

RADPOL S.A. based in Człuchów

Financial statements
Prepared on 31 December 2008

Człuchów, 30 March 2009

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A. INTRODUCTION TO THE FINANCIAL STATEMENTS

1. The identity of the unit

Name (company) and the headquarters of the unit: RADPOL
Joint Stock Company
ul. Batorego 14
77-300 CPLNuchów

The business unit: PKD 2524Z - manufacture of other plastic products

The court record of the operator: District Court Gdańsk - North ib Gdansk, VIII
Economic - Registry Faculty of National Court
Register (KRS number 0000057155)

2. The duration of the issuer

Duration of the Company is indefinite.

3. The periods for which financial statements and comparable data are presented

Presented financial statements cover the period from 01 January to 31 December 2008. Comparable financial data include the same period of 2007.

4. The composition of the Board and the supervisory Board

The Executive Board

Andrzej Piotr Sielski	Chairman of the Board
Grzegorz Mirosław Malczyk	Vice-Chairman of the Board

The Supervisory Board

Grzegorz Jan Bielowski	The President of the Board
Zbigniew Piotr Janas	Vice-President of the Board
Krzysztof Tomasz Firczyk	Secretary of the Board
Tomasz Kowalczyk	Member of the Board since 21.04.2008
Marcin Kapliński	Member of the Board
Krzysztof Kurowski	Member of the Board
Krzysztof Wachowski	Member of the Board since 21.04.2008

5. Indication whether financial statements and comparative financial data provide aggregate information – in case when internal organizational units issuing independent financial statements enter the Company structure

No internal organizational units issuing independent financial statements enter the structure of RADPOL S.A.

6. Indication whether the Company is the parent company or significant investor and whether prepares consolidated financial statements

RADPOL S.A. is the parent company to ELEKTROPORCELANA CIECHÓW SA, and therefore prepares consolidated financial statements.

7. In case when financial statements had been prepared for the period, during which companies have been merged - an indication that this is financial statements have been drawn up after the merge, and an indication of the method of settlement of the merge

Not applicable.

8. Indication whether the financial statements have been prepared assuming continuation of the business of the issuer in the foreseeable future, and whether there are circumstances indicating the threat of continuing

The financial statements have been prepared assuming the continuation of the economic activity in the foreseeable future. The circumstances of the threat to continue operations are not known to the Executive Board of the Company.

9. Statement that the accounts were subject to transformation in order to ensure comparability of data, a summary and explanation of the differences as a result of adjustments for the change of rules (policy) of accountancy or the correction of fundamental errors, have been included in the additional explanatory note

Not applicable.

10. Indication whether in the submitted financial statements or comparable data, an adjustments arising from objections in the opinions of who is entitled to audit the financial statements, were made

Not applicable.

11. Description of rules (policy) of accounting, including methods of valuation of assets and liabilities, setting revenues, costs and outcome and the way of preparation of financial statements and comparable data

Assets and liabilities shall be valued at the balance sheet date as follows:

a) the fixed assets and intangible assets – according to purchase price or production cost, reduced by any accumulated depreciation and write-downs for permanent diminution in value, the amount of annual depreciation allowances shall be deDateed in a systematic way of spreading on the initial installment of the projected years of use having regard to the period of general economic usability

b) Fixed assets under construction - of the total cost of remaining in direct relation to their acquisition or construction, reduced by any charges for permanent impairment,

c) a lease - a lease is classified as finance leases when the terms of the agreement transfer substantially all the potential benefits and risks arising from being the owner for the user,

d) shares in other entities and other investments classified as fixed assets - at purchase price reduced by any write-downs for permanent diminution in value,

e) Short-term investments - by the market price, and short-term investments, for which there is no active market otherwise specified in the fair value,

f) Tangible assets and inventories at lower prices not higher than the price of net sales:

- **materials** - according to the purchase price or purchase, expenses using FIFO method,
- **intermediates and products in progress** - at the level of direct costs,
- **finished products** - at a fixed price at the level of cadastral cost of the proposed taking into account the deviations from these prices,
- **the goods** - the purchase price, the charges using method FIFO, update the value of property write-downs of assets deducted from the value of sales items in the balance,

g) claims and loans - the amount required for payment, with caution,

h) obligations - requiring payment of a given amount,

i) the tax liability - required tax consists of: Current tax (CIT) and deferred tax. Current tax is calculated on the basis of the outcome of tax (tax base) of the year and is based on tax rates being in force during the year. Deferred tax is calculated using balance sheet as a tax subject to payment or refund in the future on the differences between the values of balance sheet assets and liabilities and their corresponding tax values used to calculate the tax base,

j) provisions - in a reasonable, reliably measured value,

k) own capital (funds) and other assets and liabilities - in the nominal value.

Denominated in foreign currency assets and liabilities according to the average exchange rate published by the National Bank for the Polish currency.

The company prepares the profit and loss account in the calculation variant and the cash flow statement using indirect method.

The unit of report are thousands PLN.

Indication of the average zloty exchange rate, in the periods covered by the financial and comparable data in relation to the euro set by the Polish National Bank

	01.01.-31.12.2008	01.01.-31.12.2007
rate at the end	4.1724	3.5820
the average exchange rate	3.5321	3.7768

The course average for each period was calculated as the arithmetic mean of the applicable exchange on the last day of each month during the period.

12. Indication of at least the main items on the balance sheet, profit and loss account and cash flows from the financial and comparable data, converted into euro, with an indication of the principles adopted for this conversion

Selected financial data	in thousand PLN		in thousand EUR	
	year period from 01-01-2008 to 31-12-2008	year period from 01-01-2007 to 31-12-2007	year period from 01-01-2008 to 31-12-2008	year period from 01-01-2007 to 31-12-2007
I. Net income from sales of products, goods and materials	36 653	35 821	10 377	9 484
II. Profit (loss) from operating activities	7 858	7 279	2 225	1 927
III. Gross profit (loss)	8 506	8 041	2 408	2 129
IV. Net profit (loss)	6 808	6 802	1 927	1 801
V. Net cash flows from operating activities	8 445	7 373	2 391	1 952
VI. Net cash flows from investing activities	-32 457	-14 235	-9 189	-3 769
VII. Net cash flows from financial activities	2 577	34 301	730	9 082
VIII. Total net cash flows	-21 435	27 439	-6 069	7 265
IX. Total assets	75 009	66 964	17 977	18 695
X. Liabilities and reserves for liabilities	18 408	11 719	4 412	3 272
XI. Long-term liabilities	2 280	117	546	33
XII. Short-term liabilities	8 277	8 891	1 984	2 482
XIII. Equity	56 601	55 245	13 566	15 423
XIV. Share capital	719	719	172	201
XV. Number of shares	23 879 751	21 621 473	23 879 751	21 621 473
XVI. Profit (loss) per ordinary(in PLN / EUR) *	0,29	0,31	0,08	0,08
XVII. Diluted Profit (loss) per ordinary(in PLN / EUR) *	0,29	0,31	0,08	0,08
XVIII. Book value per ordinary(in PLN / EUR)	2,37	2,56	0,57	0,71
XIX. Diluted Book value per ordinary(in PLN / EUR)	2,55	2,56	0,61	0,71
XX. Declared or paid dividend per share (in PLN / EUR)	0,15	0,00	0,04	0,00

Selected balance sheet items are converted into euro using the exchange rate at the end of the period, selected items of the profit and loss account and cash flow are converted into euro using the average exchange rate of a given period, calculated as the arithmetic mean of the applicable exchange on the last day of each month in the period.

13. Identification and explanation of the differences in the value of revealed data, at least on equity (net assets) and net income, and significant differences in the rules (policy) of accounts, the financial statements, consolidated financial reports and comparative data, drawn up in accordance with Polish accounting policy (PSR), and accordingly the financial statements, consolidated financial reports and comparative data that would have been prepared in accordance with IAS.

Equity(net assets) in thousand PLN		31-12-2008	31-12-2007
Equity (net assets) in accordance with the PSR adopted by the company		56 601	55 245
	callout		
<i>transformation to the principles of IFRS:</i>		355	359
plant	1	Uncounted	Uncounted
receivables and liabilities	2	Irrelevant	Irrelevant
valuation of assets and liabilities in foreign currency	3	Irrelevant	Irrelevant
disclosure of the perpetual usufruct of land	4	355	359
grants	5	Irrelevant	Irrelevant
Motivating programm	6	Uncounted	Uncounted
Equity(net assets) in accordance with IFRS		56 956	55 604
Net financial result in thousand PLN		31-12-2008	31-12-2007

Net financial result in accordance with the PSR adopted by the company		6 808	6 802
	callout		
<i>transformation to the principles of IFRS:</i>		-5	-5
plant	1	Uncounted	Uncounted
receivables and liabilities	2	Irrelevant	Irrelevant
valuation of assets and liabilities in foreign currency	3	Irrelevant	Irrelevant
disclosure of the perpetual usufruct of land	4	-5	-5
grants	5	Irrelevant	Irrelevant
Motivating programm	6	Uncounted	Uncounted
Net financial result in accordance with IFRS		6 803	6 797

Explanation 1 Tangible fixed assets

PSR requires capitalization of exchange differences arising from the purchase of fixed assets. In accordance with PSR, the Company has corrected initial value of fixed assets by the exchange differences on liabilities relating to the acquisition of these assets calculated at the date of transfer of these components to use. In accordance with IAS 23 "External financing costs" exchange-rate differences on liabilities funding assets should not adjust their value if it is possible to regulate them or hedge against exchange risks.

According to PSR, *Revaluation reserve capital* is created as a result of revaluation of fixed assets carried out in previous years in accordance with their requirements. In accordance with IAS 29 "*Reporting in hyperinflationary period*" the value of fixed assets should be subject to update by using the coefficients of the indicators of inflation.

Estimating the difference between the value of assets deDated in accordance with IFRS and the PSR is labor intensive. This option reduces the labor of valuation of fixed assets at fair value at the date of transition to IFRSs permitted by IFRS 1. The Company does not preclude the exercise of this option, because it departs from the work of establishing the difference for the preparation of this note.

Explanation 2 Claims and liabilities

PSR imposes duties and liabilities on the balance sheet date in the amount payable. In accordance with IAS 39 *Financial instruments - recognition and valuation* of receivables and trade payables must be reported either at fair value at the balance sheet date, or valued in accordance with the method of amortized cost (discounted). The company departed from the discounting of these balance sheet items due to the low level of relevance of the discount.

This involves the requirement of IAS 18 *Revenue* - Revenue from sales should be recorded at fair value at the date of the transaction, so the discounted value. The company has not discounted the revenue, considering the amount of the discount to be trivial.

Due to irrelevancy of the possible differences, estimating its impact on financial results was abandoned.

Explanation 3 Valuation of assets and liabilities in foreign currencies

In accordance with the PSR, to the valuation at the balance sheet assets and liabilities denominated in foreign currencies, the Company shall apply the average exchange rate of NBP. IAS 21 *The Effects of Changes in foreign exchange rates* according to the valuation of the course, after which cash flows associated with an asset or liability would be settled. Since the Company possesses only cash (as defined in IAS) items denominated in foreign currencies, they should be valued at the exchange to buy (assets) or sales (liabilities) bank, which services the company uses.

