

**Semi-annual report on the activities of RADPOL SA Capital Group
for the period 01.01.2011-30.06.2011**

Człuchów, August 2011

Table of contents

1. Description of the RADPOL SA Capital Group indicating the units to be consolidated
2. Effects of changes in the structure of the enterprise
3. The Board on the feasibility of previously published results and forecasts for the year.
4. Indication of shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at a general meeting of the issuer, together with the number held by those shareholders, their percentage of the share capital, the number of votes resulting therefrom, and their percentage share in the total number of votes at the general meeting and an indication of changes in ownership of substantial blocks of shares of the issuer during the period from the previous report.
5. Pledge of shares of the Issuer or ownership rights to the managing and supervising persons
6. Indication of proceedings pending before the court, the authority responsible for the arbitration proceedings or public administration
7. Information on the conclusion by the Issuer or its subsidiary of one or more transactions with related parties, individually or collectively if they are significant and were concluded on different terms than the market terms
8. Information about the award by the issuer or its subsidiary of credit or loan guarantee or grant guarantees - including a single entity or subsidiary of that entity, if the total value of the existing deposit or guarantee is equivalent to at least 10% of the equity of the issuer
9. Other information which the issuer's opinion, are relevant to the assessment of its personnel, property, financial result and their changes, and the information which is relevant to assess the possibility of fulfillment of obligations by the issuer
10. Factors which in the opinion of the issuer will have an impact on the results achieved by it in perspective, at least the next quarter
11. Description of the main threats and risks related to the remaining months of the year.
12. Report on the activities of the RADPOL SA Capital Group

The information contained in the semi-annual consolidated financial statements of the RADPOL SA Capital Group include reporting period from 01-01-2011 to 30-06-2011 and have been prepared in accordance with the Decree of the Minister of Finance dated 19-02-2009 on current and periodic information disclosed by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-how, and accounting rules of 29-09-1994 (Journal of Laws No. 121 item. 591 with subsequent amendments) and the International Accounting Standards and International Financial Reporting Standards.

All information regarding the individual management report have been included in the following report of the RADPOL SA Capital Group.

Description of the RADPOL SA Capital Group indicating the entities subject to consolidation.

The parent company of RADPOL SA Capital Group is RADPOL SA based in Człuchów registered on 26-10-2001 - the register of companies under the number KRS 0000057155 Gdańsk District Court - North in Gdańsk, VIII Division of the National Court Register. The total number of issued shares of RADPOL S.A amounts to 25,719,752 shares of series A, C and D, whose nominal value of one share being 0.03 zł (nominal value of all shares 771,592.56 zł):

- A series shares - 23,450,726 bearer shares,
- C series shares - 529,548 bearer shares,
- D series shares - 1,739,478 ordinary bearer shares.

RADPOL S.A. has been producing heat-shrinkable products, manufacturing cable accessories and cables and power cords. At the same time it is specialized in the production of electrical porcelain insulators, such as insulating for medium and low voltage. The company also offers electrical and lighting equipment, including fuse sockets, frames and porcelain fixtures. The production range also includes other articles of porcelain, made for individual customer orders. RADPOL S.A. specializes in the range of refined polyethylene based products based on its own, unique blends of materials suitable for the treatment of radiation crosslinking. A subsidiary of RADPOL SA Capital Group is RURGAZ o.o. This company is a leader in the manufacture of advanced piping systems made of polyethylene and polypropylene. The main customers of RURGAZ Sp. z o. o. are the company's natural gas, water supply systems, utility companies and contractors of repair and infrastructural works. The company, like RADPOL S.A. builds its competitive advantage based on the use of advanced technologies in the production process and on offering products that do not have their market competitors such as double-layer pipe or pipes RC multiSAFE dedicated to geothermal energy. Company sales in its policy focuses on segments in which the most important advantage is the quality of delivered products, not their price.

Group Organization Chart - RADPOL SA

RADPOL SA – RURGAZ 100%

Effects of changes in the structure of the enterprise.

