termotechniczne Elterma S.A., a subsidiary, renamed the company as SECO/WARWICK ThermAL S.A.

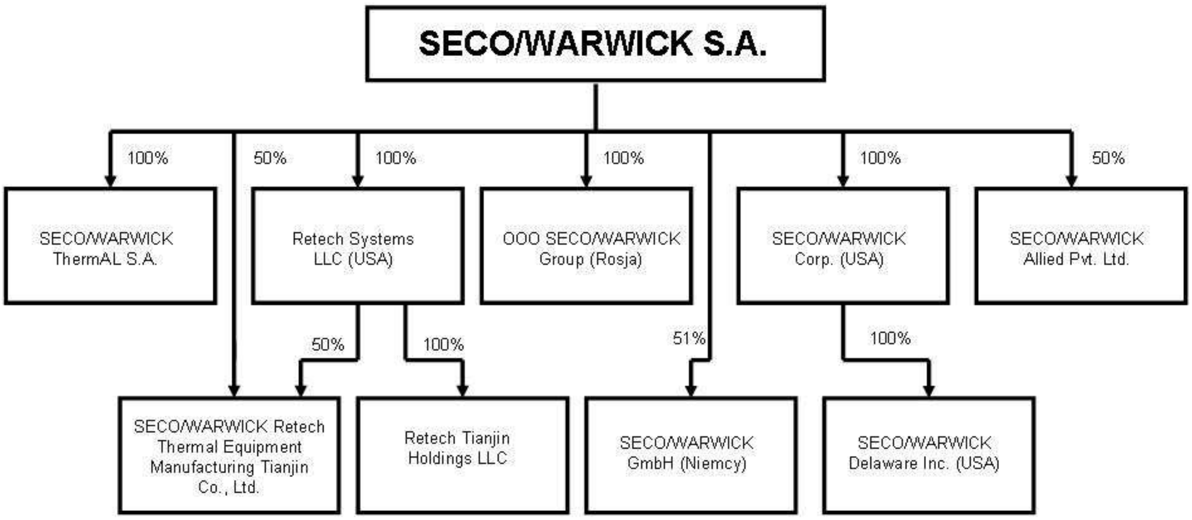
(2) SECO/WARWICK of Delaware, Inc is an indirect subsidiary owned through SECO/WARWICK Corp., which holds a 100% interest in SECO/WARWICK of Delaware, Inc.

(3) On November 16th 2010, SECO/WARWICK S.A. and James A. Goltz, a co-owner of Retech Systems LLC (USA), executed an agreement concerning acquisition by SECO/WARWICK S.A. of a 50% equity interest in Retech Systems LLC. As a result of the transaction, SECO/WARWICK S.A. came to hold 100% of shares in Retech Systems LLC.
(4)SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd. of China. SECO/WARWICK Retech is a 50/50 joint venture of SECO/WARWICK S.A. and Retech Systems LLC.
(5) Retech Tianjin Holdings LLC is an indirect subsidiary owned through Retech Systems LLC of USA, which holds a 100% interest in Retech Tianjin Holdings LLC.
(6) The shares held by SECO/WARWICK S.A. represent 50% of SECO/WARWICK Allied Pvt.'s share capital and confer the right to 50% of the total vote at the company's general meeting.
(7) On August 9th 2011, SECO/WARWICK GmbH of Germany joined the SECO/WARWICK Group. SECO/WARWICK S.A holds 51% of shares in the company, while Mr Thomas Wingens is a minority shareholder.

Composition of the SECO/WARWICK Group as at the date of release of these financial statements

In 2011, SECO/WARWICK GmbH of Germany was established, while[1] SECO/WARWICK Industrial Furnace Co. was deconsolidated. SECO/WARWICK Industrial Furnace Co. Ltd. (Tianjin), previously consolidated using the proportional consolidation method, was deconsolidated following loss of control over the company.
After December 31st 2011 and until the publication of this Report, there were no changes in the composition of the SECO/WARWICK Group.

The SECO/WARWICK Group's structure as at December 31st 2011 and the date of publication of these financial statements:



Niemcy	Germany
Rosja	Russia

[1] As SECO/WARWICK Industrial Furnace Co. did not release its financial statements, the Management Board of SECO/WARWICK S.A. concluded that there was evidence of loss of control and, accordingly, the company was deconsolidated. In accordance with IAS 27:34, necessary adjustments were made to the consolidated financial statements.

2. Description of applied accounting policies, including methods of measurement of assets, equity and liabilities, income and expenses

The 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).

The consolidated financial statements are presented in the złoty (“PLN”), and unless specified otherwise, all the values are given in thousands of PLN.

The accounting policies and calculation methods applied in the preparation of these financial statements are consistent with 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 of the issue of shares on 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 assets 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 asset meets the recognition criteria for an 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 asset will be completed,
- it is possible to demonstrate that the asset can be used or sold,
- 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 indications of impairment	Annual assessment whether there are any indications of impairment

Property, plant and equipment

Property, plant and equipment are 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 amounts 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 equity interests in related undertakings, assets at fair value through profit or loss, 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 undertakings 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 profit or loss 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 material, 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 amount 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 rather than 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 rate method.
Transaction costs directly connected with 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 the liability, using the effective interest rate 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, which 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 qualifies for 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 as 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 as 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 as 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 material, the amount 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) are borne by the Group.

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

Accruals and deferred income

In order to ensure the matching of revenues with related expenses, expenses relating to future periods and deferred income 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/amortisation charges for assets used under finance lease agreements

Depreciation/amortisation 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 as 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 of 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 terms exceed three months and whose total value is material from the point of view of reliability of the financial statements (revenue, expenses, and the financial result). The Group accrues only documented revenue, i.e. revenue which is guaranteed under the original contract, adjusted to account for 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 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 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 costs of business partners not yet invoiced.

The revenue as at the end of the reporting period is determined based on the percentage 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 revenue from sales of products 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 2011.

- **Amendments to IAS 24 "Related Party Disclosures"** – simplification of disclosure requirements for government-related entities and clarification of the definition of a related party, endorsed by the EU on July 19th 2010,

- **Amendments to IAS 32 "Financial Instruments: Presentation" –** classification of rights issues", endorsed by the EU on December 23rd 2009,

- **Amendments to IFRS 1 "First-Time Adoption of International Financial Reporting Standards**" – limited exemptions from comparative IFRS 7 disclosures for first-time adopters, endorsed by the EU on June 30th 2010,

- **Amendments to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"** – prepayments of a minimum funding requirement, endorsed by the EU on July 19th 2010,

- **Amendments to standards and interpretations: "Improvements to IFRS (2010)"** – made as part of annual improvements to IFRS, published on May 6th 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, and IFRIC 13), aimed chiefly at eliminating any inconsistencies and clarifying the wording, endorsed by the EU on February 18th 2011,

- **IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"** , endorsed by the EU on July 23rd 2010.

