



SELENA FM Group

**ADDITIONAL INFORMATION
TO THE QUARTERLY REPORT
FOR THE PERIOD FROM 1.07.2009 TO 30.09.2009**

Wrocław, 12 November 2009

SELENA FM GROUP
CONSOLIDATED QUARTERLY REPORT
SA-QSr for Q3 2009

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I. Financial Highlights

1. Figures from the condensed consolidated accounts

FINANCIAL HIGHLIGHTS	3 quarters period from	3 quarters period from	3 quarters period from	3 quarters period from
	01.01.2009 to 30.09.2009	01.01.2008 to 30.09.2008	01.01.2009 to 30.09.2009	01.01.2008 to 30.09.2008
	PLN thousand		EUR thousand	
I. Revenue from sales	479 313	392 633	108 952	114 647
II. Operating profit (loss)	35 361	27 012	8 038	7 887
III. Profit (loss) before tax	26 384	20 237	5 997	5 909
IV. Profit (loss) after tax	21 011	17 345	4 776	5 065
V. Profit (loss) attributable to the shareholders of the parent	21 088	17 397	4 794	5 080
VI. Net cash flows from operating activities	4 802	16 255	1 092	4 746
VII. Net cash flows from investing activities	-19 103	-20 961	-4 342	-6 120
VIII. Net cash flows from financing activities	-25 108	83 291	-5 707	24 321
IX. Total net cash flows	-39 409	78 585	-8 958	22 947
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
X. Total assets	608 681	432 017	144 148	103 542
XI. Liabilities and provisions	266 256	108 389	63 055	25 978
XII. Non-current liabilities	99 903	21 198	23 659	5 081
XII. Current liabilities	166 352	87 190	39 396	20 897
XIV. Equity	342 426	323 628	81 094	77 564
XV. Registered capital	1 136	1 136	269	272
XVI. Number of shares	22 724 000	22 724 000	22 724 000	17 724 000
XVII. Earnings per share (PLN/EUR)	0,92	0,76	0,21	0,22

2. Figures from the condensed unconsolidated accounts

FINANCIAL HIGHLIGHTS	3 quarters period from	3 quarters period from	3 quarters period from	3 quarters period from
	01.01.2009 to 30.09.2009	01.01.2008 to 30.09.2008	01.01.2009 to 30.09.2009	01.01.2008 to 30.09.2008
	PLN thousand		EUR thousand	
I. Revenue from sales	4 088	5 983	929	1 747
II. Operating profit (loss)	-6 692	-832	-1 521	-243
III. Profit (loss) before tax	-980	-6 460	-223	-1 886
IV. Profit (loss) after tax	-706	-5 153	-161	-1 505
V. Net cash flows from operating activities	-3 042	3 631	-691	1 060
VI. Net cash flows from investing activities	-5 897	-55 700	-1 340	-16 264
VII. Net cash flows from financing activities	0	110 216	0	32 183
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
VIII. Total assets	197 812	197 235	46 846	47 271
IX. Liabilities and provisions	2 174	890	515	213
X. Equity	195 639	196 345	46 331	47 058
XI. Registered capital	1 136	1 136	269	272

II. Additional information to the quarterly condensed consolidated financial statements

1. Key events occurring in the Selena FM Group from 1 July 2009 to 30 September 2009

On 3 July 2009 an investment agreement was signed between the subsidiary Selena Co S.A. and Quilosa Holding XXI, S.L., whereby Selena Co. S.A. acquired new shares of Industrias Quimicas Löwenberg S.L. (Quilosa), having its registered office in Coslada (Madrid). The new

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shares of Industrias Quimicas Löwenberg S.L., representing 51% interest in the increased share capital of the company, were acquired in full and paid up in cash by Selena Co. S.A. The transaction gave Selena Co. S.A. 51% voting power at the General Meeting of Industrias Quimicas Lowenberg S.L.

2. Achievements of the Selena FM Group from 1 July to 30 September 2009 with a description of any extraordinary circumstances which materially affected the Group's trading performance

2.1 Description of financial performance

Table 2.1.1 shows the Selena Group's selected financials for the third quarter of 2009, with data for the comparative period of 2008 and cumulative figures for the period from January to September 2009 compared year-on-year. The selected financials are key elements of the income statement.