On 11 February 2011 in the National Depository for Securities 529,548 common bearer series C shares were registered, which were issued under the incentive program on the basis of resolutions of the Annual General Meeting of Shareholders of RADPOL SA based in Człuchów of 13 February 2007: No 11/II/2007 on the issue of subscription warrants of WA series and the exclusion of the preemptive rights of subscription warrants of WA Series, No. 12/II/2007 on conditional increase of share capital, and the exclusion of subscription rights Resolution No. 13/II/2007 on amending the Articles of Association, on account of the content of the statute of the conditional share capital increase, as amended by Resolution No. 1/III/2007 Extraordinary General Meeting of Shareholders of RADPOL SA based in Człuchów of 21 March 2007 (Part III. 17.3. ; Prospectus of RADPOL SA). On 19 August 2011 an Extraordinary General Meeting (EGM convening information transmitted current report no 23/2011 on 22 July 2011) was convened, which is to be considered a resolution authorizing the Management Board to acquire own 1,200,000 shares (4.67% of the share capital) at a price not lower than the nominal value of shares (0.03 zł) and not more than 15.00 zł per share. Acquisition of own shares is to be implemented by 31 December 2014 or until funds are exhausted for that purpose (14,400,000.00 zł from capital reserve funds for the acquisition of own shares). Acquisition of own shares is to be implemented in order to: - their redemption by way of reduction in share capital - or to further their resale, - or to offer them to employees of the Company or entities with RADPOL SA is affiliated.

The Board regarding the feasibility of previously published results forecasts for the year.

RADPOL S.A. did not publish forecasts for 2011.

Indication of shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at a general meeting of the issuer, together with the number held by those shareholders, their percentage of the share capital, the number of votes resulting therefrom, and their percentage share in the total number of votes at the general meeting and an indication of changes in ownership of substantial blocks of shares of the issuer during the period from the previous report.

All shares issued by RADPOL SA are ordinary bearer shares. From the date of submitting the report for the first quarter of 2011, ie from 5 May 2011 the Company has not received any information from a shareholder of a change in the ownership structure of large blocks of shares of RADPOL SA submitted in accordance with art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and the system of public companies. However, due to the fact that RADPOL SA received the information about the number of shares of RADPOL S.A. held by shareholders on 12 May 2011 (the date of grant of the right to dividends) RADPOL SA shall send a list of shareholders holding more than 5% of the total number of votes at the general meeting of RADPOL SA compiled in accordance with the best knowledge of RADPOL SA based on information obtained from: Powszechna Kasa Oszczędności Bank Polski SA, Bank Millennium SA, BRE Bank SA, BZ WBK Brokerage House SA, Bank Handlowy, Raiffeisen Bank Poland SA, ING Bank Śląski SA, Trigon Brokerage House SA, Polish Bank Pekao SA, Deutsche Bank Poland SA and BRE Bank SA

Pledge of shares of the Issuer or ownership rights to the persons managing and supervising the Issuer.

From the date of the report for the first quarter of 2011 (ie from 05-05-2011) there were no changes in ownership of the issuer's shares or rights to them by managers and supervisors. Composition of the Supervisory Board

Akcjonariat RADPOL S.A.	Ilość akcji	Udział w kapitale zakładowym (%)	Ilość głosów na WZ	Udział w ogólnej liczbie głosów na WZ (%)	wartość nominalna akcji (0,03 zł)
GJB Assets Management Limited	3 060 690	11,90	3 060 690	11,90	91 820,70
Marcin Wysocki	3 031 572	11,79	3 031 572	11,79	90 947,16
* BZ WBK AIB Asset Management S.A.	2 345 376 **	9,12	2 345 376	9,12	70 361,34
- w tym zarządzany przez BZ WBK AIB Asset Management S.A.:					
Aria BZ WBK Fundusz Inwestycyjny Otwarty	1 815 669	7,06	1 815 669	7,06	54 470,07
* Aviva Investors Poland S.A.	2 284 765	8,88	2 284 765	8,88	68 542,95
- w tym zarządzany przez Aviva Investors Poland S.A.:					
Aviva Investors Specjalistyczny Fundusz Inwestycyjny Otwarty Subfundusz Akcyjny	1 463 858	5,69	1 463 858	5,69	43 915,74
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	2 086 614	8,11	2 086 614	8,11	62 598,42
PKO Towarzystwo Funduszy Inwestycyjnych S.A. Warszawa	1 879 272 **	7,31	1 879 272	7,31	56 376,16
ING Nationale-Nederlanden OFE	1 814 854	7,06	1 814 854	7,06	54 445,62
pozostali akcjonariusze	9 216 607	35,83	9 216 607	35,83	276 498,21
RAZEM:	25 719 752	100,00	25 719 752	100,00	771 592,56