Explanation 4 Disclosure of perpetual land use right

The Company identified a perpetual right of use of land. In accordance with IFRS, the value of disclosed assets increases the value of retained company profits, and the possible depreciation is recognized as an expense and loss. According to the PSR, the value of identified assets is recognized in the income of future periods and accounted parallelly with the copies of the depreciation of assets.

Explanation 5 Recognition of the proceeds of the grant and state aid

In accordance with Paragraph 8 of IAS 20, the government grants are not recognized until the point at which there is reasonable assurance that the enterprise will comply with the conditions attaching to the grant and that grant will be received. The fact that the enterprise has received a grant, does not pose a convincing evidence that conditions

related to the grant have been or will be met. The company recognizes the impact of subsidies on the date of grant, with grants for assets are recognized in the passive accounts and settled in proportion to revenue recognized in the cost of subsidized assets (consistent with IFRS). It is assumed that the conditions required by IFRS are met, when authorized units accept the eligibility requirements for the recognition of the grant.

Explanation 6 Recognition of the incentive program for employees

On 13 February 2007, the Supervisory Board of the Company, pursuant to redissolution of the General Assembly of Shareholders No 11/II/2007 of 13 February 2007, has established the following conditions of the incentive program for employees of the Company:

1. The members of the Board of the Issuer are entitled to take part in incentive program: Andrzej Sielski is entitled to purchase 264,774 subscription warrants and Grzegorz Malczyk is entitled to purchase 264,774 subscription warrants,
2. Incentive Program will last for another 3 years.
3. Condition for the acquisition of rights to subscribe for shares of the Company is to act as a member of the Board of the Issuer for a period of at least 6 months in the last 12 months prior to deDateing entitlement to the shares Series C,
4. The date of deDateing entitlement to shares Series C will be a date for 1 year after the first quotation of the Company's shares on the Stock Exchange S.A. in the first year of the Incentive Program and for 2 or 3 years after the first quotation of the Company's shares on the Stock Exchange S.A. in the second and third year of the incentive program,
5. The above-indicated day is the date of entitlement to the shares Series C, the number of shares Series C, to which each participant of the program will be entitled, will be calculated. This number will be the product of the number of full months of the performance of a member of the Board in the last twelve months before the right to deDatee the number of shares and number 7354 - if the participant will perform the function of the full twelve months, they will be entitled to cover 88,258 shares Series C,
6. Series C shares will be issued at the issue price equal to the price of the shares for Series B, not less than 5.67 PLN.

In accordance with IFRS 2 "Share-based payment", the fair value of the equity (in this case Warrants Subscription) should be measured at grant date (the day of establishing the conditions for the binding - in this case, 13 February 2007), and gradually, in the vesting period (in this case, within 3 years) by the holders (in this case, members of the Board) increase the value of equity and charged to the same salaries. PSR does not regulate the question of remuneration paid in shares. In this report, the Company did not include equity and liabilities held in respect of the costs of incentive program. The Company does not currently have a Subscription Warrants valuation of 13 February 2007, therefore cannot demonstrate the impact of the difference referred to in the financial results calculated in accordance with IAS. The difference is neutral for the value of equity calculated in accordance with IAS. Due to lack of knowledge about the fair value of Subscription Warrants, the Company also did not include them in the calculation of diluted earnings per share in accordance with IAS 33 "Earnings per Share.

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Date and signature of a person responsible for the Bookkeeping

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Date and signature of unit's supervisor

B. BALANCE

BALANCE	Memo	31-12-2008	31-12-2007
Assets			
I. Fixed Assets		51 906	21 647
1. Intangible assets, including:	1	894	573
- goodwill			
2. Plant	2	43 263	20 499
3. Long-term receivables	3, 8		
3.1. From related units			
3.2. From other units			
4. Long-term investments	4	6 843	4
4.1. Real-estate			
4.2. Intangible assets			
4.3. Long-term financial assets		6 843	4
a) in related units, in this:		6 839	
- shares		6 839	
b) in other units		4	4
4.4. Other Long-term investments			
5. Long-term interperiod settlements	5	906	571
5.1. Assets due to deferred income tax		549	560
5.2. Other interperiod settlements		357	11
II. Current Assets		23 103	45 317
1. Items	6	8 969	7 705
2. Short-term receivables	7, 8	7 188	9 258
2.1. From related units		1	
2.2. From other units		7 187	9 258
3. Short-term investments		6 904	28 305
3.1. Short-term financial assets	9	6 904	28 305
a) in related units			
b) in other units		35	
c) cash and equivalents		6 869	28 305
3.2. Other short-term investments			
4. Short-term interperiod settlements	10	42	49
Total assets		75 009	66 964

Liabilities			
I. Equity		56 601	55 245
1. Share capital	11	719	719
2. Due to deposit on share capital (minus amount)			
3. Own shares(minus amount)		-1 859	
4. Secondary capital	12	41 002	41 002
5. Revaluation of capital			
6. Other capital reserves	13	9 905	6 722
7. Profit (loss) from previous years		26	
8. Net profit (loss)		6 808	6 802
9. Allowance of net profit during the year-end (minus amount)			
II. Liabilities and reserves for liabilities		18 408	11 719
1. Reserves for liabilities	14	768	668
1.1. Reserve for deferred income tax		380	239
1.2. Reserve for the provision of retirement and similar		388	429

a) long-term		269	242
b) short-term		119	187
1.3. Other reserves		0	0
a) long-term			
b) short-term			
2. Long-term liabilities	15	2 280	117
2.1. To related units			
2.2. To other units		2 280	117
3. Short-term liabilities	16	8 277	8 891
3.1. To related units		12	
3.2. To other units		7 991	8 674
3.3. Special funds		274	217
4. Interperiod settlements	17	7 083	2 043
4.1. Negative goodwill			
4.2. Other interperiod settlements		7 083	2 043
a) long-term		5 943	1 111
b) short-term		1 140	932
Total liabilities		75 009	66 964

Book value		56 601	55 245
Number of shares		23 879 751	21 621 473
Book value per ordinary(in PLN)	22	2,37	2,56
Diluted Number of shares		23 879 751	21 621 473
Diluted Book value per ordinary(in PLN)	22	2,37	2,56

Other items	Memo	31-12-2008	31-12-2007
1. Conditional receivables	18	0	0
2. Conditional liabilities	18	7 946	6 308
1.1. For related units (title)		0	0
1.2. For other units(title)		7 946	6 308
- aval and guarantee		6 996	6 196
- bank credits security		950	
- bill of discount			112
3. Other (title)		0	0
Other items, total		7 946	6 308

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Date and signature of a person responsible for the Bookkeeping

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Date and signature of unit's supervisor

C. PROFIT AND LOSS

Profit and loss-variant spreadsheet	Memo	01-01-2008 31-12-2008	01-01-2007 31-12-2007
I. Net income from sales of products,goods and materials, in this:		36 653	35 821
- From related units		2	
1. Net incomes from sales of products	19	30 927	31 092
2. Net incomes from sales of goods and materials	20	5 726	4 729
II. Costs of products sold, goods and materials, in this:		20 953	20 504
- From related units			

1. The cost of manufacture of products sold	21	18 287	18 146
2. The value of items sold and materials		2 666	2 358
III. Gross profit (loss) from sales(I-II)		15 700	15 317
IV. Costs of sales		4 137	3 440
V. Costs of the General Board		4 398	4 486
VI. Profit (loss) on sales (III-IV-V)		7 165	7 391
VII. Other incomes from operating activities		1 125	521
1. Profit on disposal of nonfinancial assets assets		77	
2. Grants		548	233
3. Other operating incomes	22	500	288
VIII. Other operating costs		432	633
1. Loss on disposal of nonfinancial assets assets			68
2. Update-financial assets			
3. Other operating costs	23	432	565
IX. Profit (loss) from operating activities (VI+VII-VIII)		7 858	7 279
X. Financial incomes	24	653	1 022
1. Dividends and profits of the shares, in this:			
- From related units			
2. Interest, in this:		625	1 022
- From related units			
3. Profit on disposal of investments			
4. Update value of an investment			
5. Other		28	
XI. Financial costs	25	5	260
1. Interest, in this:		5	214
- for related units			
2. Loss on disposal of investments			
3. Update value of an investment			
4. Other			46
XII. Profit (loss) from economic activity(IX+X-XI)		8 506	8 041
XIII. Result from extraordinary events(XIII.1. - XIII.2.)		0	0
1. Extraordinary profits	26		
2. Extraordinary losses	27		
XIV. Gross profit (loss) (XII+/-XIII)		8 506	8 041
XV. Income tax	28	1 698	1 239
a) current part		1 546	1 316
b) deferred part		152	-77
XVI. Other mandatory reduce profit(increase of losses)			
XVII. Net profit (loss) (XIV-XV-XVI+/-XVII)	29	6 808	6 802

Net profit (loss) (annualized)		3 545	6 802
Number of regular shares (weighted average)		23 879 751	21 621 473
Profit (loss) per ordinary (in PLN)	30	0,15	0,31
Diluted Number of regular shares (diluted weighted average)		23 879 751	21 621 473
Diluted Profit (loss) per ordinary (in PLN)	30	0,15	0,31

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Date and signature of a person responsible for the Bookkeeping

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Date and signature of unit's supervisor

D. STATEMENT OF CHANGES IN EQUITY

Summary of changes in equity	01-01-2008 31-12-2008	01-01-2007 31-12-2007
I. Equity at the beginning of period (CP)	55 245	7 404
a) the changes adopted policy (accounting policies)		
b) corrections of basic errors		
I.a. Equity at the beginning of period (CP), adjusting comparable data	55 245	7 404
1. Share capital at the beginning of period	719	512
1.1. Changes in share capital	0	207
a) increase (title)	0	207
- issue of new shares		189
- deposits of shareholders		18
...		
b) reduce (title)	0	0
- reemission of shares		
1.2. Share capital at the end of period	719	719
2. Due to deposit on share capital at the beginning of period		
2.1. Changes due to the payments on share capital	0	0
a) increase (title)	0	0
b) reduce (title)	0	0
2.2. Due to deposit on Share capital at the end of period	0	0
3. Own shares at the beginning of period		
3.1. Change in own shares	-1 859	0
a) increase (title)	-1859	0
- purchase	-1859	
b) reduce (title)	0	0
- reemission		
3.2. Own shares at the end of period	-1859	0
4. Capital secondary at the beginning of period	41 002	171
4.1. Change in secondary capital	0	40 831
a) increase (title)	0	40 831
- with split profit (legally)		
- with excess broadcast over a nominal price price		40 831
b) reduce (title)	0	0
- cover of losses		
- from the difference between the acquisition and nominal value		
4.2. Secondary capital at the end of period	41 002	41 002
5. Revaluation of capital at the beginning of period		
5.1. Revaluation changes		
a) increase (title)	0	0
b) reduce (title)	0	0
- disposal of fixed assets		
5.2. Revaluation of capital at the end of period	0	0
6. Other capital reserves at the beginning of period	6 722	2 398
6.1. Changes in other secondary capital	3 183	4 324
a) increase (title)	3 183	4 324
- split of financial result	3 183	4 324
b) reduce (title)	0	0
- dividends		
- cover of losses from previous years		