Table 2.1.1

Selected financial data in PLN thousand	Q3 2009	Q3 2008	Δ 2009/2008	I-IX 2009	I-IX 2008	Δ 2009/2008
Revenue from sales	224 727	163 757	37,2%	479 314	392 633	22,1%
Cost of goods sold	144 836	112 349	28,9%	308 819	266 627	15,8%
Gross profit	79 891	51 408	55,4%	170 494	126 007	35,3%
Selling expenses	33 409	22 821	46,4%	77 184	60 309	28,0%
General and administrative expenses	17 555	12 481	40,7%	46 652	33 220	40,4%
Other operating income / costs	-6 168	-4 423	39,5%	-11 298	-5 466	106,7%
Operating profit (loss)	22 759	11 683	94,8%	35 361	27 012	30,9%
Financial income / costs	-9 910	2 871	-445,1%	-9 059	-7 169	26,4%
Profit of the companies accounted for using the equity method	88	231	-62,0%	83	394	-79,0%
Income tax	4 062	751	440,5%	5 373	2 893	85,8%
Profit (loss) after tax	8 875	14 033	-36,8%	21 011	17 345	21,1%
Net profit attributed to the shareholders of the parent	8 735	14 069	-37,9%	21 088	17 397	21,2%
Net profit attributed to the minority interests	140	-35	-499,1%	-77	-53	47,2%
Net profit per share (PLN)	0,39	0,62		0,92	0,76	
EBIT %	10,1%	7,1%		7,4%	6,9%	
EBITDA %	12,1%	8,7%		9,6%	8,8%	
Net profit margin	3,9%	8,6%		4,4%	4,4%	

Source: Selena FM S.A.

Ratio calculation:

Net profit per share: net profit / number of ordinary shares at the end of the reporting period

EBIT % – operating profit for the period / sales in the period

EBITDA % – operating profit for the period increased by depreciation / sales in the period

Net profit margin – net profit for the period / net sales in the period

Revenue from sales for the three quarters of 2009 amounted to PLN 479.3 m versus PLN 392.6 m in the corresponding period of 2008 (an increase by 22.1%).

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Domestic sales were PLN 177.7 m (accounting for 37% of total sales) compared with PLN 153.5 m in the corresponding period of the previous year. Foreign sales were PLN 301.6 m (accounting for 63% of total sales) compared with PLN 239.1 m in the corresponding period of the previous year.

The more than PLN 24 m sales increase in the Polish market is attributable to development of sales of the new product group (insulation systems) by a new Group company (Tytan EOS) as well as the strengthening of the Selena Group's position among the existing buyers and acquisition of new ones.

The more than PLN 62.5 m sales increase in the foreign markets is primarily owed to consolidation (since July 2009) of the newly acquired entity – Quilosa (Spain). In the period from July to September 2009 the company's sales were more than PLN 34 m. Foreign sales also increased on the back of the stronger activity in individual regional markets, particularly in the Ukraine, Bulgaria and Kazakhstan. The sales growth was also driven by the notable appreciation of the EUR versus PLN. The difference in the mean rates of these currencies between the period from January to September 2009 and the corresponding period of 2008 is PLN 0.97 (change by more than 28%).

Gross profit for the 3 quarters of 2009 amounted to PLN 170.5 m compared with PLN 126 m in the corresponding period of the previous year, up by more than 35%. The gross profit margin was 35.6% compared with 32.1% achieved in 2008. The key drivers of this strong growth in gross profit included consolidation of the newly acquired entities (Kvadro and Quilosa) and the sustained favourable EUR/PLN rate affecting improvement in the profitability of exports as well as the decrease in prices of a significant part of the raw materials used for manufacture of the Group products.

Operating profit (EBIT) achieved in the period from January to September 2009 amounted to PLN 35.4 m versus PLN 27 m for the first corresponding period of 2008.

The key positive factors contributing to this performance in the period from January to September 2009 is the increase sales due to expansion of the Group and introduction of new products (bituminous masses, insulation systems) as well as the concurrent increase in the gross profit margin.

The key negative factors affecting the operating profit in the period from January to September 2009 include the growing costs of the Group outpacing the sales growth.

In the period from January to September 2009, selling costs increased by PLN 16.9 m compared with the corresponding period of the previous year. This was mainly driven by: the costs of the new entities - Tytan EOS, Kvadro and Quilosa (increase by PLN 6.7 m), cost of the entities that were developing their business in the second half of 2008, such as Polyfoam, or the companies operating in the Chinese market (increase by PLN 3.9 m), as well as the cost of maintaining / developing the existing markets and the costs arising from the higher sales.

In the period from January to September 2009, the general and administrative expenses increased by PLN 13.4 m year-on-year. This growth is mainly attributable to: formation, development or acquisition of new companies (Polyfoam in Turkey, Selena Shanghai and Foshan Chinuri in China, Tytan EOS in Poland, Kvadro in Russia, Quilosa in Spain) – increase by PLN 5.5 m; development of the Group's global management structure – increase by PLN 1.5 m as well as the posting of provisions for the incentive scheme for the senior management – increase by PLN 1 m.