RADPOL S.A.:

- 1) Mr. Grzegorz Bielowicki - Chairman of the Board,
- 2) Mr. Zbigniew Janas - Deputy Chairman of the Supervisory Board,
- 3) Mr. Tomasz Firczyk - Secretary of the Supervisory Board,
- 4) Mr. Tomasz Kapliński - Member of the Supervisory Board,
- 5) Mr. Krzysztof Kurowski - Member of the Supervisory Board,
- 6) Mr. Leszek Iwaniec - Member of the Supervisory Board,
- 7) Mr. Jacek Tomasik - Member of the Supervisory Board since 27 April 2011 (Resolution No. 20 Annual General Meeting of Shareholders of 27 April 2011).

Composition of the Board of RADPOL SA:

- 1) Mr. Andrzej Sielski – President of the Board
- 2) Mr. Grzegorz Małczyk - Vice President until 26 April 2011 (end of term),
- 3) Mr. Andrzej Pożarowski - Vice President, from 27 April 2011 (Resolution No. 19 Annual General Meeting of Shareholders of 27 April 2011).

On 28 June 2011 the Issuer's Supervisory Board appointed on 1 September 2011 to the Board Mr. Adam Dombrowski and entrusted him as the Vice President of the Board. Holdings of shares of RADPOL S.A. at 30-06-2011

Imię i nazwisko	liczba akcji	Wartość nominalna (0,03 zł na 1 akcję)	Udział w kapitale zakładowym (%)	liczba głosów na WZ	Udział w ogólnej liczbie głosów na WZ (%)
Rada Nadzorcza:					
Tomasz Firczyk	1 000	30,00	0,004	1 000	0,004
Zarząd:					
Andrzej Sielski	446 977	13 409,31	1,74	446 977	1,74
Andrzej Pożarowski	869 739	26 092,17	3,38	869 739	3,38

Changes in ownership of shares of RADPOL S.A.:

- On 17 March 2011 Mr. Grzegorz Bielowicki contracted donations from GJB Assets Management Limited, under which bestowed GJB Assets Management Limited, a total of 1 285 572 shares of the Company. GJB Assets Management Limited is directly controlled by Mr. Grzegorz Bielowicki part of the governing body and fullness in its managerial structure.

Number of shares held jointly by Mr. Grzegorz Bielowcki and Mr. Gabriel Wróblewski and GJB Assets Management Limited is 3,276,922 shares, representing 12.74% of the share capital of the Company (3,276,922 voting at the AGM which gives 12, 74% of the total number of votes at the general meeting) - Current Report No 10/2011 of 22 March 2011.

- On 11 February 2011, Series C shares were introduced to trading on the main market and registered with the National Depository for Securities under the code "PLRDPOL00010" which were issued under the Incentive Scheme.

Prior to that, series C shares were owned in the following amounts:

- 182,203 shares - Andrzej Sielski, President of the Board,
- 182,203 shares - Grzegorz Malczyk, Vice President of the Board

- On 14 March 2011 the Company received from Mr. Grzegorz Malczyk information that on 11 March 2011 he sold 446,977 shares of RADPOL SA. This information was transferred by the company in the current report No 8 / 2011 on 15 March 2011.

Indication of proceedings pending before the court, the authority responsible for the arbitration proceedings or public administration.

There are no cases exceeding 10% of the equity of the Company.

Information on the conclusion by the Issuer or its subsidiary one or more transactions with related parties, individually or collectively if they are significant and were concluded on different terms than the market.

Not applicable.

Information about the award by the issuer or its subsidiary credit or loan guarantee or grant guarantees - including a single entity or subsidiary of that entity, if the total value of the existing deposit or guarantee is equivalent to at least 10% of the equity of the issuer.

Guarantees of this value were not granted.

Other information which in the issuer's opinion, are relevant to the assessment of its personnel, property, financial result and their changes, and the information which is relevant to assess the possibility of fulfillment of obligations by the issuer.

