

Człuchów, 10.03.2011

Dear All,

With great pleasure I hand in to you the Annual Report of RADPOL SA for 2010. After a difficult period for us in 2009, the past year 2010 the Board assesses very positively. The company has successfully gone through a period of global recession, strengthening its market position in the branch of heat-shrinkable cable accessories.

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. In 2010, the Company generated 60.6 million revenue and 8 million net profit, which represents an increase of 15.3% and 47.5% in the previous year.

With effect from 1 June 2010, there has been a merger of RADPOL SA with RADPOL Elektroporcelana SA. Thanks to the merger we managed to significantly reduce operating cost. We are always working on further integration of the operating companies and from the positive effects of synergy, which will translate into our results in subsequent years.

RADPOL SA also took over 100% of shares of RURGAZ, which over the next year will offer comprehensive solutions dedicated to the markets of heat energy and gas.

The company consistently develops product offering for the energy sector, which, due to the need for investment in infrastructure will be one of the engines of growth of its sales. We want to strengthen our position both domestically and abroad. We focus on increased supplies to markets in Western Europe (including Germany, Austria and Italy). At the end of the year we will also increase exports to eastern markets. Another year in a row we have won major tenders for the supply of complex equipment shrink in Belarus, which the Company has opened the way for expansion in the coming time to Russia and Kazakhstan.

RADPOL SA focuses on dynamic growth and increase in shareholder value, about which I'm sure you will be convinced after hearing this report.

Next year, we shall focus on exports and new products. We believe that Polish energy sector is slowly getting better so to our beliefs it shall be our next engine of dynamic growth.

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 Company and, as every year so far, show you the two-digit growth.

Sincerely,

Andrzej Sielski
President of the Board