6.2. Other capital reserves at the end of period	9 905	6 722
7. Profit (loss) from previous years at the beginning of period	6 802	4 323
7.1. Profit from previous years at the beginning of period	6 802	4 323
a) the changes adopted policy (accounting policies)		
b) corrects of basic errors		
7.2. Profit from previous years, at the beginning of period, adjusting comparable data	6 802	4 323
a) increase (title)	0	0
- split of financial result		
- the changes adopted policy (accounting policies)		
b) reduce (title)	6 776	4 323
- divide the result to reserves	3 183	4 323
- divide the result on capital secondary		
- pays dividends for owners	3 593	
- cover of losses from previous years		
- the changes adopted policy (accounting policies)		
7.3. Profit from previous years at the end of period	26	0
7.4. Loss from previous years at the beginning of period	0	0
a) the changes adopted policy (accounting policies)		
b) corrects of basic errors		
7.5. Loss from previous years at the beginning of period, adjusting comparable data	0	0
a) increase (title)	0	0
- transfer loss over recent years to cover		
b) reduce (title)	0	0
- cover loss of profit from previous years		
- cover loss reserves		
7.6. Loss from previous years at the end of period	0	0
7.7. Profit (loss) from previous years at the end of period	26	0
8. Net result	6 808	6 802
a) net profit	6 808	6 802
b) net loss		
c) calculates the profit		
II. Equity at the end of period (CP)	56 601	55 245
III. Equity, subject to the proposed reclassification of profit (loss)	56 601	55 245

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Date and signature of a person responsible for the Bookkeeping

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Date and signature of unit's supervisor

E. CASH FLOW

Cash flow	01-01-2008 31-12-2008	01-01-2007 31-12-2007
A. Cash flows from operating activities- indirect method		
I. Net profit (loss)	6 808	6 802
II. Total adjustments	1 637	571
1. Depreciation	2 575	1 385
2. (Profits) loss on foreign exchange		8
3. Interest and participation in profits (dividends)	1	167

4. (Profit) loss on investing activities	-77	76
5. Change the status of reserves	100	-49
6. Change the inventory	-1 264	-4 170
7. Change the status of receivables	2 070	-1 729
8. Change the status of short-term obligations, except for loans and credit	-672	4 668
9. Change the status of settlements between periods	-1 096	266
10. Other correction	0	-51
III. Net cash flows from operating activities (I+/-II)	8 445	7 373
B. Cash flow from investing activities		
I. Receipts	135	103
1. Sale intangible and plant	105	103
2. Disposal of real-estate and intangible assets		
3. From financial assets, in this:	0	0
a) in related units	0	0
- disposal of financial assets		
- dividends and profits of the shares		
- payback of granted credits and loans		
- interest		
- other receipts from financial assets		
b) in other units	0	0
- disposal of financial assets		
- dividends and profits of the shares		
- payback of granted long-term credits and loans		
- interest		
- other receipts from financial assets		
4. Other receipts from investing activities	30	
II. Expenditure	32 592	14 338
1. The acquisition of intangible assets and plant	25 689	14 338
2. Investment in real-estate and intangible assets		
3. On financial assets, in this:	6 838	0
a) in related units	6 838	0
- the acquisition of financial assets	6 838	
- granted long-term credit and loans		
b) in other units	0	0
- the acquisition of financial assets		
- granted long-term credit and loans		
4. Other investing expenditure	65	
III. Net cash flows from investing activities (I-II)	-32 457	-14 235
C. Cash flows from financing activities		
I. Receipts	8 358	43 564
1. Net Receipts from issue of new shares and other capital instruments and subsidies to capital		41 038
2. Credits and loans	2 550	1 484
3. Issue debt securities		
4. Other Financial Receipts	5 808	1 042
II. Expenditure	5 781	9 263
1. The acquisition of own shares	1 859	
2. Dividends and other payments on behalf of owners	3 593	
3. Other than deposit on behalf of the owners, expenditure title profit break		
4. Payments and loans	328	8 991

5. Redemption of debt securities		
6. From other financial obligations		
7. Payment obligations : financial leasing contracts		69
8. Interest	1	203
9. Other financial expenditure		
III. Net cash flows from financial activities (I-II)	2 577	34 301
D. Total net cash flows (A.III+/-B.III+/-C.III)	-21 435	27 439
E. A state change in cash, in this:	-21 436	27 432
- Cash change due to foreign exchange course		7
F. Cash at the beginning of period	28 302	863
G. Cash at the end of period (F+/- D), in this:	6 867	28 302
- a limited ability to exercise	137	25

.....
Date and signature of a person responsible for the Bookkeeping

.....
Date and signature of unit's supervisor

F. ADDITIONAL INFORMATION AND EXPLANATIONS

I. NOTES TO THE BALANCE SHEET

Note 1

INTANGIBLE ASSETS	31-12-2008	31-12-2007
a) costs of research activities	702	477
b) goodwill		
c) acquired patents, licenses, and similar values, in this:	192	96
- software	192	96
d) other intangible assets		
e) withholding on intangible assets		
Total intangible assets	894	573

2008-12-31 Changes intangible (generic) by group							
	a	b	c		d	e	Total intangible assets
	costs of research activities	good will	acquired patents, licenses, and similar values, in this:	- software	other intangible assets	withholding on intangible assets	
a) gross value of intangible assets at the beginning of period	585		334	334	44		963
b) increase (title)	339	0	160	160	0	0	499
- purchase			160	160			160
- manufactured in-house	339						339
c) reduce (title)	0	0	0	0	0	0	0
-							0
...							0
d) gross value of intangible assets at the end of period	924	0	494	494	44	0	1462
e) accumulated depreciation at the beginning of period	108		238	238	44		390

f) depreciation for period (title)	114	0	64	0	0	0	178
- accumulated depreciation regularly scheduled	114		64				178
...							0
g) accumulated depreciation at the end of period	222	0	302	238	44	0	568
h) copies of the title given permanent loss at the beginning of period							0
- increase							0
- reduce							0
i) copies of the title given permanent loss at the end of period	0	0	0	0	0	0	0
j) net value of intangible assets at the end of period	702	0	192	256	0	0	894

2007-12-31 Changes intangible (generic) by group							
	A	b	c		d	e	Total intangible assets
	costs of research activities	good will	acquired patents, licenses, and similar values, in this:	- software	inne Intangible assets	withholding on intangible assets	
a) gross value of intangible assets at the beginning of period	157	-	236	236	44	-	437
b) increase (title)	428	-	98	98	-	-	526
- purchase	-	-	98	98	-	-	98
- manufactured in-house	428	-	-	-	-	-	428
c) reduce (title)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
...	-	-	-	-	-	-	-
d) gross value of intangible assets at the end of period	585	-	334	334	44	-	963
e) accumulated depreciation at the beginning of period	26	-	222	222	44	-	292
f) depreciation for period (title)	82	-	16	16	-	-	98
- accumulated depreciation regularly scheduled	82	-	16	16	-	-	98
...	-	-	-	-	-	-	-
g) accumulated depreciation at the end of period	108	-	238	238	44	-	390
h) copies of the title given permanent loss at the beginning of period	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-
- reduce	-	-	-	-	-	-	-
i) copies of the title given permanent loss at the end of period	-	-	-	-	-	-	-
j) net value of intangible assets at the end of period	477	-	96	96	-	-	573

INTANGIBLE ASSETS (Ownership)	31-12-2008	31-12-2007
a) own	894	573
b) used in rental, lease or agreement, in this lease agreement, in this:		
...		
Total intangible assets	894	573

Note 2

PLANT	31-12-2008	31-12-2007
a) fixed assets, in this:	41 103	9 331
- land (in this the perpetual usufruct of land)	355	359
- buildings, offices and civil engineering	14 796	2 544
- technical equipment and machinery	22 175	5 743
- means of transport	1 155	492
-Other fixed assets	2 622	193
b) fixed assets under construction	2 160	11 135
c) withholding on fixed assets under construction		33
Plant, together	43 263	20 499

2008-12-31 Change the fixed assets (generic) by group						
	- land (in this the perpetual usufruct of land)	- buildings, offices and civil engineering	- technical equipment and machinery	- means of transport	-Other fixed assets	Fixed assets, together
a) gross value of fixed assets at the beginning of period	386	4 580	15 589	1 072	590	22 217
b) increase (title)	0	12 345	18 270	964	2 619	34 198
- purchase			77	964	266	1 307
- from investments		12 345	18 193		2 353	32 891
c) reduce (title)	0	0	13	321	0	334
- sales			13	321		334
- disposal						0
d) gross value of fixed assets at the end of period	386	16 925	33 846	1 715	3 209	56 081
e) accumulated depreciation at the beginning of	27	2 036	9 846	580	397	12 886
f) depreciation for period (title)	4	93	1 825	-20	190	2 092
- accumulated depreciation regularly scheduled	4	93	1 837	273	190	2 397
- sales			-12	-293		-305
- disposal						0
g) accumulated depreciation the end of period	31	2 129	11 671	560	587	14 978
h) copies of the title given permanent loss at the beginning of period						0
- increase						0
- reduce						0
i) copies of the title given permanent loss at the end of period	0	0	0	0	0	0
j) net value of intangible assets at the end of period	355	14 796	22 175	1 155	2 622	41 103

2007-12-31 Change the fixed assets (generic) by group						
	- land (in this the perpetual usufruct of land)	- buildings, offices and civil engineering	- technical equipment and machinery	- means of transport	-Other fixed assets	Fixed assets, together
a) gross value of fixed assets at the beginning of period	386	4 681	11 851	1 062	529	18 509
b) increase (title)	-	13	4 205	273	61	4 552
- purchase	-	-	337	273	-	610
- from investments	-	13	3 868	-	61	3 942
c) reduce (title)	-	114	467	263	-	844
- sales	-	-	59	214	-	273
- disposal	-	114	408	49	-	571
d) gross value of fixed assets at the end of period	386	4 580	15 589	1 072	590	22 217
e) accumulated depreciation at the beginning of period	22	1 987	9 380	551	351	12 291
f) depreciation for period (title)	5	49	466	29	46	595
- accumulated depreciation regularly scheduled	5	94	921	222	46	1 288
- sales	-	-	-58	-144	-	-202
- disposal	-	-45	-397	-49	-	-491
g) accumulated depreciation at the beginning of period at the end of period	27	2 036	9 846	580	397	12 886
h) copies of the title given permanent loss at the beginning of period	-	-	-	-	-	-
- increase	-	-	-	-	-	-
- reduce	-	-	-	-	-	-
i) copies of the title given permanent loss at the end of period	-	-	-	-	-	-
j) net value of intangible assets at the end of period	359	2 544	5 743	492	193	9 331

FIXED ASSETS (ownership)	31-12-2008	31-12-2007
a) own	40 748	8 972
b) used in rental, lease or agreement, in this lease agreement, in this:	355	359
- financial leasing		
- perpetual use of land	355	359
Fixed assets, together	41 103	9 331

Fixed assets reported out-of-balance – not applicable.

Note 3. Long-term liabilities - not applicable.