No significant factors. The company rapidly increased its revenue and earnings generated. In the first half of the year, Group's sales amounted to nearly 64 million zł - an increase of 36 percent compared to data from 2010, after reviewing semi-condensed consolidated financial statements of the Radpol SA Group for the period 1 January - 30 June 2010 with the impact of single event in the form of 3 069 thousand. zł. other operating income for the purchase in the first quarter of 2010, assets of RURGAZ Sp. z o. o. below fair value, it appears that the Group's EBITDA improved last year's result by 52 percent, while the net profit level - about 62 percent. The company not only increased sales volume, but also its profitability by focusing on high-margin ranges such as heat-shrinkable products or accessories for specialist applications.

Still hard works on gaining new markets is being implemented - including the building of dynamic exports, which in a few years are to be a very important component of the Group's revenue. In the period 1 January - 30 June 2011 the Group's export sales totaled 11.2 million zł, an increase of 50 percent compared to the same period a year earlier. Unconsolidated revenues from exports of RADPOL SA increased by 40 percent and accounted for almost 30 percent revenue achieved by the Company.

Subsidiary of the Issuer - RURGAZ Sp. z o. o. - plans to invest an estimated size of 23 - 25 million zł, which will allow it to produce an innovative new family of tubes and increase the current capacity. Also, thanks to the development; it will be able to offer even more solutions combined with RADPOL SA; Rurgaz Sp. z o. o. construction has already chosen a supplier of production halls. In the final stage there are also negotiations on the purchase of a technology park. The Company is currently awaiting planning permission. The first sale in the new plant in Lublin to begin as scheduled in the first quarter of 2012, the Company is actively seeking further acquisitions - companies with revenues comparable to the revenue of RADPOL SA and building its competitive advantage based on the use of modern technologies in production. The Company intends to finance the acquisition, both from its own funds and bank credit.

Factors which in the opinion of the issuer will have an impact on the results achieved by it in perspective, at least the next quarter.

The main factors that may affect the issuer's operations over the next quarter are:

- Increasing export sales and certification of new products in the markets of Western Europe, will allow the

Company in subsequent years to build a new high-margin products

- Further integration of the companies in the group - including above all the benefits of sales and purchasing of RADPOL SA and Rurgaz Sp. z o. o.

- New investments of the Company Rurgaz Sp. z oo, which will fully exploit capacities in various assortments - in the opinion these investments in the short term will translate into a dynamic sales growth and financial performance of the Company

The priority of the Board of RADPOL S.A. are primarily investments in new technologies aimed at extending the range of the Company, and thus the competitiveness of Polish and foreign markets. The company has two industrial accelerators with capacity of 2 MeV and 4.5 MeV, which are the only devices of this type in Poland. Technologically advanced products produced on accelerators acquire unique characteristics through which the Company may realize higher margins. RADPOL SA's Board is convinced of the innovative solutions used by the Group and its products offered and intends to further invest in the rapidly developing technology and fixed assets to improve the market position of the Company. RADPOL S.A. plans to conduct further acquisitions that extend its offer to the wider market for power plants and heating

Description of the main threats and risks related to the remaining months of the year.

The main threats and risks faced by RADPOL SA Group are:

- 1) The weaker economic conditions in the construction and renovation industry.
- 2) The functioning on the market where the main competitors are multinationals on the global scale of operations.
- 3) Few favorable location (distance from large customers, small business active region).
- 4) None of the immediate environment highly qualified and specialist staff (this causes difficulties in addition to the staff, technical schools leavers avoid a return / settle in such a small residential centers, in which production facilities are located RADPOL Group SA).
- 5) Lack of long-term contracts with customers.
- 6) Increasing competition among the large industrial producers (prices, discounts, payment terms and the complexity of supply, the rapid increase in production capacity, intensive promotion of products).
- 7) Foreign Competition (China). Excess capacity in the foreign producers.
- 8) Lack of implemented software to support production planning ERP.
- 9) Foreign exchange risk due to the existence of assets and liabilities denominated in foreign currencies partly constrained by the use of natural hedging.
- 10) Stepwise changes in the prices of raw material (polyethylene and non-ferrous metals).

Andrzej Pożarowski

Andrzej Sielski

Człuchów, 11 August 2011