Application of these amendments did not affect the Group's financial position or operating results.

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.

- **IFRS 9 "Financial Instruments" –** (effective for annual periods beginning on or after January 1st 2013),

- **Amendments to IFRS 1 "First-Time Adoption of IFRS"–** severe hyperinflation and removal of fixed dates for first-time adopters (effective for annual periods beginning on or after July 1st 2011),

- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** – transfers of financial assets (effective for annual periods beginning on or after July 1st 2011),

- **Amendments to IAS 12 "Income Tax" – deferred tax** – recovery of underlying assets (effective for annual periods beginning on or after January 1st 2012).

The Management Board does not expect the above standards and interpretations to have any significant effect on the accounting policies applied by the Company, save for the need to make certain additional or new disclosures. The Group is in the process of analysing the consequences and effects of applying these new standards and interpretations on its financial statements.

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	Dec 31 2011	Dec 31 2010
Average exchange rate for the period*	4.1401	4.0044
Exchange rate effective for the last day of the period	4.4168	3.9603

**) arithmetic mean 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 the consolidated financial statements and the comparative data, translated into the euro:

Financial highlights - consolidated

Item	Q4 YTD Jan 1–Dec 31		Q4 YTD Jan 1–Dec 31	
	2011	2010	2011	2010
	(PLN ‘000)		(EUR ‘000)	
Net sales revenue	367,518	194,797	88,770	48,646
Cost of sales	-276,371	-151,632	-66,754	-37,867
Operating profit/(loss)	28,197	781	6,811	195
Pre-tax profit/(loss)	19,793	15,275	4,781	3,814
Net profit/(loss)	15,597	15,165	3,767	3,787
Net cash provided by/(used in) operating activities	26,331	-16,344	6,360	-4,082
Net cash provided by/(used in) investing activities	-12,117	-15,474	-2,927	-3,864
Net cash provided by/(used in) financing activities	-8,921	21,677	-2,155	5,413
	Dec 31 2011	**Dec 31 2010**	**Dec 31 2011**	**Dec 31 2010**
Total assets	392,448	338,818	88,854	85,554
Total liabilities	161,266	130,816	36,512	33,032
of which current liabilities	131,829	98,616	29,847	24,901
Equity	231,182	208,002	52,342	52,522
Share capital	3,652	3,652	827	922

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

Separate financial highlights

Item	Q4 YTD Jan 1–Dec 31		Q4 YTD Jan 1–Dec 31	
	2011	2010	2011	2010
	(PLN ‘000)		(EUR ‘000)	
Net sales revenue	126,818	105,603	30,632	26,372
Cost of sales	-92,046	-72,735	-22,233	-18,164
Operating profit/(loss)	9,173	10,146	2,216	2,534
Pre-tax profit/(loss)	5,771	10,614	1,394	2,651
Net profit/(loss)	4,525	8,273	1,093	2,066
Net cash provided by/(used in) operating activities	2,295	-5,125	554	-1,280
Net cash provided by/(used in) investing activities	-2,538	-23,895	-613	-5,967
Net cash provided by/(used in) financing activities	-1,087	13,267	-263	3,313
	Dec 31 2011	**Dec 31 2010**	**Dec 31 2011**	**Dec 31 2010**
Total assets	226,890	216,541	51,370	54,678
Total liabilities	55,203	47,560	12,498	12,009
of which current liabilities	40,951	32,925	9,272	8,314
Equity	171,687	168,981	38,871	42,669
Share capital	3,652	3,652	827	922

INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
OCTOBER 1ST–DECEMBER 31ST 2011

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PLN '000)

Assets	As at Dec 31 2011	As at Sep 30 2011	As at Dec 31 2010
NON-CURRENT ASSETS	**160,123**	**158,091**	**150,144**
Property, plant and equipment	52,926	55,898	53,390
Investment property	422	425	435
Goodwill	65,116	62,067	58,001
Intangible assets	13,769	13,810	13,705
Investments in associates	18,484	17,210	17,907
Financial assets available for sale	3	3	3
Deferred tax assets	9,403	8,677	6,703
CURRENT ASSETS	**227,295**	**225,353**	**183,124**
Inventories	26,034	24,823	21,168
Trade receivables	107,347	75,625	63,771
Other current receivables	13,131	15,348	8,953
Accruals and deferred income	3,417	3,022	1,959
Financial assets at fair value through profit or loss	10		366
Loans and receivables			5
Cash and cash equivalents	20,285	18,349	14,489
Contract settlement	57,073	88,186	72,415
ASSETS HELD FOR SALE	**5,030**	**1,654**	**5,550**
TOTAL ASSETS	**392,448**	**385,098**	**338,818**

Equity and liabilities	As at Dec 31 2011	As at Sep 30 2011	As at Dec 31 2010
EQUITY	**231,182**	**225,223**	**208,002**
Equity attributable to owners of the parent	**231,390**	**224,812**	**208,002**
Share capital	3,652	3,652	3,652
Statutory reserve funds	177,662	177,662	172,843
Other capital reserves	-1,021	112	35
Retained earnings/(deficit)	51,098	43,387	31,472
Non-controlling interests	**-208**	**411**	
NON-CURRENT LIABILITIES	**29,437**	**31,533**	**28,945**
Loans and borrowings	5,568	7,363	8,892
Financial liabilities	113	131	167
Deferred tax liabilities	14,308	16,593	12,476
Provision for retirement and similar benefits	4,896	3,041	2,985
Accruals and deferred income	4,552	4,406	4,425
CURRENT LIABILITIES	**131,829**	**128,342**	**98,616**
Loans and borrowings	22,441	29,284	27,457
Financial liabilities	7,455	10,250	353
Trade payables	28,066	27,016	24,309
Taxes, customs duties and social security payable	2,924	3,603	2,824
Other current liabilities	9,401	6,231	4,385
Provision for retirement and similar benefits	3,394	1,541	3,579
Other provisions	5,235	5,744	4,401
Accruals and deferred income	52,915	44,674	31,308
LIABILITIES HELD FOR SALE			**3,254**
TOTAL EQUITY AND LIABILITIES	**392,448**	**385,098**	**338,818**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME(PLN '000)