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The higher selling and general / administrative expenses also resulted from the changes in the EUR rate in relation to the local currencies and the EUR/PLN rate in the individual foreign companies, estimated for a total of PLN 6.3 m.

During the period from January to September 2009, the Group posted a loss on financial activity of PLN 9.1 m versus the loss of PLN 7.5 m in the corresponding period of the previous year. This was largely caused by the weaker PLN vs. EUR – in the period from January to September 2009 the average rate changed by more than 28% y-o-y. The net result on financial activity was positively affected by the interest on deposits of PLN 1.6 m. The negative factors were mainly the FX losses of PLN 5.7 m, interest on bank debt of PLN 2.6 m, restatement of the goodwill of Polyfoam of PLN 2 m and interest on lease agreements of PLN 0.9 m.

Profit after tax for the period from January to September 2009 came in at PLN 21 m, up by more than 21% y-o-y. This means a net profit margin of 4.4 %.

2.2 Financial position of the Selena FM Group

Table 2.1.1 shows the Selena Group's selected financials at the end of the third quarter of 2009, with data for the comparative period of 2008, and data for the end of the half-year of 2009 and the end of 2008. The selected financials are key elements of the balance sheet.

	30.09.2009	30.06.2009	31.12.2008	30.09.2008
Assets	608 681	454 435	432 017	463 645
Non-current assets	230 490	156 240	130 011	119 548
Current assets, including	378 191	298 194	302 006	344 097
- inventory	105 678	83 237	68 607	85 736
- trade debtors	159 093	103 706	96 875	132 381
- cash and cash equivalents	72 578	84 023	112 180	101 187
- short-term financial assets	4 889	3 154	1 804	2 339
Total equity	342 426	334 485	323 628	326 455
Equity attributed to the shareholders of the parent	342 108	334 360	323 183	326 220
Minority interest in equity	317	125	445	235
Non-current liabilities	99 903	18 679	21 198	20 591
Current liabilities	166 352	101 270	87 190	116 599
Current liquidity	2,27	2,94	3,46	2,95
Quick liquidity	1,64	2,12	2,68	2,22
Debt ratio	43,7%	26,4%	25,1%	29,6%
Equity to assets ratio	56,3%	73,6%	74,9%	70,4%

Source: Selena FM S.A.

Ratio calculation:

Current liquidity – current assets at the end of the period / current liabilities at the end of the period

Quick liquidity – current assets at the end of the period less inventory / current liabilities at the end of the period

Debt ratio – short and long-term liabilities at the end of the period / total assets at the end of the period

Equity to assets ratio – equity at the end of the period / total assets at the end of the period As at 30.09.2009, total assets of the Selena Group amounted to PLN 608.7 m, up 31.3% on the end of September 2008. This is a result of expansion of the Group's activities and structure (primarily the acquisition of Quilosa and Kvadro) and the investments into property, plant and equipment. These activities are funded by, among other things, IPO proceeds.

Current assets are the main asset item, accounting for 62% of the total assets at the end of September 2009. Current assets increased by PLN 34.1 m compared with the end of

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September 2008, mainly due to the increase in the value of inventory (by PLN 20 m) and the increase in the value of trade debtors (by PLN 26.7 m). In the same period, the balance of cash decreased (by PLN 28.6 m), due to, inter alia, acquisition of other entities.

Compared with the end of September 2008, non-current assets of the Selena Group increased by PLN 110.9 m and at the reporting date accounted for 38% of the Group's total assets. This is an effect of the completed investments and the transactions closed over the last 12 months: purchase of assets by Tytan EOS and acquisition of Kvadro and Quilosa.

Over the past 12 months, the Group's asset funding structure changed significantly. As at 30.09.2009 equity accounted for 56.3% of combined equity and liabilities versus 70.4% at the end of Q3 2009, while liabilities accounted for 43.7% versus 29.6%, respectively. Such a change in the liabilities structure mainly results from acquisition of Quilosa in the third quarter of 2009.

As at 30.09.2009, equity amounted to PLN 342. m and increased by PLN 16 m compared with Q3 2008.

Over the same period, liabilities increased by PLN 129 m – with long-term liabilities accounting for PLN 79.3 m and short-term liabilities for PLN 49.7 m. The bank debt (long and short-term) increased during that period by PLN 3.5 m as a result of consolidation of Quilosa, which at the end of September 2009 owed banks PLN 8.9 m.