Note 4

LONG-TERM FINANCIAL ASSETS	31-12-2008	31-12-2007
a) in subsidiaries	6 839	
b) in the interdependent units		
c) in the associate units		
d) in considerable investing units		
e) in dominant units		

f) in other units	4	4
- shares	4	4
Long-term financial assets, together	6 843	4

Change the status of long-term financial assets (generic) by group	31-12-2008	31-12-2007
a) state at the beginning of period	4	4
- shares in subsidiaries		
- shares in other units	4	4
b) increase (title)	6 839	
- the acquisition of shares	6 839	
c) reduce (title)		
- sales shares in subsidiaries		
- allowance for updating the actions in other units		
d) state at the end of period	6 843	4
- shares in subsidiaries	6 839	
- shares in other units	4	4

SHARES IN OTHER UNITS - 31.12.2008										
No	a	b	C	d	e		f	g	H	i
	compa ny name (legal status)	head office	product of the company	book value of shares	E q ui ty , in th is:		percenta ge in share capital	number of votes at ASM	unpaid by the issuer share value	received or owed coupon for the last year
						- Share capital				
1	UNIM OR RADIO COM Sp. z o.o., ul. Budowl anych 46 C, 80-298 Gdańsk	Gdańsk	communicati ons equipment for aviation and maritime and design radio communicati ons networks	0	no da ta	no data	0,03	0,03	-	-
2	GZE UNIM OR S.A., ul. Rzeźnic ka 54/56, 80-822 Gdańsk	Gdańsk	rent or leased real-estate	4	44 86	1471	0,099	0,099	-	-

SHARES IN OTHER UNITS - 31.12.2007										
No	a	b	c	D	E		f	g	H	i
	company name (legal status)	head office	product of the company	book value of shares	Equity, in this:	percentage in share capital		number of votes at ASM	unpaid by the issuer share value	received or owed coupon for the last year
						- Share capital				
1	UNIMOR RADIOCOM Sp. z o.o., ul. Budowlanych 46 C, 80-298 Gdańsk	Gdańsk	communications equipment for aviation and maritime and design radio communications networks	0	no data	no data	0,03	0,03	-	-
2	GZE UNIMOR S.A., ul. Rzeźnicka 54/56, 80-822 Gdańsk	Gdańsk	rent or leased real-estate	4	4486	1471	0,099	0,099	-	-

SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE)	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	6 843	4
b) in foreign currencies (by currencies and after the price in PLN)				
Securities, shares and other long-term financial assets, together			6 843	4

SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS (According to transferability)	31-12-2008	31-12-2007
A. Unlimited transferability, listed companies (book value)	0	0
B. Unlimited transferability, over the counter listed companies (book value)	0	0
C. Unlimited transferability, unlisted companies (book value)	6 843	4
a) shares (book value):	6 843	4
- adjustments update the value (period)		
- value at the beginning of period	4	4
- value by the acquisition price	6857	18
D. Limited transferability (book value)	0	0
Value by the acquisition price, total	6 857	18
Value at the beginning of period, together	4	4
Adjustments update the value (period), total	0	0
Book value, together	6 843	4

Note 5

Change the state of asset including deferred income tax	31-12-2008	31-12-2007
1. State of asset including deferred income tax at the beginning of period, in this:	560	472
a) transferred on financial result	- 560	472
- resulting instance transitional differences	- 560	472
items book valuation	- 4	10
allowance for updating the inventory value	- 117	69
due allowance for updating	- 68	61
negative unrealized receivables due to foreign exchange course	- 4	0
negative unrealized cash receivables due to foreign exchange course	- 0	0
impairment long-term investments	3	3
impairment non financial assets asset	2	
reserve for check-in retirement	20	19
reserve for the anniversary awards	34	34
reserve unused vacations	27	30
interperiod settlement revenue from research of the financial statement	3	3
interperiod settlement revenue from additional salary payments	118	88
interperiod settlement revenue from environmental charges	0	0
reserve for liabilities due to bonus for completing sales	1	2
reserve for litigation cases	0	9
leasing liabilities	0	13
Interest from credits	0	7
Interest from other liabilities	1	0
negative unrealized foreign exchange differences from liabilities	0	0
undisbursed salaries	116	88
undisbursed ZUS	42	36
b) transferred on Equity	0	0
c) transferred on goodwill or negative goodwill	0	0
2. Increase	258	243
a) transferred on financial result of the period due to instance negative transitional differences(title)	258	243
- occurrence instance transitional differences in this:	258	243
items book valuation	3	4
allowance for updating the inventory value	18	48
due allowance for updating		15
negative unrealized receivables due to foreign exchange course	2	4
negative unrealized cash receivables due to foreign exchange course	2	2
impairment long-term investments		
impairment non financial assets asset		2
reserve for check-in retirement	4	1
reserve for the anniversary awards	2	
reserve unused vacations	6	20
interperiod settlement revenue from research of the financial statement	7	5
interperiod settlement revenue from additional salary payments		55
interperiod settlement revenue from environmental charges		
reserve for liabilities due to bonus for completing sales	115	50
reserve for litigation cases		
leasing liabilities		
interest from credits		1
interest from other liabilities		1
negative unrealized foreign exchange differences from liabilities	36	
undisbursed salaries	57	28

undisbursed ZUS	6	7
b) transferred on financial result from the period due to tax loss(title)		
c) transferred on equity due to instance negative transitional differences(title)		
d) transferred on equity due to tax loss (title)		
e) transferred on goodwill or negative goodwill due to instance negative transitional differences (title)		
3. Reduce	269	155
a) transferred on financial result of the period due to instance negative transitional differences (title)	269	155
- reverse of transitional differences in this:	269	155
items book valuation	2	10
allowance for updating the inventory value	2	
due allowance for updating	9	8
negative unrealized receivables due to foreign exchange course	4	
negative unrealized cash receivables due to foreign exchange course	2	2
impairment long-term investments		
impairment non financial assets asset		
reserve for check-in retirement		
reserve for the anniversary awards		
reserve unused vacations	19	23
interperiod settlement revenue from research of the financial statement	5	5
interperiod settlement revenue from additional salary payments	118	25
interperiod settlement revenue from environmental charges		
reserve for liabilities due to bonus for completing sales	41	51
reserve for litigation cases		9
leasing liabilities		13
interest from credits		8
interest from other liabilities	1	
negative unrealized foreign exchange differences from liabilities	2	
undisbursed salaries	54	
undisbursed ZUS	10	1
b) transferred on financial result from the period due to tax loss (title)		
c) transferred on equity due to instance negative transitional differences (title)		
d) transferred on equity due to tax loss (title)		
e) transferred on goodwill or negative goodwill due to instance negative transitional differences (title)		
4. State of asset including deferred income tax at the end of period, together, in this:	549	560
a) transferred on financial result	549	560
- occurrence instance transitional differences in this	549	560
items book valuation	5	4
allowance for updating the inventory value	133	117
due allowance for updating	59	68
negative unrealized receivables due to foreign exchange course	2	4
negative unrealized cash receivables due to foreign exchange course	0	0
impairment long-term investments	3	3
impairment non financial assets asset	2	2
reserve for check-in retirement	24	20
reserve for the anniversary awards	36	34
reserve unused vacations	14	27
interperiod settlement revenue from research of the financial statement	5	3
interperiod settlement revenue from additional salary payments	0	118

interperiod settlement revenue from environmental charges	0	0
reserve for liabilities due to bonus for completing sales	75	1
reserve for litigation cases	0	0
leasing liabilities	0	0
Interest from credits	0	0
Interest from other liabilities	0	1
negative unrealized foreign exchange differences from liabilities	34	0
undisbursed salaries	119	116
undisbursed ZUS	38	42
b) transferred on equity	0	0
c) transferred on goodwill or negative goodwill	0	0

OTHER INTERPERIOD SETTLEMENTS	31-12-2008	31-12-2007
a) effective settlements interperiod costs, in this:	357	11
- technology adhesive	30	
- research connectors	11	5
- research through couplers		1
- research cables on voltage 1 kV.	3	5
- execution of prototype tools ENDCAP	132	
- new products for energy-couplers, heads	79	
- new materials to termshrinkable net products	44	
- branched coupler	15	
- elbow tube	7	
- elbow shield	9	
- research equipment cable	13	
- implementation of regulator coupler	8	
- ISO certificate	6	
b) other interperiod settlements, in this:		
Long-term interperiod settlements, together	357	11

Note 6

ITEMS	31-12-2008	31-12-2007
a) materials	1 263	2 778
b) semi-finished products and products in progress	2 335	1 564
c) finished products	3 729	2 116
d) goods	1 329	1 075
e) withholding on delivery	313	172
Items, together	8 969	7 705

Note 7

SHORT-TERM RECEIVABLES	31-12-2008	31-12-2007
a) From related units	1	0
-deliveries and services, about an annuity:	1	0
- up to 12 months	1	
- over 12 months		
-Other		
- case in court		
b) Receivables from other units	7 187	9 258
- supply and services, about an annuity:	6 613	7 886
- up to 12 months	6 613	7 886
- over 12 months		

- from taxes, grants, duty, social and health insurances and other benefits	344	1 172
-Other	230	200
- case in court		
Net short-term receivables, together	7 188	9 258
c) impairment due value	505	562
Gross short-term receivables, together	7 693	9 820

SHORT-TERM RECEIVABLES FROM RELATED UNITS	31-12-2008	31-12-2007
a) deliveries and services	1	
b) Other, in this:		
- from the dominant unit		
c) case in court, in this:		
Net short-term receivables from related units, together	1	
Gross short-term receivables from related units, together	1	

UPDATED VALUE OF SHORT-TERM RECEIVABLES	31-12-2008	31-12-2007
State at the beginning of period	562	525
a) increase (title)	35	88
- receivables from suppliers and services	35	81
- other litigated receivables		7
b) reduce (title)	92	51
- use writing off	51	6
- the reversal of allowance	22	44
- reversing the writing off debt disputed	19	1
Updated allowances for short-term receivables value at the end of period	505	562

The reversal of allowance update	31-12-2008	31-12-2007
1. Allowances for receivables:	41	45
- receivables from suppliers and services	22	44
- other litigated receivables	19	1

GROSS SHORT-TERM RECEIVABLES (CURRENCY STRUCTURE)	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	7 289	9 311
b) in foreign currencies (by currencies and after the price in PLN)	thousand	PLN	404	509
b1. unit/currency	thousand	EUR	49	86
thousand PLN	thousand	PLN	179	315
b2. unit/currency	thousand	USD	78	76
thousand PLN	thousand	PLN	225	194
Other currencies in thousand PLN				
Short-term receivables, together			7 693	9 820

RECEIVABLES FROM DELIVERIES AND SERVICES (GROSS) - About the remaining balance of an annuity:	31-12-2008	31-12-2007
a) up to 1 month	2514	3 071
b) between 1 and 3 months	2795	3 074
c) between 3 and 6 months		
d) between 6 months and up to 1 year		
e) over 1 year		
f) receivables overdue	1753	2 228

Trade and services, total (gross)	7 062	8 373
g) impairment value from deliveries and services	449	487
Trade and services, total (net)	6 613	7 886

Receivables from deliveries and services, expired (gross)-by debt not paid out in the period:	31-12-2008	31-12-2007
a) up to 1 month	1 036	1 198
b) between 1 and 3 months	189	450
c) between 3 and 6 months	496	98
d) between 6 months and up to 1 year	19	27
e) over 1 year	13	455
Receivables from deliveries and services, expired, total (gross)	1 753	2 228
f) impairment value of receivables from deliveries and services, overdue	449	487
Receivables from deliveries and services, expired, total (net)	1 304	1 741

Note 8

EXPIRED GROSS LONG-TERM AND SHORT-TERM RECEIVABLES	31-12-2008	31-12-2007
1. Litigated receivables	56	75
2. Expired receivables in general:	1 753	2 228
- from deliveries and services	1 753	2 228
3. Receivables, not created allowance update:	1 304	1 741
- from deliveries and services	1 304	1 741

Note 9

SHORT-TERM FINANCIAL ASSETS	31-12-2008	31-12-2007
a) in subsidiaries		
b) in the interdependent units		
c) in the associate units		
d) in considerable investing units		
e) in dominant units		
f) in other units	35	
- granted loans	35	
g) cash and equivalents	6 869	28 305
- money in hand and on the billing	1 758	28 251
- other cash	111	44
and equivalents	5 000	10
Short-term financial assets, together	6 904	28 305

SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE) – not applicable.

SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS (ACCORDING TO MARKETABILITY) - not applicable.

GRANTED SHORT-TERM LOANS (CURRENCY STRUCTURE)	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	35	
b) in foreign currencies (by currencies and after the price in PLN)	thousand	PLN		
b1. unit/currency EUR	thousand	EUR		
thousand PLN	thousand	PLN		
b2. unit/currency USD	thousand	USD		

thousand PLN	thousand	PLN		
other currencies in thousand PLN				
Granted short-term loans, together	thousand	PLN	35	

CASH AND OTHER EQUIVALENS (CURRENCY STRUCTURE)	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	6 696	27 746
b) in foreign currencies(by currencies and after the price in PLN)	thousand	PLN	173	559
b1. unit/currency EUR	thousand	EUR	3	10
thousand PLN	thousand	PLN	13	36
b2. unit/currency USD	thousand	USD	54	215
thousand PLN	thousand	PLN	160	523
Other currencies in thousand PLN				
Cash and other equivalents, together	thousand	PLN	6 869	28 305

OTHER SHORT-TERM INVESTMENTS (BY TYPE) – not applicable.

OTHER SHORT-TERM INVESTMENTS (CURRENCY STRUCTURE) – not applicable.

Note

10

SHORT-TERM INTERPERIOD SETTLEMENTS	31-12-2008	31-12-2007
a) effective settlements interperiod costs, in this:	42	49
- products for heat engineering		8
- technical research cable couplers	6	1
- research cruising couplers	1	1
- certification of cable couplers		12
- research cables on voltage 1 kV.	1	
- subscription	5	19
- assets insurance	6	2
- automobile insurance	11	
- annual fee due to ownership of shares	6	
- ISO certificate	4	
- service symfopakiet	2	
- other		6
b) other interperiod settlements, in this:		
Short-term interperiod settlements, together	42	49

Note 11

SHARE CAPITAL(STRUCTURE) - 31.12.2008								
Series/issue	Type of shares	Type of share ptransferred	Type of limiting the right to shares	Number of shares	Series value/issue by par	Type of financing	Registration data	Dividend entitled from a date
Series A	bearer shares	no	no	17 652	530	seed capital and enterprise funds converted from state enterprise	01.02.1996	01.02.1996
Series B	bearer shares	no	no	6300	189	IPO	16.05.2007	01.01.2007
Total number of shares				23 952				
Total share capital					719			

Nominal value per share= 0,03 PLN

SHARE CAPITAL(STRUCTURE) - 31.12.2007								
Series/issue	Type of shares	Type of share transferred	Type of limiting the right to shares	Number of shares	Series value/issue by par	Type of financing	Registration data	Divided and entitled from a date
Series A	bearer shares	no	no	17 652	530	seed capital and enterprise funds converted from state enterprise	01.02.1996	01.02.1996
Series B	bearer shares	no	no	6300	189	IPO	16.05.2007	01.01.2007
Total number of shares				23 952				
Total share capital					719			
Nominal value per share= 0,03 PLN								

OWN SHARES	31-12-2008	31-12-2007
1. Number of shares	350 328	
2. Value by acquisition in thousand PLN	1 859	
3. Book value	11	
4. Object of purchase	redemption	
5. Purpose	reduce of capital	

SHARES OF THE ISSUER OWNED BY SUBSIDIARIES – not applicable.

Note 12

SECONDARY CAPITAL	31-12-2008	31-12-2007
a) from share sales above their par value	40 831	40 831
b) statutory established	171	171
c) established in accordance with articles of associations / agreement, over the statutory floor value		
d) from shareholder/owners deposits		
e) other (type)		
- from the disposal of fixed assets		
...		
Total secondary capital	41 002	41 002

Note 13

OTHER CAPITAL RESERVES (ACCORDING TO PURPOSE)	31-12-2008	31-12-2007
- fund payments of dividends to future periods	2 399	2 399
- other	7 506	4 323
Other capital reserves, together	9 905	6 722

Note 14

CHANGE THE STATE OF THE RESERVE DUE TO DEFERRED INCOME TAX	31-12-2008	31-12-2007
1. State of deferred income tax at the beginning of period, in this:	239	228
a) transferred on financial result	239	228
- positive unrealized foreign exchange differences from receivables	0	0
- accrued interest from cash and equivalents	0	0
- positive unrealized foreign exchange differences from cash and equivalents	1	1
- accrued interest from loans	0	0
- short-term financial assets (OFI Pioneer)	0	0
- positive unrealized foreign exchange differences from liabilities	0	1
- difference between depreciation rates	238	225
- accrued interest from credits for fixed assets under construction	0	1
b) transferred on equity		
c) transferred on goodwill or negative goodwill		
2. Increase	142	51
a) transferred on financial result of period with positive foreign exchange transitional differences	142	51
- positive unrealized foreign exchange differences from receivables	8	
- accrued interest from cash and equivalents		
- positive unrealized foreign exchange differences from cash and equivalents	1	2
- accrued interest from loans		
- short-term financial assets (OFI Pioneer)		
- positive unrealized foreign exchange differences from liabilities	1	
- difference between depreciation rates	132	48
- accrued interest from credits for fixed assets under construction		1
b) transferred on equity due to positive transitional differences		
c) transferred on goodwill or negative goodwill due to positive transitional differences		
3. Reduce	1	40
a) transferred on financial result due to positive transitional differences (title)	1	40
- positive unrealized foreign exchange differences from receivables		
- accrued interest from cash and equivalents		
- positive unrealized foreign exchange differences from cash and equivalents	1	2
- accrued interest from loans		
- short-term financial assets (OFI Pioneer)		
- positive unrealized foreign exchange differences from liabilities		1
- difference between depreciation rates		35
- accrued interest from credits for fixed assets under construction		2
b) transferred on equity due to positive transitional differences		
c)) transferred on goodwill or negative goodwill due to positive transitional differences		
4. State of reserves including deferred income tax at the end of period, together	380	239
a) transferred on financial result	380	239
- positive unrealized foreign exchange differences from receivables	8	0
- accrued interest from cash and equivalents	0	0
- positive unrealized foreign exchange differences from cash and equivalents	1	1
- accrued interest from loans	0	0
- short-term financial assets (OFI Pioneer)	0	0

- positive unrealized foreign exchange differences from liabilities	1	0
- difference between depreciation rates	370	238
- accrued interest from credits for fixed assets under construction	0	0
b) transferred on equity	0	0
c) transferred on goodwill or negative goodwill	0	0

CHANGE OF THE STATE OF LONG-TERM RESERVE ON THE PROVISION OF RETIREMENT AND SIMILAR (by title)	31-12-2008	31-12-2007
a) state at the beginning of period	242	252
- reserve for the anniversary awards	140	155
- reserve for check-in retirement	102	97
b) increase (title)	27	5
- reserve for the anniversary awards	11	
- reserve for check-in retirement	16	5
c) use (title)	0	0
d) dissolution (title)	0	15
- reserve for the anniversary awards		15
- reserve for check-in retirement		
e) state at the end of period	269	242
- reserve for the anniversary awards	151	140
- reserve for check-in retirement	118	102

CHANGE OF THE STATE OF SHORT-TERM RESERVE ON PROVISION OF RETIREMENT AND SIMILAR (by title)	31-12-2008	31-12-2007
a) state at the beginning of period	187	187
- reserve for the anniversary awards	39	24
- reserve for check-in retirement	5	4
- reserve for unused vacation	143	159
b) increase (title)	35	122
- reserve for the anniversary awards		15
- reserve for check-in retirement	2	1
- reserve for unused vacation	33	106
c) use (title)	0	0
- reserve for the anniversary awards		
- reserve for check-in retirement		
- reserve for unused vacation		
d) dissolution (title)	103	122
- reserve for the anniversary awards	1	
- reserve for check-in retirement		
- reserve for unused vacation	102	122
e) state at the end of period	119	187
- reserve for the anniversary awards	38	39
- reserve for check-in retirement	7	5
- reserve for unused vacation	74	143

CHANGE OF THE STATE OF OTHER SHORT-TERM RESERVE (TITLE)	31-12-2008	31-12-2007
a) state at the beginning of period	0	50
- reserve for cases in court	0	50
b) increase (title)	-	-
- reserve for case in court	-	-
c) use (title)		43
- reserve for case in court		43
d) dissolution (title)		7
- reserve for case in court		7
e) state at the end of period	-	-

- reserve for case in court	-	-
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Note 15

LONG-TERM LIABILITIES	31-12-2008	31-12-2007
a) to subsidiaries		
b) to interdependent units		
c) to associated units		
d) to a dominant investing unit		
e) to a dominant unit		
f) to other units	2 280	117
- credits and loans	2 280	117
Long-term liabilities, razem	2 280	117

LONG-TERM LIABILITIES, ABOUT THE REMAINING BALANCE OF AN ANNUITY	31-12-2008	31-12-2007
a) between 1 and 3 years	1 216	48
b) between 3 and 5 years	1 064	69
c) over 5 years		
Long-term liabilities, together	2 280	117

LONG-TERM LIABILITIES (CURRENCY STRUCTURE)	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	2 280	117
b) in foreign currencies(by currencies and after the price per PLN)	thousand			
Long-term liabilities, together	thousand	PLN	2 280	117

LONG-TERM LIABILITIES DUE TO CREDITS AND LOANS - 31.12.2008

Company name	Head office	Amount of a granted credit/loan in accordance with an agreement		Outstanding part of a credit/loan		Terms	Date
		thousand PLN	currency	thousand PLN	currency	interest rate	payback
Bank Gospodarstwa Krajowego Department in Gdańsk	ul. Kowalska 10, 80-846 Gdańsk	7 676	PLN	2 880	PLN	WIBOR wage3M + margin 2,2 p.p.	30.09.2013

LONG-TERM LIABILITIES DUE TO CREDITS AND LOANS - 31.12.2007

Company name	Head office	Amount of a granted credit/loan in accordance with an agreement		Outstanding part of a credit/loan		Terms	Date
		thousand PLN	currency	thousand PLN	currency	interest rate	payback
Bank Gospodarstwa Krajowego Department in Gdańsk	ul. Kowalska 10, 80-846 Gdańsk	7 676	PLN	117	PLN	WIBOR wage3M + margin 2,2 p.p.	30.09.2013

LONG-TERM LIABILITIES OF IN-DEBT FINANCIAL INSTRUMENTS – not applicable.