	Jan 1–Dec 31 2011	Oct 1–Dec 31 2011	Jan 1–Dec 31 2010	Oct 1–Dec 31 2010
	(Q4 2011 YTD)	(Q4 2011)	(Q4 2010 YTD)	(Q4 2010)
Net sales revenue, including:	**367,518**	**102,267**	**194,797**	**76,003**
Net revenue from sales of products	365,166	101,243	193,435	75,593
Net revenue from sales of goods for resale and materials	2,352	1,025	1,362	410
Cost of sales, including:	**-276,371**	**-78,424**	**-151,632**	**-57,859**
Cost of products sold	-274,681	-77,634	-150,759	-57,588
Cost of goods for resale and materials sold	-1,690	-790	-873	-271
Gross profit/(loss)	**91,147**	**23,843**	**43,166**	**18,144**
Other operating income	3,237	1,115	1,682	729
Selling costs	-20,076	-6,139	-11,097	-3,195
General and administrative expenses	-42,308	-13,578	-29,955	-9,066
Other operating expenses	-3,803	-758	-3,014	-2,430
Operating profit/(loss)	**28,197**	**4,484**	**781**	**4,182**
Gain (loss) on accounting for obtaining control			10,472	10,472
Gain (loss) on disposal / result related to loss of control	-294			
Finance income	486	-1,688	2,736	-89
Finance expenses	-9,815	-4,634	-1,417	30
Share in net profit/(loss) of associates	1,219	1,182	2,702	1,267
Pre-tax profit/(loss)	**19,793**	**-656**	**15,275**	**15,863**
Income tax	-4,490	1,285	237	-969
Net profit/(loss) on continuing operations	**15,303**	**629**	**15,511**	**14,894**
Profit/(loss) on discontinued operations			-346	212
Profit/(loss) attributable to non-controlling interests	294	613		-60
Net profit/(loss) for financial year	**15,597**	**1,242**	**15,165**	**15,046**

OTHER COMPREHENSIVE INCOME:	Jan 1–Dec 31 2011	Oct 1–Dec 31 2011	Jan 1 – Dec 31 2010	Oct 1–Dec 31 2010
	(Q4 2011 YTD)	(Q4 2011)	(Q4 2010 YTD)	(Q4 2010)
Valuation of derivative instruments:				
- Valuation of cash flow hedging derivatives	-1,142	2,623	-21	142
- Corporate income tax relating to derivative instruments	217	-,498	4	-27
Exchange differences on translating foreign operations	10,571	4,094	83	-1,968
Actuarial gains/(losses) on a defined benefit retirement plan	-1,012	-1,012	-619	-619
Other comprehensive income, net	**8,633**	**5,206**	**-554**	**-2,472**
Total comprehensive income	**24,230**	**6,448**	**14,612**	**12,574**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (PLN '000)

	Jan 1–Dec 31 2011	Jan 1 – Dec 31 2010
OPERATING ACTIVITIES	**(Q4 2011 YTD)**	**(Q4 2010 YTD)**
Pre-tax profit/(loss)	**19,793**	**15,275**
Total adjustments:	**9,886**	**-29,277**
Share in net profit of subordinated undertakings accounted for with equity method	-1,219	-13,175
Depreciation and amortisation	6,268	5,162
Foreign exchange gains/(losses)	2,285	-188
Interest and profit distributions (dividends)	1,574	586
Profit/(loss) on investing activities	1,005	-1,334
Change in provisions	1,725	-1,994
Change in inventories	-3,820	2,224
Change in receivables	-42,047	-2,307
Change in current liabilities (other than financial liabilities)	4,546	-37,926
Change in accruals and deferrals	34,785	14,982
Derivatives	6,162	4,822
Other adjustments	-1,378	-129
Cash from operating activities	**29,679**	**-14,002**
Income tax (paid)/refunded	-3,348	-2,342
Net cash provided by/(used in) operating activities	**26,331**	**-16,344**
INVESTING ACTIVITIES		
Cash provided by financing activities	**542**	**703**
Proceeds from disposal of intangible assets and property, plant and equipment	264	75
Repayment of non-current loans advanced		
Other cash provided by financial assets	5	8
Cash received in connection with derivative instruments	273	620

Cash used in investing activities	**12,659**	**16,177**
Investments in intangible assets, property, plant and equipment, and investment property	6,756	7,371
Acquisition of related undertakings	3,156	7,510
Increase in long-term loans advanced	442	10
Other cash used in investing activities	604	1,286
Cash of companies over which the Group lost control	508	
Cash paid in connection with derivative instruments	1,194	
Net cash provided by/(used in) investing activities	**-12,117**	**-15,474**
FINANCING ACTIVITIES		
Cash provided by financing activities	**14,565**	**30,194**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	3,141	1,751
Loans and borrowings	11,424	28,443
Cash used in investing activities	**23,486**	**8,516**
Acquisition of own shares		
Dividends and other distributions to owners	1,048	7,544
Repayment of loans and borrowings	20,861	370
Decrease in finance lease liabilities	297	357
Interest paid	1,280	245
Net cash provided by/(used in) financing activities	**-8,921**	**21,677**
Total net cash flow	**5,293**	**-10,141**
Balance-sheet change in cash, including:	4,484	**-10,873**
- effect of exchange rate fluctuations on cash held	13	-144
Cash at beginning of period	**14,946**	**25,086**
Cash at end of period, including:	**20,239**	**14,946**
- restricted cash		
- cash relating to discontinued operations		508

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

	Share capital	Statutory reserve funds	Capital reserve from revaluation of derivatives	Other reserves	Foreign exchange differences	Retained earnings/(deficit)	Non-controlling interests	Total equity
Twelve months ended Dec 31 2010								
Equity as at Jan 1 2010	**3,471**	**143,833**	**0**	**2**	**1,072**	**17,529**	**0**	**165,906**
Total comprehensive income for twelve months ended Dec 31 2010			-17		83	14,546		**14,612**
Share issue	181	26,124						**26,305**
Distribution of profit		-2,918				2,918		
Share-based payments				33				**33**
Transfer of previous years' profit/loss to statutory reserve funds		5,804				-5,804		
Changes in equity of SECO/WARWICK Allied (India) not related to net profit/loss						399		**399**
Changes in equity of RETECH not related to net profit/loss						747		**747**
Equity as at Dec 31 2010	**3,652**	**172,843**	**-17**	**35**	**1,155**	**30,335**	**0**	**208,002**
Twelve months ended Dec 31 2011								
Equity as at Jan 1 2011	**3,652**	**172,843**	**-17**	**35**	**1,155**	**30,335**	**0**	**208,002**
Total comprehensive income for twelve months ended Dec 31 2011			-925		10,571	14,585		**24,231**
Distribution of profit (dividend)						-1,048		**-1,048**
Transfer of previous years' profit/loss to statutory reserve funds		4,819				-4,819		**0**
Share-based payments				-35				**-35**
Changes in equity of SECO/WARWICK Allied (India) not related to net profit/loss						241		**241**
Equity attributable to minority interests in SECO/WARWICK GmbH							-208	**-208**
Equity as at Dec 31 2011	**3,652**	**177,662**	**-942**	**0**	**11,726**	**39,294**	**-208**	**231,183**