Table 2.2.2 shows the Selena Group's selected financials for the third quarter of 2009, with data for the comparative period of 2008 and cumulative figures for the period from January to September 2009 compared year-on-year. The selected financials are key elements of the cash flow statement.

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Table 2.2.2 in PLN thousand	Q3 2009	Q3 2008	I-IX 2009	I-IX 2008
Net cash flows from operating activities	1 860	15 448	4 802	16 255
Net cash flows from investing activities	-2 787	-8 485	-19 103	-20 961
Net cash flows from financing activities	-9 965	-918	-25 108	83 291
Total net cash flows	-10 893	6 044	-39 409	78 585

Source: Selena FM S.A.

Net cash flows during the three quarters of 2009 were negative at - PLN 39.4 m.

The cash flows from operating activities were at PLN 4.8 m, down by PLN 11.5 m y-o-y.

In the investing activities, outflows were higher than inflows, which was due to the completed acquisitions. Cash flows from investing activities amounted to - 19.1 m and were similar compared to the corresponding period of the previous year (- PLN 21 m).

Net cash flows from financing activities were negative at 25.1 m, mainly due to the loan repayments exceeding new borrowings (by PLN 18.9 m). In the corresponding period of the previous year the cash flows from financing activities were positive (at PLN 83.3 m) due to the IPO proceeds.

At the end of September 2009, the balance of cash shown in the cash flow statement was PLN 72.6 m, an decrease by PLN 28.6 m year-on-year. The decrease was mainly driven by acquisitions of new entities over the past 12 months.

The Group keeps its bank debt low and has a cash surplus (cash less long and short-term loans) of PLN 42.9 m, which safeguards the company's liquidity and provides a stable platform for the Group's operations in 2010 and its acquisition goals.

In addition to its cash holdings, the Group has PLN 45 m in committed credit lines, out of which PLN 2.3 m was utilised at the end of September.2009.

2.3. Revenues and profits attributable to individual geographic segments

Information on the individual activity segments was presented in Note 6 of the interim condensed financial statements for the 9 months ended 30 September 2009.

2.4. Main achievements and failures of the Selena FM Group in Q3 2009

As regards equity investments, the third quarter of 2009 saw one event - acquisition of majority stake in Industrias Quimicas Löwenberg S.L.

On 3 July 2009, Selena Co S.A. (subsidiary) entered into an investment agreement with Quilosa Holding XXI, S.L. providing for acquisition by Selena Co. S.A. of the new shares of Industrias Quimicas Löwenberg S.L. (Quilosa), having its registered office in Coslada (Madrid). The new shares of Industrias Quimicas Löwenberg S.L., representing 51% interest in the increased share capital of the company, were acquired in full and paid up in cash by Selena Co. S.A. The transaction gave Selena Co. S.A. 51% voting power at the General Meeting of Industrias Qumicas Lowenberg S.L.

During the third quarter of 2009 the Group continued rapid development of its distribution network in the local markets. In the Central and Eastern Europe, sales were initiated through the DIY hypermarket chains – Baumax in Hungary, Leroy Merlin in Russia or Kazmart in Kazakhstan. A leading position was achieved in the sale of foams and sealants in the two key retail chains in the Ukraine - Epicentrum and Nowa Linia.

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Products from the range of polyurethane foams, sealants and adhesives were successfully launched in the CEE markets and in Kazakhstan and Turkey, under the Hauser brand, in the segment of standard products.

In the third quarter of 2009 the subsidiaries from the Selena Group received the following awards and recognitions:

- Selena S.A.– the company responsible for sales in the Polish market – received for the third time the prestigious title of a Leader in the Construction Woodwork in the category “foams and silicones”. This title is awarded to the producers and suppliers with a strong position (highest sales) in the sector of wood solutions for the construction segment. The ranking is organised by the monthly magazine “Forum Branżowe Okna i Drzwi” (*Windows and Doors Industry Forum*)
- Selena USA Inc. was granted the “2009 Best of Elkhart Award” in the category of adhesives and sealants. The ranking notes the best local firms trading in the US market. It was prepared by U.S. Commerce Association (USCA), whose mission is to develop the SME business in the USA.

Also, the products offered by the Selena Group received awards and honorary mentions in the third quarter of 2009:

- Tytan Professional again received the *Golden Consumer Laurel* in the category “Silicones and Foams”. The purpose of the consumer ranking organised by the Media Partner group is to identify the products that are enjoy the highest popularity and trust with customers.
- The Tytan Professional O₂ 65 polyurethane foam received the best score in the quality tests conducted in Kiev by the leading media from the sector of wooden doors and windows. The winning Tytan 65 foam also received the prestigious title “Professional’s Choice”. The purpose of the ranking was to select the best polyurethane foams available in the Ukrainian market.