Note 16

SHORT-TERM LIABILITIES	31-12-2008	31-12-2007
a) to subsidiaries	12	
b) to interdependent units		
c) to associated units		
d) to a dominant investing unit		
e) to a dominant unit		
f) To other units	7 991	8 674
- credit and loans, in this:	608	551
- long-term in playback period	608	551
-Other financial liabilities, in this:	0	0
- financial leasing		
- deliveries and services, in due period:	6 324	7 095
- up to 12 months	6 324	7 095
- advances received on delivery	14	12
- insurance, taxes, duties and other benefits	611	585
- salaries	401	405
-Other (type)	33	26
- other	33	26
g) Special funds (by title)	274	217
- ZFSS	274	217
Total short-term liabilities	8 277	8 891

SHORT-TERM LIABILITIES	unit	currency	31-12-2008	31-12-2007
a) in polish currency	thousand	PLN	6 474	8 766
b) in foreign currencies (wg walut i po przeliczeniu na PLN)	thousand	PLN	914	125
b1. unit/currency EUR	thousand	EUR	169	33
thousand PLN	thousand	PLN	707	120
b2. unit/currency USD	thousand	USD	69	2
thousand PLN	thousand	PLN	207	5
other currencies in thousand PLN	thousand	PLN	889	
Total short-term liabilities	thousand	PLN	8 277	8 891

SHORT-TERM LIABILITIES DUE TO CREDITS AND LOANS- 31.12.2008

Company name	Head office	Amount of a granted credit/loan in accordance with an agreement		Outstanding part of a credit/loan		Terms	Date payback
		thousand PLN	currency	thousand PLN	currency	interest rate	
Bank Gospodarstwa Krajowego Department in Gdańsk	ul. Kowalska 10, 80-846 Gdańsk	7 676	PLN	608	PLN	WIBOR wage3M + margin 2,2 p.p.	30.09.2013

SHORT-TERM LIABILITIES DUE TO CREDITS AND LOANS - 31.12.2007

Company name unit	Head office	Amount of a granted credit/loan in accordance with an agreement		Outstanding part of a credit/loan		Terms	Date
		thousand PLN	currency	thousand PLN	currency	interest rate	payback
Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna	ul. Puławska 15, 02-515 Warszawa	93	PLN	17	PLN	WIBOR wage1M + margin 1,4 pkt	31.12.2008
Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna	ul. Puławska 15, 02-515 Warszawa	96	PLN	10	PLN	WIBOR wage1M + margin 1,4 pkt	31.12.2008
Bank Gospodarstwa Krajowego Department in Gdańsk	ul. Kowalska 10, 80-846 Gdańsk	7 676	PLN	524	PLN	WIBOR wage3M + margin 2,2 p.p.	30.09.2013

SHORT-TERM LIABILITIES OF IN-DEBT FINANCIAL INSTRUMENTS – not applicable.

Note 17

OTHER INTERPERIOD SETTLEMENTS	31-12-2008	31-12-2007
a) accrued costs interperiod settlements	423	639
- long-term (by title)		
- short-term (by title)	423	639
- bonus and special prize for marketing for recipients	395	1
- reserve for salary		620
- reserve for ither costs	28	18
b) interperiod income settlements	6 660	1 404
- long-term (by title)	5 943	1 111
- value of perpetual usufruct of land	351	355
- grants	5 592	756
- short-term (by title)	717	293
- value of perpetual usufruct of land	4	4
- grants	713	289
Other interperiod settlements, together	7 083	2 043

II. NOTES TO THE OFF-BALANCE-SHEET ITEMS

Note 18

CLAIMS FROM AFFILIATED COMPANIES – not applicable.

CONDITIONAL LIABILITIES TO RELATED UNITS (TITLE)	31-12-2008	31-12-2007
a) given guarantee and aval, in this:	950	
- for subsidiaries	950	
- for interdependent units		
- for associated units		
- for a dominant investing unit		
- for a dominant unit		

b) other (title)		
Conditional liabilities to related units, together	950	

* The amount of 950 thousand PLN concerns the liability for loan guarantees of Elektroporcelana Ciechów S.A. towards Bank Spółdzielczy in Oleśnica.

CLAIMS FOR AFFILIATED COMPANIES – not applicable.

LIABILITIES CONCERNING CREDIT AGREEMENTS DISCUSSED IN NOTE 15 AND 16.

BILL CHEQUE GUARANTEES BESIDES CREDIT CONTRACTS	Institution in which the bill was given in	Period of contract validity
Bill cheque (1) to secure agreement about the funding project No. SPOWKP/2 3/1/22/445 of 20.05.2005. under title "Buy helium detector leaks in order to achieve product innovation in RADPOL S.A.", given financial support 36.141,89 PLN.	PARP Warszawa	20.05.2005-31.05.2010
Bill own cheque (1 piece) on insurance of execution of receiving extra funds of total 990.575,00 PLN (grant agreement No.SPOWKP/2.3/4/22/2160 from 25 th May 2006) project under the name "Innovative production line for small lengthwise shrink thin-walled tubes".	Development Agency Pomorza S.A. Gdańsk	01.07.2006-30.11.2006
Bill own cheque (1 piece) on insurance of execution of an agreement about a assistance No. 2003/004-379/05.02/01-02/11/0283 from 23 rd Nov.2005. Under the name "Introduction of innovative IT solutions to improve information flow inside the ", given financial support 58.389,20 PLN.	PARP Warsaw	17.01.2006-30.06.2006
Bill own cheque (1 piece) on insurance of execution of an agreement about a assistance No. 2003/004-379/05.02/01-02/11/0284 from 23 rd Nov.2005. Under the name "Company competitiveness growth through production process supervision and R&D" (universal testing machine), given financial support 54.048,17 PLN.	PARP Warsaw	17.01.2006-30.06.2006
Bill own cheque (1 piece) on insurance of execution of an agreement about a assistance No. SPOWKP/2.2.1/1/22/155 from 19 th Jun.2007. Under the name "Launch of an innovative technological line for term shrinkable products in RADPOL Co.", given financial support 5.051.225,00 PLN.	PARP Warsaw	01.05.2007-31.03.2008
Bill own cheque (1 piece) on insurance of execution of copper rollers delivery from 02 nd Jan.2007.	KGHM Metraco S.A., Legnica	01.01.2007-31.12.2008
Bill own cheque (1 piece) on insurance of execution of an agreement about a assistance No. SPOWKP/2.2.1/1/22/289 from 25 th Jan.2008. Under the name "Innovative line for examination of tube tightness launched in RADPOL Co.", given financial support 800.000,00 PLN.	Development Agency Pomorza S.A. Gdańsk	01.05.2007-30.06.2008

III. NOTES TO THE PROFIT AND LOSS ACCOUNT

Note 19

NET INCOMES FROM SALE OF PRODUCTS (TYPE OF ACTIVITY)	01-01-2008 31-12-2008	01-01-2007 31-12-2007
- sale of termshrinkable products	17 246	17 378
- sale of wires	7 881	7 996
- sale of electroinstallation fixture	5 555	5 427
- sale of other finished products	11	10
- in this: from related units		
- sale of services	234	281
- in this: from related units		
Net incomes from sale of products, together	30 927	31 092

- in this: from related units	2	
-------------------------------	---	--

NET INCOMES FROM SALE OF PRODUCTS (TYPE OF AREA)	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) within country	26 619	25 567
- in this: from related units		
b) export	4 308	5 525
- in this: from related units		
Net incomes from sale of products, together	30 927	31 092
- in this: from related units	2	

Note 20

NET INCOMES FROM SALE OF GOODS AND MATERIALS (TYPE OF ACTIVITY)	01-01-2008 31-12-2008	01-01-2007 31-12-2007
- incomes from sale of goods	5 422	4 379
- in this: from related units		
- incomes from sale of materials	304	350
- in this: from related units		
Net incomes from sale of goods and materials, together	5 726	4 729
- in this: from related units		

NET INCOMES FROM SALE OF GOODS AND MATERIALS (TYPE OF AREA)	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) within country	5 241	4 159
- in this: from related units		
- goods	4 937	3 809
- in this: from related units		
- materials	304	350
- in this: from related units		
...		
b) export	485	570
- in this: from related units		
- goods	485	570
- in this: from related units		
- materials		
- in this: from related units		
Net incomes from sale of goods and materials, together	5 726	4 729
- in this: from related units		

TABLE

COSTS BY GENRE	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) amortization	2 575	1 385
b) use of materials and energy	13 528	13 981
c) outsourcing	3 969	3 386
d) taxes and fees	544	252
e) salaries	7 700	6 583
f) insurances	1 688	1 632
g) other genre costs	59	289
Costs by genre, together	30 063	27 508
Change in the state of items, products and interperiod settlements	-3 043	-606
Cost of manufacturing products for in-house use (minus amount)	-198	-830

Costs of sale (minus amount)	-4 137	-3 440
Costs of the General Board (minus amount)	-4 398	-4 486
The cost of manufacture of products sold	18 287	18 146

Note 22

OTHER OPERATING INCOMES	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) closed reserved (title)	116	122
- for labour cases	102	116
- for court cases	14	6
b) other, in this:	384	166
- impairment updating receivables	22	46
- impairment updating items	12	46
- items book valuation	10	
- compensation	2	17
- statut-barred liabilities	1	
- excess inventory	240	24
- redemption of perpetual usufruct of land	1	4
- income tax refund		29
- receivables reached in court	58	
- Other incomes from operating activities	38	
- ...		
Other operating incomes, together	500	288

Note 23

OTHER OPERATING COSTS	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) created reserves (title)	60	106
- for labour cases	60	106
- for court cases		
b) other, in this:	372	459
- donations	2	5
- uncollectible receivables	1	
- due allowance for updating	16	88
- impairment updating items	93	257
- inventory shortage	221	66
- impairment updating plant		8
- court costs	3	9
- items book valuation	18	20
- Other operating costs	18	6
- ...		
Other operating costs, together	432	565

Note 24

FINANCIAL INCOME OF DIVIDENDS AND SHARES IN THE PROFITS – not applicable.

FINANCIAL INCOMES FROM INTEREST	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) from given loans	0	0
- from related units, in this:		
- from a dominant unit		
b) other interests	625	1 022
- from related units		
- from other units	625	1 022
Financial incomes from interest, together	625	1 022

OTHER FINANCIAL INCOMES	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) positive differences due to foreign exchange course	22	0
- realized	143	
- unrealized	-121	
b) closed reserves (title)		
c) others, in this:	6	
Other financial incomes, together	28	0

Note 25

FINANCIAL COSTS DUE TO INTEREST	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) from credits and loans	0	204
- for related units		
- for other units		204
b) other interest	5	10
- for related units		
- for other units	5	10
Financial costs due to interest, together	5	214

OTHER FINANCIAL COSTS	01-01-2008 31-12-2008	01-01-2007 31-12-2007
a) negative differences due to foreign exchange course	0	46
- realized		28
- unrealized		18
b) created reserves (title)		
c) other, in this:		
- commission from credits and avals		
- Other		
Other financial costs, together	0	46

Note 26

Extraordinary profits - not applicable.

Note 27

Extraordinary losses - not applicable.