INTERIM CONDENSED
SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD
OCTOBER 1ST–DECEMBER 31ST 2011

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
(PLN '000)

Assets	As at Dec 31 2011	As at Sep 30 2011	As at Dec 31 2010
NON-CURRENT ASSETS	**132,634**	**134,517**	**133,018**
Property, plant and equipment	21,168	24,543	24,887
Investment property	422	425	435
Intangible assets	12,891	12,647	12,534
Investments in subsidiary jointly-controlled and associated undertakings	94,915	94,093	93,244
Deferred tax assets	3,237	2,809	1,919
CURRENT ASSETS	**90,055**	**97,691**	**82,634**
Inventories	14,535	13,524	10,058
Trade receivables	42,783	42,003	36,737
Other current receivables	5,062	7,985	4,100
Accruals and deferred income	834	673	729
Financial assets at fair value through profit or loss			47
Loans and receivables	2,442	4,441	4,741
Cash and cash equivalents	1,452	2,267	2,779
Contract settlement	22,948	26,798	23,444
ASSETS HELD FOR SALE	**4,201**	**826**	**889**
TOTAL ASSETS	**226,890**	**233,034**	**216,541**

Equity and liabilities	As at Dec 31 2011	As at Sep 30 2011	As at Dec 31 2010
EQUITY	**171,687**	**171,445**	**168,981**
Equity attributable to owners of the parent	**171,687**	**171,445**	**168,981**
Share capital	3,652	3,652	3,652
Statutory reserve funds	161,361	161,361	154,136
Other capital reserves		112	36
Retained earnings/(deficit)	6,674	6,320	11,158
Non-controlling interests			
NON-CURRENT LIABILITIES	**14,252**	**14,877**	**14,635**
Loans and borrowings	5,126	5,293	5,928
Financial liabilities			4
Deferred tax liabilities	4,408	5,068	4,168
Provision for retirement and similar benefits	165	110	110
Accruals and deferred income	4,552	4,406	4,425
CURRENT LIABILITIES	**40,951**	**46,713**	**32,925**
Loans and borrowings	8,269	15,087	7,323
Financial liabilities	4,325	5,880	72
Trade payables	11,077	10,754	12,956
Taxes customs duties and social security payable		1,538	1,422
Other current liabilities	2,994	1,366	1,820
Provision for retirement and similar benefits	2,180	1,217	1,977
Other provisions	2,068	2,080	1,604
Accruals and deferred income	10,039	8,791	5,751
LIABILITIES HELD FOR SALE			
TOTAL EQUITY AND LIABILITIES	**226,890**	**233,034**	**216,541**

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Jan 1–Dec 31 2011	Oct 1–Dec 31 2011	Jan 1 – Dec 31 2010	Oct 1–Dec 31 2010
	(Q4 2011 YTD)	(Q4 2011)	(Q4 2010 YTD)	(Q4 2010)
Net sales revenue, including:	**126,818**	**36,116**	**105,603**	**40,475**
Net revenue from sales of products	126,374	35,889	105,265	40,382
Net revenue from sales of goods for resale and materials	444	227	338	93
Cost of sales, including:	**-92,046**	**-27,285**	**-72,735**	**-27,389**
Cost of products sold	-91,725	-27,133	-72,510	-27,326
Cost of goods for resale and materials sold	-321	-151	-225	-63
Gross profit/(loss)	**34,773**	**8,832**	**32,868**	**13,085**
Other operating income	3,306	1,212	1,472	484
Selling costs	-4,770	-1,023	-5,066	-1,497
General and administrative expenses	-20,960	-5,758	-16,737	-5,101
Other operating expenses	-3,176	-979	-2,391	-1,606
Operating profit/(loss)	**9,173**	**2,285**	**10,146**	**5,365**
Finance income	629	-3,272	1,724	-191
Finance expenses	-4,031	188	-1,256	278
Pre-tax profit/(loss)	**5,771**	**-799**	**10,614**	**5,452**
Income tax	-1,245	175	-2,341	-1,254
Net profit/(loss) on continuing operations	**4,525**	**-625**	**8,273**	**4,198**
Net profit/(loss) for financial year	**4,525**	**-625**	**8,273**	**4,198**

OTHER COMPREHENSIVE INCOME:	Jan 1–Dec 31 2011	Oct 1–Dec 31 2011	Jan 1 – Dec 31 2010	Oct 1–Dec 31 2010
	(Q4 2011 YTD)	(Q4 2011)	(Q4 2010 YTD)	(Q4 2010)
Valuation of cash flow hedging derivatives	-908	1 208	-21	141
Income tax relating to other comprehensive income	173	-229	4	-27
Other comprehensive income, net	**-736**	**979**	**-17**	**115**
Total comprehensive income	**3,790**	**354**	**8,256**	**4,312**

INTERIM SEPARATE STATEMENT OF CASH FLOWS (PLN '000)

	Jan 1–Dec 31 2011	Jan 1 – Dec 31 2010
OPERATING ACTIVITIES	**(Q4 2011 YTD)**	**(Q4 2010 YTD)**
Pre-tax profit/(loss)	**5,771**	**10,614**
Total adjustments:	**-127**	**-13,502**
Depreciation and amortisation	2,689	2,585
Foreign exchange gains/(losses)	-167	179
Interest and profit distributions (dividends)	475	-91
Profit/(loss) on investing activities	153	367
Change in provisions	722	1,455
Change in inventories	-4,477	-1,697
Change in receivables	-5,828	-25,453
Change in current liabilities (other than financial liabilities)	-1,533	7,975
Change in accruals and deferrals	4,807	2,477
Derivatives	3,068	519
Other adjustments	-36	-1,818
Cash from operating activities	**5,643**	**-2,888**
Income tax (paid)/refunded	-3,348	-2,237
Net cash provided by/(used in) operating activities	**2,295**	**-5,125**
INVESTING ACTIVITIES		
Cash provided by financing activities	**3,135**	**448**
Proceeds from disposal of intangible assets and property, plant and equipment	197	18
Repayment of non-current loans advanced	2,691	
Cash received in connection with derivative instruments		225
Interest income	247	205
Cash used in investing activities	**5,673**	**24,343**
Investments in intangible assets, property, plant and equipment, and investment property	2,956	9,016
Acquisition of related undertakings	1,672	9,261
Loans advanced	442	4,779
Other cash used in investing activities	604	1,286
Net cash provided by/(used in) investing activities	**-2,538**	**-23,895**
FINANCING ACTIVITIES		
Cash provided by financing activities	**2,301**	**13,424**
Loans and borrowings	2,301	13,424
Cash used in investing activities	**3,389**	**158**
Dividends and other distributions to owners	1,048	
Repayment of loans and borrowings	1,570	
Decrease in finance lease liabilities	49	44
Interest paid	722	114
Net cash provided by/(used in) financing activities	**-1,087**	**13,267**
Total net cash flow	**-1,331**	**-15,753**
Balance-sheet change in cash, including:	**-1,327**	**-15,884**
- effect of exchange rate fluctuations on cash held	4	-131
Cash at beginning of period	**2,742**	**18,495**
Cash at end of period	**1,411**	**2,742**