3. Seasonality of operations of the Selena FM Group

The building materials industry in which the Selena FM Group operates is characterised by seasonality of sales. Lower activity is seen in the winter and early spring months, while in the subsequent quarters sales increase to usually peak in the third quarter. Sales are mainly influenced by the weather conditions which affect the pace of work in the construction sector and by the number of public / bank holidays in the particular period. For this reason, sales in Q3 2009 were by more than 54% higher than in Q2 2009 (excluding the sales of Quilosa consolidated since the second quarter of 2009, the sales increase is more than 31%).

4. Issue, redemption and repayment of debt and equity securities

During the third quarter of 2009 Selena FM S.A. did not issue, redeem or repay any debt or equity securities.

5. Dividend paid (or declared) – in total and per share, divided into ordinary and preference shares

Selena FM S.A., the parent of the Group, did not pay or declare payment of dividend.

6. Events occurring after 30 September 2009, not covered by the report, but having potential material effect on the future performance of the Selena FM Group.

On 30 October 2009, the District Court for Wrocław- Fabryczna in Wrocław received a formal plan of a merger between Selena Co. and Sima Technologie Przemysłowe Sp. z o.o. (Sima). This is a consequence of the earlier transaction whereby Selena FM S.A. sold 100 % of its shareholding in Sima to Selena Co. (subsidiary)

The two subsidiaries, Selena Co. S.A. and Sima, will merge under Article 492 of the Polish Commercial Companies Code through a transfer of the whole assets of Sima to Selena Co.

The core business of Selena S.A. S.A. and Sima is provision of a broad range of building chemistry products both for professionals and individual users. The merger is justified from the economic point of view as the business of Sima has been loss-making over the recent years, and the company currently has negative equity. The merger is intended to restructure the Sima's operations targeted at industrial customers throughout Poland and will help consolidate the two companies' local and foreign distribution competencies within a single entity, thus avoiding cost duplication.

7. Changes in contingent liabilities or assets after 31 December 2008

Information on changes in contingent liabilities or assets were presented in Note 21 of the interim condensed financial statements for the 9 months ended 30 September 2009.

8. Consolidated units

The Selena FM Group comprises Selena FM S.A. ("Company", "Parent") and its subsidiaries.

The consolidated financial statements of the Group cover the period from 1 July to 30 September 2009 and the comparative period of the previous year.

The Company's head office is located in Wrocław. The Company operates in Poland.

SELENA FM S.A. is entered in the business register of the National Court Register kept by the District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register under KRS no. 0000292032.

The Company has statistical number REGON 890226440.

The Parent and other companies of the Group are going concerns.

The core business of the Parent is provision of business and management advice (as per Business Classification Code /PKD 2007/ 7022Z)

Selena FM S.A. as a parent company co-ordinates and supervises the operations of its individual subsidiaries, and sets strategic direction for the Group (e.g. takes decisions on optimisation of the Group's operating costs, shapes a uniform trading and marketing policy of the Group and promotes the potential of its subsidiaries).

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The main business profile of the Selena Group is production and sale of construction chemistry products and accessories. The Group operates through its subsidiaries which produce and sell the products offered by the Group and are responsible for marketing and advertising in all geographies where the Group operates.

In preparation of the consolidated financial statements for the third quarter of 2009, the following entities were covered by the consolidation:

Selena FM S.A. and its subsidiaries:

Entity	Registered Office
Orion Sp. Z O.O.	Dzierżoniów
Libra Sp. Z O.O.	Dzierżoniów
Carina Silicones Sp. z o.o.	Siechnice
Selena Co S.A.	Wrocław
Selena S.A.	Świdnica
Tytan EOS Sp. z o.o.	Wrocław

Indirect subsidiaries through Selena Co S.A.:

Entity	Registered Office
Selena Romania SRL	Ilfov (Romania)
Selena Bohemia s.r.o.	Roudnice (Czech Republic)
Selena Hungária Kft.	Pécs (Hungary)
Selena USA, Inc.	Easton (USA)
Selena Deutschland GmbH	Hagen (Germany)
Neue Hagfa Dr Schenk Germany	Hagen (Germany)
Selena CA L.L.P.	Almaty (Kazakhstan)
Selena Ukraine Ltd.	Kiev (Ukraine)
Selena Romania SRL	Limena (Italy)
Selena Sulamericana Ltda	Ponta Grossa (Brazil)
Siloxane Sp. z o.o.	Siechnice (Poland)
Sima Technologie Przemysłowe Sp. z o.o.	Wrocław
Selena Ukraine Ltd.	Sofia (Bulgaria)
Selena Vostok Moscow	Moscow (Russia)
Selena Sever Moscow	Moscow (Russia)
Selena Shanghai Trading Co., Ltd.	Shanghai (China)
Foshan Chinuri-Selena Chemical Co	Foshan (China)
Selena Nantong Building Materials Co., Ltd	Nantong (China)
POLYFOAM Yalitim Sanayi ve Tic Ltd.	Istanbul (Turkey)
Industrias Químicas Löwenberg S.L.	Madrid (Spain)