Note 28

CURRENT INCOME TAX	01-01-2008 31-12-2008	01-01-2007 31-12-2007
1. Gross profit (loss)	8 506	8 041
2. Differences between gross profit (loss) and the basis for income taxation (by title)	-308	-1 117
- permanent differences	-230	-1 789
~ increasing the basis for taxation	516	438
realized differences due to foreign exchange course	275	55
credit costs		
commission from acquisition of shares		
deposits on PFRON	97	85
costs of representing the company and nonpublic commercials	54	110
expenditure on Supervising Body	26	49
VAT from representing group and from Supervising Body	13	48
the result on disposal of nonfinancial fixed assets (book value)	26	31
receivables due to the Court's judgment transferred to GAMAT		

payback receivables due to tenant executions, insolvency etc.	17	3
expenditure in the parts covered by a grant		31
transferred donations		5
costs of issuing shares on Warsaw Stock Exchange		
car insurance over 20 thousand EUR	5	
contributions for the organization whose membership is not obligatory		
budget interest	1	
Other	2	21
~ reducing the basis for taxation	746	2 227
received grants	548	211
loss on disposal of nonfinancial fixed assets determined by taxation		
depreciation of perpetual usufruct of land	4	4
realized differences due to foreign exchange course	154	83
interest paid to contractors		
due allowance for updating (bunkruptcy,insolvency,tenant execution)	28	2
refund fees from KPWiG		
costs of issuing shares on Warsaw Stock Exchange		1 819
income tax refund		108
Other	12	
- transitional differences	-78	672
~ increasing the basis for taxation	1 117	1 577
interest from loans		
net value of receivables the due tenant execution		
unrealized differences due to foreign exchange course		48
impairment updating current assets and reserves on labour cases	187	480
impairment updating long-term investments		
create accrued interperiod settlements		153
difference between depreciation rates	103	56
valuation of shares in OFI PIONEER		
call costs		
items book valuation		
undisbursed salaries	626	612
undisbursed premium to ZUS	199	222
Interest accrued by contractors	2	2
Interest from credits		
Others		4
~ reducing the basis for taxation	1 195	905
due allowance for updating due to tenant executions, insolvency etc.		
updating impairment closure	145	214
accrued interperiod settlement closure	216	
pre-payment invoices		
difference between depreciation rates		
receivables dissolution from MARK POL Głogów		
leasing instalments		
unrealized differences due to foreign exchange course		
interest accrued by contractors		9
interest from credits		31
par gains from differences due to foreign exchange course		
disbursed salaries	612	461
disbursed premium to ZUS	222	190
3. The basis for income taxation	8 198	6 924
4. Income tax by rate 19%	1 558	1 316
5. Increase due to giving up, dismissal, deductions and tax reductions		

6. Current income tax enclosed (quoted) in the sales tax declaration period, in this:	1 546	1 316
- shown in the profit and loss account	1 546	1 316

DETERRED INCOME TAX, QUOTED IN THE PROFIT AND LOSS ACCOUNT:	01-01-2008 31-12-2008	01-01-2007 31-12-2007
- reduce (increase) due to uprisings and revert the transitional differences	152	-77
- reduce (increase) due to changes of the basis for taxation		
- reduce (increase) due to previous undisclosed tax loss, tax allowance or transitional difference from previous period		
- reduce (increase) due to writing off assets after deferment of income tax or usability reserves for deferred income tax		
-Other deferred tax components (by title)		
- investment incentives		
Total deferred income tax	152	-77

TOTAL VALUE OF DEFERRED INCOME TAX	01-01-2008 31-12-2008	01-01-2007 31-12-2007
- quoted in equity		
- quoted in goodwill or negative goodwill		

INCOME TAX QUOTED IN PROFIT AND LOSS ACCOUNT DUE TO:	01-01-2008 31-12-2008	01-01-2007 31-12-2007
- given up activity		
- result of extraordinary transactions		

Note 29

TABLE

In connection with the planned further acquisitions aimed to strengthen the market position of the Group, the Management Board of RADPOL S.A. recommends to the General Assembly of Shareholders to put the whole profit for 2008 for the purpose of capital increase. Amounts related to, in accordance with Article. 348 paragraph 1 of the Commercial Companies Code, pursuant to the subsequent decision of the General Assembly of Shareholders, will be able to be paid in the form of dividends at a later date.

Earnings per share are calculated by multiplying the net profit arising from the accounts by the weighted average number of shares. There are no ptransferred shares as of dividend.

Note 30

Earnings per share was calculated as the quotient of the net profit arising from the financial statements of the weighted average number of shares. Weighted average number of shares deDateed by the number of shares issued by the Company, reduced by the number of shares repurchased in order of redemption by the weighted number of days of the action (or holding of own shares by the Company). For calculations it is assumed that share split 1:10 was made in the 2007 and was already undertaken in previous periods. During the periods covered by the financial instruments, there were no potential diluting units.

IV. NOTES TO THE CASH FLOW

Note 31

DIFFERENCES DUE TO CHANGES IN BOOK VALUES AND CASH FLOW ACCOUNT	01-01-2008 31-12-2008	01-01-2007 31-12-2007
1. In operating activities:		
a) change the state of interperiod settlements		
- change in interperiod settlements according to balance sheet wg	4 712	1 257
- received grants - undisclosed in profit and loss account	-5 808	-991
- change in interperiod settlements according to cash flow account	-1 096	266

CLARIFICATION OF "OTHER POSITIONS"	01-01-2008 31-12-2008	01-01-2007 31-12-2007
1. In operating activities:		
a) Other adjustments		
- received grants - enclosed in profit and loss account		51
Total "Other adjustments"	0	51
2. In investing activities:		
a) other investing receipts		
- short-term loans payback	30	
Total " Other investing receipts "	30	
b) Other investing expenditures		
- granted short-term loans	65	
Total " Other investing expenditures "	65	
3. In financial activities:		
a) Other financial receipts		
- received grants - enclosed in profit and loss account		51
- received grants - enclosed in balance sheet as interperiod receipts settlement	5 808	991
Total "Other financial receipts "	5 808	1 042

CASH AND EQUIVALENTS STRUCTURE	01-01-2008 31-12-2008	01-01-2007 31-12-2007
Cash in hand	5	5
Cash held in bank available on request	1 728	28 232
Cash held on bank accounts with maturity up to 3 months	5 000	
Cash and equivalents with limited ability of management (blockade, ZFSS account)	136	68
Total cash and equivalents	6 869	28 305

V. ADDITIONAL NOTES

ADDITIONAL NOTES - Part 1.

Note 32

Memo 32

COST OF MANUFACTURING OF FIXED ASSETS <u>UNDER CONSTRUCTION</u>, AND FIXED ASSETS FOR IN-HOUSE USE	01-01-2008 31-12-2008	01-01-2007 31-12-2007
Reactor for production of glue		41
Technology for polydactyle hubcap production	25	25
Accelerator		1 114
Cooling of water system		274
Turn-table in a shelter P-30		36
Modernization of system AKC	1 383	926
Tubing expansion line No. 1		342
Tubing expansion line No. 2		353
Tubing expansion line No. 3		1 352
Hall building A5		4 130
Design, supervision		162
Tightness examination		1
Accelerator's gate carriageable match		19
Striking wires station		136
Output bolting tool		77
Accelerator modernization I&U	277	11

Hall modernization /Gamat/		539
Production of ends DIN		48
Tubing line HW ECO		86
Tubing line IR ECO		257
Modernization of warming up glue stove		11
Glue mixer	8	1
Side extruder JYH-30/25		9
Glue extruder No. 1		11
Glue extruder No. 2		11
Extruding line No. 1		264
Extruding line No. 2		264
Forms for small hoods (6)		4
Tube flattening station		87
Termshrinkable hood expansion station		253
Termshrinkable hoods sticking and cutting station		236
Calorimeter DSC		28
Laboratory mixer		3
Hot set + laboratory equipment		24
Collecting fields	11	
Warehouse-high storage racks	5	
New warehouse-high storage racks	212	
Guide to the printing head	8	
Cooling station	9	
Modernization of forms for small hoods	13	
Modernization of the premises	8	
Carriageable match	150	
Installation of gas heating	50	
Total manufacturing costs of fixed assets	2 159	11 135

EXPENSES ON NON-FINANCIAL FIXED ASSETS	01-01-2008 31-12-2008	01-01-2007 31-12-2007
Stationary komputer and notebooks (4)		81
Thermostat to form		8
The printer to stamp pipes plus transporter		38
Automobile Renault (3)		167
Re-wraper to pipes		40
Switchboard		27
Truck for spools		7
Instruments for diameter extension		417
Reservoir adhesive with magnetronem		78
Modernization of vacuum system AKC		105
Modernization of electrical instalation		13
Crane		39
Extruder W20 glue-carrying		36
Extruder for production of thin-walled tubes .Rollepaal		2 236
Extruder T32		171
Extruder T-45/Metalchem/		203
Output bolting tool.SETIC		178
Moulding machine /p-10/		62
Moulding machine/P-10/		265
Printers for pipes (2)		78

Stickiness tester		31
Hardness tester		17
Thermal room		13
Air-conditioning machine (5)		21
Welder		6
The server DELL PE 1900		26
The server DELL PE 2900		32
Fork lift TOYOTA		99
Extruder modernization LW 137		29
Extruder modernization LW 139		29
Turn-table in a shelter P-30	40	
Krausening wires process station	136	
Output bolting tool	78	
Tubing expansion line HW ECO	191	
Tubing expansion line IR ECO	494	
Glue mixer	13	
Side extruder JYH-30/25	30	
Band-saw PEHAKA/p-10/	111	
Output tool p-30 (6 units)	42	
OU milling machine	65	
LW Extruding output tool	36	
Turning lathe type Proma	67	
Tightness examination	1 635	
Hot set + laboratory refittin	48	
Constant tubing expansion line No. 1	690	
Constant tubing expansion line No. 2	693	
Constant tubing expansion line No. 3	3 012	
Glue extruder No. 1	63	
Glue extruder No. 2	57	
Extruding line No. 1	1 024	
Extruding line No. 2	1 021	
Cross-linked material crusher	117	
Cross-unlinked material crusher	65	
Moulding machine/P-10/	6	
Forms for small hoods (6)	606	
System racks	1 061	
Tube flattening station	173	
Tube straightening station	125	
Hood expansion station	542	
Glue Sticking and cutting station	459	
Calorimeter DSC	135	
Laboratory mixer	682	
Stationary computer (PC) Dell (10 units)	23	
Welding inverter	3	
Notebook (4 units)	16	
conditioning machine (3 units)	13	
Winder for tubes - modernization	4	
Printer 3 units	14	
Automobile Renault	63	
Automobile Audi A6 Avant	151	
Automobile Audi A6	171	
Automobile Audi A6	119	

Automatic mixer	4	
Drum for construction intensify 4 units	21	
Dryer-modernization	3	
Furniture- Maintenance Department	7	
Modernization of Building GPZ - modernizacja	6	
Modernization of production hall	14	
Hall /Gamat/ - modernization	1379	
Production halls - termomodernization	2028	
Installation of compressed air - modernization	22	
Band-saw type Proma	4	
Cooling of water system technology - P-10	68	
Cooling of water system technology - P-40	34	
Cooling of water system technology - P-30	238	
Hydraulic press	123	
Fix-up for sleeves sticking	19	
For warming up glue stove 3 units	126	
For warming up glue stove- modern.	7	
For warming up glue stove- modernization	7	
Reactor for production of glue	41	
Extruder LW-139 - modernization	86	
Krousening machine K-700 - modernization	16	
Extruder LW-139 modernization	46	
Tube technological line T32(2 pieces)	283	
Tube technological line T45	283	
Cross-linking tool - modernization	1107	
HW tubing expansion line	175	
Extruding line Theysohn - modernization	62	
Header for drying granulate-modernization	17	
Dryer for drying goods	22	
Vibrator for heaping up goods	54	
Accelerator's gate carriageable match	18	
Automobile Rrenault Megane 3 units	165	
Instruments for diameter extension	42	
Drum (9 units)	49	
Digital copier	9	
Baler Orwak	13	
Laboratory dryer	3	
Steel spools	110	
Input to production of end DIN	339	
Production hall.A5	8502	
Analyzer of spectrum	115	
Adaptor-building of hall	19	
Internal Roads - modernization	259	
Match of cooling AKC /new/	375	
Accelerator IELU 10	3874	
Coiler for palettes	49	
Fork lift for high lifting 2 units	240	
Fork lift for low lifting 2 units	54	
Intelligent radiometer	50	
Analyzer of spectrum	3	
Total manufacturing costs of fixed assets	34 684	4 552