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

	Share capital	Statutory reserve funds	Capital reserve from revaluation of hedging instruments	Other capital reserves	Retained earnings/deficit	Non-controlling interests	Total equity
Twelve months ended Dec 31 2010							
Equity as at Jan 1 2010	**3,471**	**128,530**	**0**	**2**	**2,382**	**0**	**134,386**
Total comprehensive income for twelve months ended Dec 31 2010			-17		8,273		**8,256**
Share capital increase (share premium account)	181	26,125					**26,306**
Share-based payments				34			**34**
Distribution of profit		-520			520		
Equity as at Dec 31 2010	**3,652**	**154,136**	**-17**	**36**	**11,175**	**0**	**168,981**
Twelve months ended Dec 31 2011							
Equity as at Jan 1 2011	**3,652**	**154,136**	**-17**	**36**	**11,175**	**0**	**168,981**
Total comprehensive income for twelve months ended Sep 31 2011			-736		4,525		**3,789**
Share-based payments				-36			**-36**
Dividends		-1,048					**-1,048**
Distribution of profit		8,273			-8,273		
Equity as at Dec 31 2011	**3,652**	**161,361**	**-753**	**0**	**7,427**	**0**	**171,687**

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31ST 2011

Selected supplementary information

As provided for under IAS 18, revenue from the sales 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	2011	2010
Sales of products	365,166	193,435
Sales of goods for resale and materials	2,352	1,362
TOTAL sales revenue	**367,518**	**194,797**
Other operating income	3,237	1,682
Finance income	486	3,152
TOTAL revenue and income	**371,241**	**199,631**

OPERATING SEGMENTS

IFRS 8 "Operating Segments", which has superseded the previously binding IAS 14 "Segment Reporting", has been effective since 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 the 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 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, power, electrical engineering, medical equipment, automotive and specialised industries. Vacuum furnaces may be used in a wide variety of processes, such as heat treatment of steel and alloys, brazing, sintering, and degassing. Use of vacuum furnaces brings economic benefits. They are 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 thermochemical treatment are employed in the gas carburising, gas nitriding and other processes. Such furnaces are used chiefly by 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 technologically advanced 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 include only segment revenue, expenses and 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 shared by all the segments.

Revenue and net profit/loss of operating segments as at Dec 31 2011

Item	Continuing operations						Discontinued operations	Unallocated items	Total operations
	Vacuum	*CAB*	*Thermal*	*Aluminium Process*	*Melting Furnaces*	*Total*			
Total segment revenue	**80,389**	**28,309**	**85,457**	**29,011**	**113,401**	**336,567**		**30,951**	**367,518**
Total segment expenses	**(57,878)**	**(19,004)**	**(62,516)**	**(21,686)**	**(92,605)**	**(253,688)**		**(22,683)**	**(276,371)**
General and administrative expenses								(42,308)	**(42,308)**
Selling costs								(20,076)	**(20,076)**
Operating income								3,237	**3,237**
Operating expenses								(3,803)	**(3,803)**
Profit/(loss) on continuing operations before tax and finance expenses	**22,511**	**9,305**	**22,941**	**7,325**	**20,797**	**82,879**			**28,197**
Finance income								486	**486**
Finance expenses								(9,815)	**(9,815)**
Pre-tax profit/(loss)									**18,868**
Income tax								(4,490)	**(4,490)**
Net profit/(loss) on continuing operations									**14,378**
Gain (loss) on disposal / result related to loss of control over subordinated undertakings								(294)	**(294)**
Share in profit of associate								1,219	**1,219**
Profit (loss) attributable to minority interests								294	**294**
Net profit/(loss) for period									**15,597**

Revenue and net profit/loss of operating segments as at Dec 31 2010

Item	Continuing operations						Discontinued operations	Unallocated items	Total operations
	Vacuum	*CAB*	*Atmosphere Furnaces*	*Aluminium Process*	*Melting Furnaces*	*Total*			
Total segment revenue	**70,861**	**22,958**	**61,407**	**6,397**	**14,423**	**176,046**	**579**	**18,750**	**194,796**
External sales, including:	70,861	22,958	61,407	6,397	14,423	176,046	579	18,750	194,796
- sales to customers who account for 10% or more of total segment revenue			25,139					2,810	27,949
Inter-segment sales									
Total segment expenses	**(48,381)**	**(16,162)**	**(53,992)**	**(4,776)**	**(12,448)**	**(135,759)**	**306**	**(15,872)**	**(151,631)**
General and administrative expenses							(481)	(29,955)	(29,955)
Selling costs							(142)	(11,097)	(11,097)
Operating income							9	1,682	1,682
Operating expenses								(3,014)	(3,014)
Segment profit/(loss) on operating activities	**22,480**	**6,796**	**7,415**	**1,620**	**1,975**	**40,287**	**(341)**		**781**
Gain (loss) on accounting for obtaining control								10,472	10,472
Finance income							10	3,152	3,152
Net finance expenses							(17)	(1,833)	(1,833)
Share in profit of associate								2,702	2,702
Pre-tax profit							**(346)**		**15,274**
Income tax								237	237
Profit/(loss) on discontinued operations							(346)		(346)
Net profit/(loss) for period									**15,165**

PROPERTY, PLANT AND EQUIPMENT

In the period January 1st–December 31st 2011, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 6,756 thousand.

Item	Dec 31 2011	Sep 30 2011	Dec 31 2010
Tangible assets	51,374	51,729	50,059
Tangible assets under construction	1,552	4,169	3,178
Prepayments for tangible assets under construction			153
Property, plant and equipment	**52,926**	**55,898**	**53,390**

IMPAIRMENT LOSSES ON ASSETS

The SECO/WARWICK Group did not recognise any impairment losses or reversals of impairment losses on intangible assets in the periods under review.