Indirect associates through Selena Co. S.A. and joint ventures:

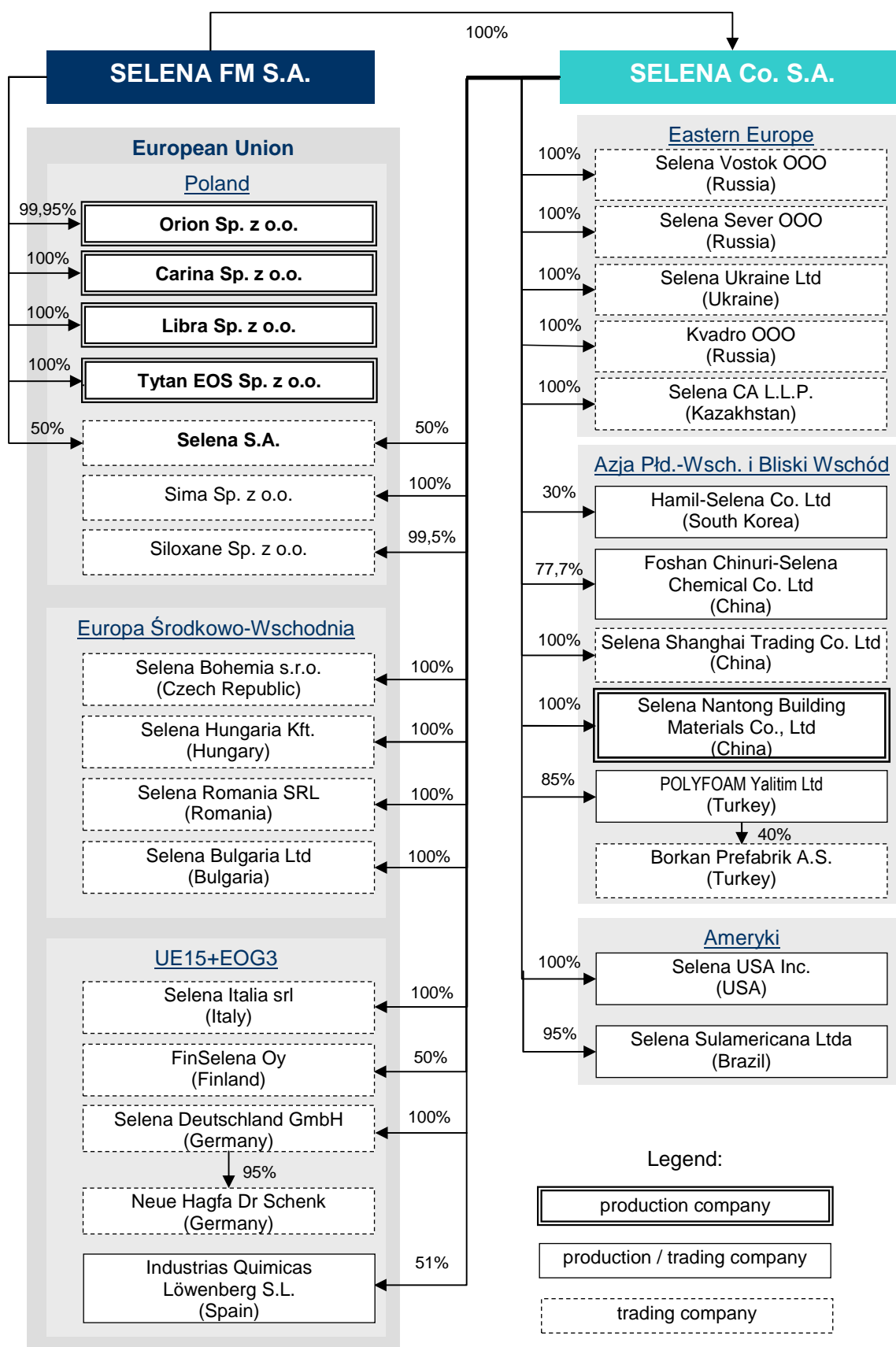
Entity	Registered Office
FinSelena Oy	Lammi (Finland)
Hamil - Selena Co. Ltd	Kimhae (Korea)
Borkan Prefabrik Yapi Elemanlari ve Dis Ticaret A.S.	Istanbul (Turkey)

The subsidiaries and indirect subsidiaries are consolidated using the line-by-line method. Associates and joint ventures are accounted for using the equity method.

