

Człuchów, 03/10/2011

Dear All,

With great pleasure I give you the Annual Report of RADPOL SA Capital Group for 2010. After a relatively difficult 2009, 2010 is a reason for pride. Achieved results confirm that long-time strategy adopted years ago, focusing on high-margin products and building a technological competitive advantage was a good solution.

Strong position in the domestic market and the consistent implementation of the strategy of dynamic growth in foreign markets contributed to a significant increase in earned income and financial results. Group's consolidated revenues more than doubled from 53.5 million zł in 2009 to 112.4 million zł at the end of 2010. Moreover, the Group acquired the net result is an increase of 165% over the previous year.

This dynamic performance was also improving the achievement of the acquisition of Lublin pipe manufacturer - RURGAZ. As early as 2010 showed a good decision was the inclusion of the Company from Lublin to our Group. Our investment plans in 2011 to significantly strengthen its potential will significantly increase its sales. I believe that the second successful acquisition convinced the market that we are able to buy good companies and build value in increments of RADPOL SA. We're still working on new transactions, but as in previous years, we are interested only in really attractive companies - in terms of activity and prices. We focus on organic growth of our businesses, believing in their potential.

In addition, we are working on integrating the companies in the group so to optimize the costs. In early June last year there has been a merger of RADPOL SA with RADPOL Elektroporcelana SA. Thus, we optimized the functioning of the Group and significantly reduced overheads.

With the completion of investments and acquisitions of RADPOL SA Capital Group, we want to increase the scale of operations several times over the next few years. Taking into account the economic performance in 2010 and development activities that have already taken place in the first half of 2011, we may have a positive surprise for our shareholders. Group plans further acquisitions, negotiate new contracts, our database of overseas branches is constantly expanding. RADPOL SA focuses on dynamic growth and increase of shareholder value, which I'm sure you will be convinced after hearing this report.

From this place I want to thank you for having decided to be the shareholders of RADPOL SA. At the same time I assure you that the Board will make every effort to harness the growth potential of the Group and ensure continuity of its development.

Sincerely,

Andrzej Sielski  
Chairman of the Board