Trade receivables whose value as at December 31st 2011 amounted to PLN 1,753 thousand were classified as uncollectible, and thus an impairment loss for those receivables was recognised. As at December 31st 2010, impairment losses amounted to PLN 1,901 thousand.

SECO/WARWICK S.A. recognised an impairment loss of PLN 656 thousand on the shares held in SECO/WARWICK Tianjin. As at December 31st 2010, impairment losses amounted to PLN 592 thousand.

As at December 31st 2011, no impairment losses on tangible assets were recognised by the Group. As at December 31st 2010, impairment losses amounted to PLN 486 thousand.

As at December 31st 2011, the SECO/WARWICK Group carried impairment losses on inventories in the amount of PLN 1,737 thousand (as at the end of 2010: PLN 1,644 thousand).

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

On May 26th 2011, the Annual General Shareholders Meeting of SECO/WARWICK S.A. adopted Resolution No. 20 concerning distribution of profit for the period January 1st–December 31st 2010. Net profit earned by SECO/WARWICK S.A. of Świebodzin for the financial year 2010 was PLN 8,273,151.42. PLN 1,047,621.00 was allocated to dividend payment. Dividend per share amounted to PLN 0.10. There are no preference shares of the Issuer. The dividend record date was June 16th 2011, while the dividend payment date was July 1st 2011. The dividend was paid as scheduled.

INVESTMENT COMMITMENTS

As at December 31st 2011, the Group had investment commitments in the amount of PLN 38 thousand.

As at December 31st 2011, SECO/WARWICK S.A. had no investment commitment towards SECO/WARWICK ALLIED Pvt. LTD (as at the end of 2010: PLN 490 thousand). The commitment 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 Dec 31 2011	As at Sep 30 2011	As at Dec 31 2010
Contingent receivables	**200**	**96**	**72**
From related undertakings			,
From other undertakings (including)	200	96	72
- guarantees and sureties	200	96	72
Contingent liabilities	**72,686**	**57,265**	**33,006**
From related undertakings	6,855	4,886	
From other undertakings (including)	65,831	52,379	33,006
- guarantees and sureties	65,831	52,379	33,006

SURETIES ADVANCED BY SECO/WARWICK S.A.

Company name	Bank name	Surety in respect of	Currency	Dec 31 2011	*AMOUNT (PLN)*
S/W ALLIED Pvt. Ltd.	Union Bank of India	Guarantee and credit facility	INR	225,000	14,423
RETECH Systems	East West Bank	Credit guarantee	USD	1,000	3,417
RETECH Systems	East West Bank	Guarantee and credit facility	USD	19,000	64,931
Hart-Tech	BOŚ Bank	Conditional surety	PLN	2,000	2,000
TOTAL					**84,771**

Company name	Bank name	Surety in respect of	Currency	Dec 31 2010	*AMOUNT (PLN)*
S/W ALLIED Pvt. Ltd.	Union Bank of India	Guarantee and credit facility	INR	147,500	9,949
RETECH Systems	East West Bank	Credit guarantee	USD	1,000	2,964
RETECH Systems	East West Bank	Guarantee and credit facility	USD	15,000	44,462
LZT ELTERMA	BZ WBK	Guarantee facility	PLN	2,500	2,500
TOTAL					**59,875**

On April 6th 2011, the Management Board of the Company adopted a resolution to increase the value of surety granted for SECO/WARWICK Allied Pvt. Ltd. (India) from INR 147,500 thousand to INR 225,000 thousand. The total value of the surety, translated at the mid-exchange rate quoted by the National Bank of Poland for the date of the resolution, is PLN 14,233 thousand.

On November 17th 2010, SECO/WARWICK S.A. provided indemnification against any claims under guarantees issued to James A. Goltz in relation to a credit facility provided to RETECH Systems by East West Bank.

On March 10th 2011, Retech Systems LLC executed an annex to Credit Facility Agreement No. 3001971 which raised the guarantee and credit facility limit from USD 15,000 thousand to USD 19,000 thousand. Following the increase in the facility limit, the value of the surety issued by SECO/WARWICK S.A. for Retech Systems LLC was raised by USD 4,000 thousand.

A PLN 2,000 thousand surety was issued by SECO/WARWICK S.A. to secure the repayment of a loan contracted by Hart-Tech Sp. z o.o. from Bank Ochrony Środowiska. The surety is conditional, as defined in Art. 89 of the Polish Civil Code, and the condition giving legal effect to the obligation undertaken by SECO/WARWICK S.A. under the surety is the award of financial aid in the form of technology credit under Measure 4.3 of the Operational Programme Innovative Economy 2007-2013 to Hart-Tech Sp. z o.o. by Bank Gospodarki Krajowej.

PROVISIONS FOR RESTRUCTURING

In the period from January 1st to December 31st 2011, 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.

Consistency of the accounting policies and computation methods applied in the preparation of the interim report for Q4 2011

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 the SECO/WARWICK Group 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 are no 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 2011 or changes in estimates disclosed in previous financial years if they have a material bearing on Q4 2011

In the business activities of SECO/WARWICK S.A. and the SECO/WARWICK 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 Q4 2011.

Issues, redemptions and repayments of debt and equity securities

No debt or equity securities were issued, redeemed or repurchased in Q4 2011.

Earnings per share

	Dec 31 2011	Dec 31 2010
Weighted average number of shares	10,477,423	9,635,815
Earnings attributable to owners of the parent	15,597	15,165
Earnings per share	**1.49**	**1.57**

Material events subsequent to the end of Q4 2011, not disclosed in the financial statements for Q4 2011 but potentially with a material bearing on future performance of the SECO/WARWICK Group

Between January 26th and February 2nd 2012, SECO/WARWICK S.A. and SECO/WARWICK ThermAL S.A., the Issuer's subsidiary, executed with BRE Bank S.A. of Warsaw nine forward contracts for the sale of euro in the total amount of EUR 2,788,000 (PLN 11,708,206), two forward contracts to sell U.S. dollars in the total amount of USD 3,650,000 (PLN 11,663,575), eleven zero-cost collar contracts comprising a long put option and a short call option with a total value of EUR 2,220,000 (PLN 9,373,506), and one zero-cost collar contract comprising a long put option and a short call option with a total value of USD 800,000 (PLN 2,578,640). The total value of the contracts is PLN 35,323,927.