The chart below shows the graphical structure of the Group:

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9. Consequences of changes in the Group structure in Q3 2009, including through merger, acquisition or disposal of Group companies, long-term investments, spin-offs, restructure or discontinuation of operations

During the third quarter of 2009, the structure of the Selena Group changed due to:

- acquisition of Industrias Quimicas Löwenberg S.L. (Quilosa) in Spain. The results of Quilosa have been consolidated since the third quarter of 2009. Their impact on the performance of the Selena Group is presented in point II.2 of this document;
- Registration, on 7 September 2009, of Selena Ticaret ve Limited Sirketi (Selena Ticaret) with a share capital of YTL 1 100 000 (equivalent of EUR 500 000 – PLN 2 096 850). The shareholders of the company are Carina Silicones sp. z o.o., which acquired 99% stake, and Selena Co S.A. with 1% stake. The company was formed as part of the organisation changes consisting in e.g. separation of the production division (which will remain with Polyfoam) from the sales division. The new company will continue sales of the Polyfoam products and will be responsible for development of the product range and implementation of the full Tytan proposition both in Turkey and in export markets. With the strong, pro-active sales orientation of the new company, the Selena Group hopes to improve its solid position in the Turkish market and in the Middle East.

As Selena Ticaret did not yet start trading in the third quarter, it is not included in the consolidated Q3 figures.

10. Management Board's opinion regarding the possibility to achieve the previously published forecast for the year in the light of the figures presented in the quarterly report compared with the projected performance

The Selena FM Group did not publish any performance forecast for 2009.

11. Shareholders with more than 5% voting power at the reporting date

Name	Number of shares	% share in the share capital	Number of votes carried by the shares	% share in the total voting power
Krzysztof Domarecki	9 538 000	41,97%	13 538 000	50,66%
Syrius Investments S.a.r.l.*	8 050 000	35,43%	8 050 000	30,12%

* - Mr. Krzysztof Domarecki is the only shareholder of Syrius Investments S.a.r.l., Luxembourg

In the period from publication of the interim report for H1 2009 to the submission of the report for the third quarter of 2009, Selena FM S.A. was not informed of any material changes in the shareholdings of any of its shareholders.

12. Issuer's shares or share options held by the Issuer's Directors at the reporting date

Non-executive Directors:

Name	Number of shares
Anna Kozłowska	4 000
Andrzej Kozłowski	132 000

Executive Directors:

Name	Number of shares
Krzysztof Domarecki	9 538 000

In the period from publication of the interim report for H1 2009 to the submission of the Q3 2009 report, Selena FM S.A. was not informed of any changes in the shareholdings of any of its Directors.

13. Court, arbitration or administrative proceedings pending

The total value of all the cases pending in the third quarter of 2009 did not exceed 10% of the Issuer's equity.

14. Material transactions concluded between the Issuer or its subsidiary and a related party, unless the transactions are typical and concluded on market terms

The companies from the Selena FM Group did not enter into any transactions whose total value would meet the materiality criteria (10% of equity). The transactions concluded were usual and occurred in the ordinary course of business. All the transactions were made in accordance with the arm's length principle.

15. Loan guarantees given by the Issuer or its Group companies or any guarantee given whose value exceeded at least 10% of the Issuer's equity.

During the reporting period, neither the Issuer nor its subsidiaries gave any loan guarantees or any other guarantees with a value exceeding 10% of the equity of Selena FM S.A.

16. Other information which in the Issuer's opinion has material impact on the assessment of its employment, property or financial position as well as information which is key to assessment of the Issuer's ability to meet its obligations

In the opinion of Selena FM S.A., there is no other information which might have a significant impact on the assessment of the Company's employment, asset or financial position and which is key to assessment of its ability to meet its obligations.

17. Factors which in the Issuer's opinion will affect its performance in the next quarter or longer

Based on the available analyses and own estimates, the Company sustains its opinion that the crisis in the construction materials sector in the Polish market will continue at least until the end of 2010 and will also affect demand in 2011, The symptoms of recovery, also in the construction materials markets, were indeed seen in some CEE markets, but still the Company has a conservative approach to its assessment of the increase in demand for building chemistry products in 2010. Sales development in the Far East is seen as significant opportunity.

