

**HLB SARNOWSKI & WIŚNIEWSKI**

**RADPOL SA  
UL. BATOREGO 14  
77-300 CZŁUCHÓW**

**INDEPENDENT AUDITOR'S REPORT  
REVIEWING CONDENSED CONSOLIDATED HALF-  
YEARLY FINANCIAL STATEMENTS  
FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2010  
AND CONDENSED CONSOLIDATED UNITARY  
HALF-YEARLY FINANCIAL STATEMENTS  
FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2010**

**INDEPENDENT AUDITOR'S REPORT REVIEWING CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2010 AND CONDENSED CONSOLIDATED UNITARY HALF-YEARLY FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2010**

**To the General Meeting, the Supervisory Board and Board of Directors of RADPOL SA:**

We have conducted a review of the consolidated financial statements of RADPOL SA Capital Group (Capital Group) and condensed consolidated half-yearly financial statements of RADPOL SA (The Company), based in Człuchów, ul. Batorego 14, prepared in accordance with International Accounting Standards / International Financial Reporting Standards.

**Condensed consolidated financial statements of the Capital Group include:**

condensed consolidated half-yearly financial statements prepared on 30 June 2010, condensed consolidated half-yearly profit and loss account for the period from 1 January 2010 to 30 June 2010, condensed consolidated half-yearly income sheet for the period from 1 January 2010 to 30 June 2010, condensed consolidated half-yearly statement of changes in equity for the period from 1 January 2010 to 30 June 2010, condensed consolidated half-yearly statement of cash flows for the period from 1 January 2010 to 30 June and selected explanatory information.

**Condensed consolidated financial statements of the Capital Group include:**

condensed unitary half-yearly financial statements prepared on 30 June 2010, condensed unitary half-yearly profit and loss account for the period from 1 January 2010 to 30 June 2010, condensed unitary half-yearly income sheet for the period from 1 January 2010 to 30 June 2010, condensed unitary half-yearly statement of changes in equity for the period from 1 January 2010 to 30 June 2010, condensed unitary half-yearly statement of cash flows for the period from 1 January 2010 to 30 June and selected explanatory information.

For the compliance of the condensed half-yearly consolidated financial statements and the condensed half-yearly consolidated financial statements with the International Accounting Standard 34 "Half-yearly Financial Reporting", which was approved by the European Union and other relevant regulations, the Parent Company's Board is responsible.

Our task was to review those financial statements.

We conducted our review in accordance with the provisions of the national auditing standards issued by the National Council of Certified Accountants. Those standards require that we plan and perform the review in such a way as to obtain reasonable assurance that the condensed half-yearly consolidated financial statements and the condensed half-yearly financial statements are free of material misstatement.

The review was carried out mainly through data analysis of the condensed half-yearly consolidated and unitary financial statements, access to the accounts, as well as the use of information obtained from the Board of the Parent Company and those responsible for finance and accounting.

Scope and method of the condensed half-yearly financial statements materially differs from the studies underlying the opinions expressed by requiring compliance with applicable accounting principles (policy), accounting and annual financial statements on the accuracy and clarity, therefore we can not give any opinion on the accompanying condensed half-yearly consolidated financial statements and on the condensed half-yearly unitary financial statements.

In 2008, the Parent Company received a technological loan for the purchase of assets. After fulfilling the conditions specified in the contract, the credit is regularly remitted. Subsequently redeemed mortgage are recognized as revenue in a single moment of redemption by the Parent Company. In our opinion, the loan write-off should be settled the same way as a grant to the assets.

In the event of a settlement of this redemption in accordance with IAS 20, net profit disclosed in the condensed half-yearly financial statements of the Parent Company would be lower by 644 thousand zł. Until 30 June 2010 the total value of redeemed loan installments amounted to 1 362 thousand zł. Taking into account depreciation and deferred tax equity, capital shown in the accompanying condensed half-yearly statement of financial position should be lower by 1 072 thousand zł.

With effect from 1 January 2009 the Parent Company changed its rules on valuation of work in progress. In accordance with IAS 8, a change in accounting policy shall be applied retrospectively by adjusting the opening balance of each component of equity, where the change concerns, and reveals other comparative data for each period as if the new accounting policy had always been applied. Parent Company did not correct the comparative data in this regard. The adjustment would increase the comparative data from previous years and a reduction in net profit for the year 2009 amounting to 795 thousand zł.

Except as described above objections, based on our review, we have not identified anything that does not allow to conclude that the condensed half-yearly financial statements have been prepared in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", which was approved by the European Union.

Without further remarks, we draw attention to the fact that during the period under review, RADPOL SA acquired shares of RURGAZ limited liability company. Acquisition of shares was accounted for to the date of the condensed half-yearly financial statements. The assignment of the purchase price to assets and liabilities and goodwill are of provisional nature. The Board intends to review and fix the fair valuation of assets and liabilities acquired on 31 December 2010. Please note that the final settlement of acquisition may affect the fair values of acquired assets and liabilities and goodwill shown by condensed half-yearly financial statements.

Dariusz Sarnowski

Number 10200

Key auditor conducting the review on behalf of:

HLB Sarnowski & Wiśniewski Sp. z oo

61-478 Poznań, ul. Bluszczowa 7

The entity authorized to audit financial statements included on the list of entitled entities run by KIBR, under registration number 2917.

Poznań, 11 August 2010