On February 2nd 2012, subsidiary Retech Systems LLC of Ukiah, USA, signed a contract with Qinghai Supower Titanium Co. to manufacture and deliver equipment for melting and refining titanium. The contract value is USD 21,531,600 (PLN 68,804,228).

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

On August 9th 2011, SECO/WARWICK GmbH of Germany became a member of the SECO/WARWICK Group. SECO/WARWICK S.A holds 51% of shares in the company, while Mr Thomas Wingens is a minority shareholder.

The SECO/WARWICK GmbH's objective is to boost sales of products of the atmosphere and vacuum furnaces segment, in particular those manufactured with the use of the LPC technology, i.e. low pressure vacuum carburizing and pre-nitriding in line with the PreNitLPC® and FineCarb® technologies. SECO/WARWICK GmbH will offer furnaces manufactured by SECO/WARWICK S.A. and SECO/WARWICK ThermAL S.A., and will provide technical consulting services for customers in Germany, Austria, the Netherlands, Liechtenstein and Slovenia.

The German subsidiary, SECO/WARWICK GmbH, will be managed by Mr Thomas Wingens, who has 25 years of experience in the metal heat treatment industry. The changes within the SECO/WARWICK Group's structure will enhance the Group's operational efficiency on the German market.

As SECO/WARWICK Industrial Furnace Co. did not release its financial statements, the Management Board of SECO/WARWICK S.A. concluded that there was evidence of loss of control and, accordingly, the company was deconsolidated. In accordance with IAS 27:34, necessary adjustments were made to the consolidated financial statements.

In Q4 2011, there were no other changes in the SECO/WARWICK Group's structure resulting from mergers, acquisitions or disposals of Group undertakings, long-term investments, demergers, restructuring or discontinued operations.

2. Management Board’s position on the feasibility of meeting any previously published forecasts for 2011 in light of results presented in the Q4 2011 report

The Management Board of SECO/WARWICK S.A. did not publish any financial forecasts for 2011 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

Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total vote at the General Shareholders Meeting as at November 9th 2011 and February 29th 2012.

	Number of shares	% of share capital held	Number of votes at GM	% of total vote
SW Poland Holding B.V. (Netherlands)	4,119,508	39.32%	4,119,508	39.32%
Spruce Holding Limited Liability Company (USA)	1,726,174	16.48%*	1,726,174	16.48%*
James A. Goltz	904,207	8.63%	904,207	8.63%
ING NN OFE	600,000	5.73%*	600,000	5.73%*
OFE POLSAT S.A.	485,974	4.64%*	485,974	4.64%*
- share capital	2,095,242			
- number of shares	10,476,210			
- par value per share	0.2			

* Percentages based on in-house calculations by SECO/WARWICK S.A. following a change in the amount and structure of the share capital effected on December 9th 2010.

There were no changes in the holdings of significant blocks of Company shares in the period from the release date of the consolidated report for Q3 2011 to the release date of this report, i.e. February 29th 2012.

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 Q3 2011 report.

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

Table: Holdings, and changes to holdings, of the Issuer shares by management and supervisory staff as at November 9th 2011 and February 29th 2012.

	Nov 9 2011				Feb 29 2012			
	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								
Paweł Wyrzykowski	-	-	-	-	-	-	-	-
Leszek Przybysz	-	-	-	-	-	-	-	-
Andrzej Zawistowski	307,100	2.93%	2.93%	0	307,100	2.93%	2.93%	61,420
Witold Klinowski	58,100	0.55%	0.55%	0	58,100	0.55%	0.55%	11,620
Józef Olejnik	58,100	0.55%	0.55%	0	58,100	0.55%	0.55%	11,620
Wojciech Modrzyk	400	0.004%	0.004%	0	400	0.004%	0.004%	80
Supervisory Board								
Jeffrey Boswell	229,633	2.19%	2.19%	0	229,633	2.19%	2.19%	45,927
Henryk Pilarski	1,000	0.01%	0.01%	- 900	100	0.001%	0.001%	20
Piotr Kowalewski	-	-	-	-	-	-	-	-
Piotr Kula	8,500	0.08%	0.08%	0	8,500	0.08%	0.08%	1,700
Mariusz Czaplicki	-	-	-	-	-	-	-	-
Artur Rusiecki	-	-	-	-	-	-	-	-
Commercial proxies								
Dorota Subsar	-	-	-	-	-	-	-	-
Total	662,833	6.33%	6.33%	- 900	661,933	6.32%	6.32%	132,387

Item	**Feb 29 2012**
Number of shares	10,476,210
Par value of shares	0.2
Share capital	2,095,242.00

5. Court, arbitration or administrative proceedings

In Q4 2011, the individual or aggregate value of any liabilities or receivables of SECO/WARWICK S.A or the Group's undertakings toward any business partner or its group, disputed in court, arbitration or administrative proceedings, did not represent 10% or more of SECO/WARWICK S.A's equity.

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

In the period from the beginning of the financial year until the publication date of this Report, i.e. February 29th 2012, SECO/WARWICK S.A. and its subsidiary undertakings did not enter into any material transactions with related parties other than arm's length and routine transactions.

7. Material achievements and failures of SECO/WARWICK S.A. and its Group in Q4 2011, including a list of the pertinent events

Material achievements of the SECO/WARWICK Group include:

- Significant improvement of sales in Q1-Q4 2011, relative to Q1-Q4 2010,
- Improved profitability of the Group's main companies,
- Improved EBITDA margin,
- A PLN 29.8m contract in the segment of melting furnaces signed with Zorya-Mashproekt in November 2011,
- Establishment of SECO/WARWICK GmbH and continuation of strategic growth projects,
- Marked improvement in financial performance delivered by SECO/WARWICK Thermal following completion of a recovery, savings and contract management improvement programme
- Net income break-even point achieved by SECO/WARWICK Corp.
- Net profit figure posted by SECO/WARWICK Allied close to the 2010 level (PLN 1.2m),
- Group's large backlog – PLN 239.4m.

The Management Board is not aware of any material failures at the parent undertaking or any of its direct or indirect subsidiaries occurring in the analysed period or prior to the date of release of this report, i.e. February 29th 2012.

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 outstanding amount of such sureties or guarantees exceeds 10% of SECO/WARWICK S.A.'s equity

On March 10th 2011, Retech Systems LLC executed an annex to a credit facility agreement which raised the guarantee and credit facility limit from USD 15,000 thousand to USD 19,000 thousand. Following the increase in the facility limit, the value of the surety issued by SECO/WARWICK S.A. for Retech Systems LLC was raised by USD 4,000 thousand (PLN 11,856 thousand).