Selena FM S.A. believes that the key factors affecting its business performance in the mid-term include:

- a) pace of development of the construction / renovation sector in the geographies where the Selena Group operates;
- b) ability to maintain cost discipline in the existing business units;
- c) successful acquisitions and the ensuing integrations planned by the Company.

The Company believes that its 2010 performance will be affected by the following factors:

17.1. External factors

Poland

The building chemistry market is closely correlated with the general construction sector, renovations of buildings and structures and indirectly with the gross domestic product (GDP).

According to the recent report published by the Institute of Market Economy Research of 27 October 2009, the GDP growth in Poland will be mere 1.4% in 2009 and 2.2% in 2010, while the projected added value growth in the construction sector will be 5.8% and 5.4% respectively. Similarly, the European Commission expects that GDP in Poland will grow by 1.2% and 1.8% in 2009 and 2010 respectively.

The changes in the availability of mortgage lending observed over the recent months indicate that the access to such form of finance in 2010 will have a lower impact on the slowdown in the residential construction sector.

According to the report published by the Central Statistical Office (GUS) on 16.10.2009, over the past 9 months the number of issued construction permits was 138,566, i.e. 23.2% less than in the corresponding period of 2008. Similarly, the number of commenced apartment constructions was 109,822, i.e. by 23.8% less y-o-y. This means that in 2010 the number of house completions will fall significantly. With regard to the demand for building chemistry products, this fall may be compensated for by the increase in the number of renovated apartments.

Foreign markets

According to the projections of the International Monetary Fund (IMF) and the European Commission, 2010 should see a substantial improvement in the GDP of the countries where the Selena Group distributes building chemistry products. In most cases, the projections are positive: e.g. on 3 November 2009, the European Commission published its forecast for 2010 for Russia, a key market for the Group, showing a GDP increase of 2.3%. Among other Selena markets, China should record 9.6% growth while Spain will see a drop by 0.8%. The Company is moderately optimistic about the demand for building products in its foreign markets.

Commodity markets

Due to the economic slowdown, commodity prices fell in the first quarter of 2009 and basically remained unchanged for the next two quarters of the year. Further declines were avoided due to the fixed costs connected with constant operation of production lines in the world and closure of some factories to balance demand and supply. In late 2009 / early 2010, a growing trend might be seen in certain groups of commodities used by Selena.

As most raw materials are settled in EUR, the PLN/EUR rate will have a strong influence on the Group's production costs.

Foreign currency markets

The Group's financial performance is strongly affected by the EUR rate in the local markets where the Group operates. Particularly important will be the EUR/PLN and EUR/RUB rates as most sales are generated in Poland and Russia. Other key currencies are the Turkish lira, Kazakh tenge, Ukrainian hryvnia and the Romanian leu.

For example, according to the projections of Raiffeisen Research of 3 October, the EUR/PLN rate should be characterised by a constant fall in the next months. The bank expects that the PLN will appreciate vs. EUR from 4.00 in December 2009 to 3.80 in July 2010 and to ca. 43 vs. RUB. Also the projections for other currencies point to a flat or slightly growing trend vis-à-vis the euro.

17.2. Internal factors

The Group's profitability rests on the following pillars that ensure competitiveness of Selena's proposition:

- (i) Product advantage (innovative solutions);
- (ii) Quality;
- (iii) Excellent customer service;
- (iv) Strong relationship with customers;
- (v) Market knowledge.

A key factor that will affect the Group's performance in 2010 will be effective and fast business integration of Industrias Quimicas Löwenberg S.L., which was the main acquisition in 2009, as well as extension of the distribution network in China.

The 2009 performance might also be affected by the dispute between Carina Silicones sp. z o.o. (Carina) – subsidiary of the Issuer, and Bank Millenium S.A. (bank), described in the periodic report for Q4 2008. On 27.03.2009, Carina started a court action against the bank to repudiate the previously concluded FX options agreement. On 6.04.2009, the Regional Court in Wrocław ruled that the bank should stop the performance of the agreement and refrain from forced debt collection until a final and binding decision is reached. On 20.10.2009, the Court decided to transfer the case for review to the Regional Court in Warsaw. The date of the next hearing has not been set yet.

III. Statement of the Management Board

These extended consolidated interim report of the Selena FM Group for the third quarter of 2009 was approved by the Management Board of Selena FM S.A. in its head office on 10 November 2009.

Wrocław, 10 November 2009

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Krzysztof Domarecki
Management Board President
Board Member
Selena FM S.A.

.....
Kazimierz Przełomski
Vice-President of the Management Board
Selena FM S.A.

.....
Elżbieta A. Szymańska
Management
Selena FM S.A.