In Q4 2011, there were no other events related to sureties for loans or guarantees exceeding 10% of the Company's equity, issued by SECO/WARWICK S.A. or any of 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

The Group secured a significant portfolio of contracts, whose value as at the end of Q4 2011 amounted to nearly PLN 263.1m. The contracts primarily provide for deliveries of specialist melting furnaces, vacuum furnaces and atmosphere heat treatment furnaces.

The registration of SECO/WARWICK GmbH of Germany (Stuttgart) on August 9th 2011 was a material event which may have a positive effect on the future financial performance of the SECO/WARWICK Group. The SECO/WARWICK GmbH's objective is to boost sales of products of the atmosphere and vacuum furnaces segment, in particular those manufactured with the use of the LPC technology, i.e. low pressure vacuum carburizing and pre-nitriding in line with the PreNitLPC® and FineCarb® technologies. SECO/WARWICK GmbH will offer furnaces manufactured by SECO/WARWICK S.A. and SECO/WARWICK ThermAL S.A., and will provide technical consulting services for customers in Germany, Austria, the Netherlands, Liechtenstein and Slovenia.

On May 26th 2011, the Annual General Shareholders Meeting of SECO/WARWICK S.A. adopted Resolution No. 20 concerning distribution of profit for the period January 1st–December 31st 2010. Net profit earned by SECO/WARWICK S.A. of Świebodzin for the financial year 2010 was PLN 8,273,151.42. PLN 1,047,621.00 was allocated to dividend payment. The dividend per ordinary share amounted to PLN 0.10. The dividend record date was June 16th 2011, while the dividend payment date was July 1st 2011. The remaining portion of net profit was transferred to statutory reserve funds.

On December 21st 2011 the Management Board of SECO/WARWICK S.A. was notified that Mr Leszek Przybysz, President of the Company's Management Board, decided to resign from the position of President of the Management Board, with effect from December 31st 2011. The decision was due to personal reasons, as well as the termination of a three-year employment contract with SECO/WARWICK S.A. on February 28th 2012.

On January 12th 2012, during its meeting the Supervisory Board appointed Mr Paweł Wyrzykowski as President of the Management Board of SECO/WARWICK S.A., with effect from February 1st 2012.

Mr Wyrzykowski, 42, has completed higher education and is a graduate of the Faculty of Foreign Trade of the Warsaw School of Economics.
In 1992-1998, he worked for the Creditanstalt Group in Vienna and Warsaw. In 1998, he was employed by the Pfleiderer AG Group, a leading manufacturer of materials for the furniture industry. In 1998-2001, Mr Wyrzykowski held the position of Chief Financial Officer and member of the management board of Pfleiderer Grajewo S.A., to become president of the company's management board in 2002. Subsequently, he served as member of the management board of Pfleiderer AG of Neumarkt in Germany (2008-2011).

The information provided above may be relevant for the assessment of SECO/WARWICK S.A.'s ability to fulfil its obligations. As at the date of release of Q4 2011 report, the Company's operations were stable. All liabilities related to the Company's operations are settled on a timely basis.

10. Factors which in the Group's opinion will affect its results at least in the forthcoming quarter

In the opinion of the Management Board of the Issuer, the following material agreements concluded between January 1st–December 31st 2011 will affect the Group's performance at least in the coming quarter.

In the period November 26th 2010–February 25th 2011, SECO/WARWICK S.A. concluded with BRE Bank S.A. of Warsaw seven forward contracts for the sale of euro in the total amount of EUR 3,654,000. The value of the forward contracts totals PLN 14,527,208.

In the period March 3rd–May 31st 2011, SECO/WARWICK S.A. and SECO ThermAL S.A. (its subsidiary) executed with BRE Bank S.A. of Warsaw ten forward contracts to sell a total of EUR 5,352,000 (PLN 21,335,397) and four forward contracts to sell a total of USD 1,365,000 (PLN 3,691,242). The total value of the forward contracts amounts to PLN 25,026,639.
The forward contract to sell a total of EUR 1,000,000 (PLN 4,031,600) concluded between subsidiary SECO/WARWICK ThermAL S.A. and BRE Bank S.A. of Warsaw on March 11th 2011 was the contract with the highest value.

In the period November 29th 2010–June 1st 2011, SECO/WARWICK S.A.'s subsidiary SECO/WARWICK ThermAL S.A. concluded with Bank Zachodni WBK S.A. of Wrocław eleven forward contracts for the sale of euro in the total amount of EUR 3,917,000 (PLN 15,492,063) and four zero-cost collars comprising long put options and short call options with the total value of EUR 1,365,000 (PLN 5,469,603). The total value of the contracts amounts to PLN 20,961,666.
The forward contract to sell a total of EUR 1,210,000 (PLN 4,735,335) concluded between SECO/WARWICK ThermAL S.A. and Bank Zachodni WBK of Wrocław on May 13th 2011 was the contract with the highest value.

Between June 16th and September 20th 2011, SECO/WARWICK S.A. and SECO/WARWICK ThermAL S.A., its subsidiary, executed with BRE Bank S.A. of Warsaw five forward contracts for the sale of euro in the total amount of EUR 3,550,000 (PLN 14,332,986), three forward contracts to sell U.S. dollars in the total amount of USD 850,000 (PLN 2,389,280), and a zero-cost collar contract comprising a long put option and a short call option with a total value of EUR 1,100,000 (PLN 4,364,580). The total value of the contracts amounts to PLN 21,086,846.
The forward contract to sell a total of EUR 1,190,000 (PLN 4,741,674) concluded between SECO/WARWICK S.A. and BRE Bank S.A. of Warsaw on June 22nd 2011 was the contract with the highest value.

Between June 16th and September 21st 2011, SECO/WARWICK S.A.'s subsidiary SECO/WARWICK ThermAL S.A. concluded with Bank Zachodni WBK S.A. of Wrocław twelve forward contracts for the sale of euro in the total amount of EUR 3,115,000 (PLN 12,455,320), four forward contracts for the sale of U.S. dollars in the total amount of USD 1,140,000 (PLN 3,564,120) and three zero-cost collar contracts comprising long put options and short call options with the total value of EUR 1,840,000 (PLN 8,061,224). The total value of the contracts amounts to PLN 24,080,664.
The forward contract to sell a total of EUR 850,000 (PLN 3,386,910) concluded between SECO/WARWICK ThermAL S.A. and Bank Zachodni WBK of Wrocław on June 22nd 2011 was the contract with the highest value.

11. Description of factors and events, especially of non-recurring nature, with a material bearing on the financial performance in Q4 2010

In the SECO/WARWICK Group' s operations, there were no factors or events, especially of non-recurring nature, that would have a material bearing on its financial performance in Q4 2011.