Planned spendings on non-financial assets to pay for 2009 amount to 4 589 thousand PLN. The Company did not incur expenditure on environmental protection in 2008, and does not plan to incur expenditure on environmental protection in 2009

Note

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Avareage time employment	01-01-2008 31-12-2008	01-01-2007 31-12-2007
Blue-collar workers	154	145
White-collar workers	85	78
Total employment	239	223

Note 34

Salaries for members of The General Bard and Supervisory Board	01-01-2008 31-12-2008	01-01-2007 31-12-2007
Salary for being a member of The General Board	120	120
- Andrzej Sielski	60	60
- Grzegorz Malczyk	60	60
Paid out salaries for members of The General Board	608	343
- Andrzej Sielski	310	177
- Grzegorz Malczyk	298	166
Additional salary for being a member of Supervisory Board	169	147
- Grzegorz Bielowski	36	36
- Tomasz Firczyk	28	28
- Zbigniew Janas	28	28
- Tomasz Kapliński	28	23
- Marcin Kowalczyk	17	
- Krzysztof Kurowski	21	9
- Krzysztof Wachowski	11	23
Salaries total	897	610

Note 35

Courses accepted for of balance sheet and profit and loss account denominated in foreign currency	01-01-2008 31-12-2008	01-01-2007 31-12-2007
EUR	4,1424	3,5820
USD	2,9618	2,4350

Note 36

CHANGES IN RULES (POLICY) OF ACCOUNTING

Did not take place in the Company.

Note 37

PROVIDED NUMERICAL INFORMATION TO ENSURE COMPARABILITY OF DATA OF THE REPORT FOR THE PREVIOUS YEAR WITH FINANCIAL REPORT FOR THE FINANCIAL YEAR.

Does not concern the Company.

Note 38

OTHER INFORMATION THAN THOSE LISTED ABOVE, WHICH COULD SIGNIFICANTLY AFFECT THE POSITION, FINANCIAL STATUS AND FINANCIAL RESULTS OF THE UNIT

1) For the balance sheet date, the Company has a technological loan agreement amounting to 7.676 thousand PLN to finance the investment, "Building a business accelerator for radiation of cross-linking heat-shrinkable products". Credit granted for the period 28.12.2006 - 30.09.2013, the balance of the loan as at 31.12.2008 amounted to 2,889 thousand PLN.

2) The Company has concluded an agreement to purchase shares of Elektroporcelana Ciechów S.A. based in Ciechów established in the contract and guarantee. Transfer of ownership of shares took place on the day of the last part of the notarial deposit (03.07.2008). The acquired shares represent 80% of share capital and votes at the General Meeting. At the balance sheet date the redemption of shares from small shareholders and the entry for the newly issued shares, RADPOL S.A. holds 93.23% of the share capital and 95.62% of votes at the General Meeting. Shares of Elektroporcelana Ciechów S.A. are long-term investments associated with the strategic objective of RADPOL S.A., i.e. the development of products for the energy industry.

3) On 07.07.2008, the Company began to acquire its own shares for their redemption in buy back program (in accordance with Redissolution No. 16 of General Assembly of 21.04.2008). As part of the program, the Company will not acquire more than 2,371,209 own shares for a total amount not exceeding 14,227,254.00 PLN. Implementation of the buy back program will be completed no later than 01.10.2009.

4) The Company has met its responsibilities stemming from the investment of the grant awarded under the EU SPOWKP/2.2.1/1/22/155. Program was valued about 10 million, and the deadline for the completion of the project expired on 30.06.2008. The program dealt with the purchase of a number of production lines for implementation to a new technology, reduce production costs and introducing new products to offer. Funding for this project is 50% of the value of the investment. The company has completed all the investments made under this grant with a deadline. The settlement was in line with the requirements of the sponsoring institutions. An audit of the implementation of the above investment at the turn of the III and IV quarter was also carried out. Control unit gave a positive opinion on the implementation of the project. On 31.12.2008, the Company received a 50% return on investment of 5,025 thousand PLN.

5) The Company has met its responsibilities stemming from the investment of the grant awarded under the EU SPOWKP/2.2.1/1/22/289. Program with a value of around 1.6 million. The program dealt with the purchase line to test tubes used for heating for leaks. The launch of this technology will enable the Company to offer new services to producers of pipes for floor heating. Funding for this project is 50% of the value of the investment. At the III and IV quarter of 2008, an audit was carried out with the implementation of control of above mentioned investment. Control unit gave a positive opinion on the implementation of the project. On 31.12.2008, the company received a 50% return on investment of 782 thousand PLN.

6) In the fourth quarter of 2008, works connected with the launch of a new accelerator for 4.5 MeV energy, have been completed. In December, the first test batches of heat-shrinkable products were produced.

7) In the fourth quarter, the implementation of investment-related equipment in the accelerator technology to enable cross-linking in a continuous pipe to itself and the external services was also started. These lines will be put into service in the first quarter of 2009. The purchase is financed by the credit technology.

8) In the second half of 2008, the ventilation system and water cooling system now used to the accelerator has been modernized. This change will benefit the performance of the accelerator and the vivacity of devices placed inside the accelerator bunker.

9) In the fourth quarter, the Company began investing in thermomodernisation of the plant. The first stage covered the activity of replacing the thatch roof over 75% of the production plant. The value of this investment is 2 million. Further work is planned for 2009.

ADDITIONAL NOTES - Part 2.

1. Information about financial instruments.

1.1. Division of financial instruments

a) financial assets held for trading - do not appear in the Company.

b) financial liabilities held for trading - do not appear in the Company.

c) loans and receivables originated in the enterprise - the company did not give loans. The claims state was presented in the balance sheet.

d) Financial assets held to maturity - Item does not exist.

e) Financial assets available for sale - include shares in the unrelated units, presented in Note 4.

1.2.1 a) Basic characteristics and value of financial instruments

Financial assets available for sale - long-term financial assets

The body	Acquisition value	Book value
Elektroporcelana Ciechów Co. - shares	6 839	6 839
Unimor Radiocom Ltd. – equity	4	4
Unimor Co. – shares	14	0
TOTAL	6 861	6 843

Loans and receivables originated in the enterprise - Receivables are valued at their nominal amount. It was considered that claims discount because of the time of payment is irrelevant.

Financial liabilities - include loans and obligations under the lease agreements, valued at amortized cost.

b) a description of the methods and significant assumptions adopted to determine the fair value of financial assets and liabilities, measured as the value of such

Not applicable - the Company does not measure the financial instruments in the fair value.

c) a description of how to recognize the effects of a revaluation of financial assets categorized as available for sale

Due to the lack of a reliable estimate of fair value of financial assets intended for sale, the Company valued the assets in the purchase price reduced by any write-offs.

d) an explanation of the rules for entering into the accounts of financial instruments acquired on a regulated market

Not applicable

e) information on the interest rate risk

Interest rate risk is applicable to contracted bank loans. Data on loans are presented in Note 15 and 16.

f) information on the credit rate risk

Credit rate risk is applicable to Company's accounts receivable. The Company minimizes this risk through the use of appropriate policies for granting credits.

1.2.2. Financial assets available for sale or held for trading, valued at the amount of the adjusted purchase price, if there is no possibility of a reliable measure of fair value of these assets.

Because of the importance, the Company cancelled the revised valuation of the purchase price of the shares and shares for which fair value can not be reliably measured.

1.2.3. Financial assets and liabilities that are not measured at the fair value

Long-term financial assets valued at purchase cost reduced by impairment of permanent diminution in value.

1.2.4. In the case of a contract, by which the financial assets are converted into securities or repurchase agreements

Did not occur in the Company.

1.2.5. Reclassification of financial assets measured at fair value to assets valued at adjusted cost.

Did not occur in the Company.

1.2.6. Write-downs for permanent diminution in value of financial assets or as the cause for which such deductions were made and the value of the asset increased.

An impairment was made, concerning the value of shares and shares in units not related to known equity to the Company's units at the balance sheet date.

1.2.7. Income from interest from debt instruments, loans granted or own claims.

Did not occur in the Company.

1.2.8. Write-downs of value of loans granted or its own claims for permanent diminution in their value.

In the period from 01.01.2008 do 31.12.2008, the company solved the receivables write-offs amounting to 56 thousand PLN. No interest on debt write-down was included.

1.2.9. Financial liabilities and expenses in respect of interest on such obligations

Interest expense from financial liabilities for the period from 1 January 2008 to 31 December 2008 amounted to 1 thousand PLN

1.2.10. The objectives and principles of financial risk management

The Company does not take any action to protect themselves against interest rate risk. Credit risk is reduced through the use of policies for granting credit. Foreign exchange risk is reduced through actions aimed at balancing revenue and expenditure in currencies. On the balance sheet date, the Company was not a party to derivative contracts and the Company did not apply hedge accounting.

1.2.11. Security of a proposed transaction or a possible future liability

Not applicable on the balance sheet date.

1.2.12. Gains or losses on valuation of hedging instruments related to the revaluation surplus

Not applicable on the balance sheet date.

2. Data on off-balance sheet items, in particular, liabilities, including guarantees provided by the issuer, and guarantees (including bill), provided with a separate connected units.

According to the explanatory notes 15, 16 and 18.

3. Data on commitments on the state budget or local government units concerning an obtainment of an ownership title of buildings and structures.

Item does not exist.

4. Information on revenues, costs and results of discontinued operations during the period provided for or omissions in the next period.

The company has not cancelled, during the reporting period, any type of activity not does provide for any cancellation of any of existing operations.

5. Production cost of fixed assets under construction, of fixed assets for own use.

According to the explanatory note No. 32.

6. Incurred capital expenditures and planned over the next 12 months from the date of balance sheet capital expenditures, including non-financial assets: incurred and planned spending on environmental protection must be shown separately.

According to the explanatory note No. 32.

7.1 Information about the issuer's transactions with related parties for the transfer of rights and obligations.

Transactions with Elektroporcelana Ciechów S.A. during the reporting period:

- The inclusion of newly issued shares in Elektroporcelana Ciechów SA valued at 1,200 thousand PLN
- Assignment of claims (including interest) received from WEH Sp. z o.o. valued a... .. 1,143 thousand PLN
- Transfer after deduction... .. 57 thousand PLN

Other transactions are discussed below.

7.2. *Figures relating to related parties, of:*

a) *mutual claims and obligations of the Debtors*

	31.12.2008	31.12.2007
Claims of supplies and services from Elektroporcelana Ciechów S.A.	1	
Liabilities pf. supplies and services to Elektroporcelana Ciechów SA		12

b) *costs and income from mutual transactions*

	01.01-31.12.2008	01.01-31.12.2007
Income from sales of services to Elektroporcelana Ciechów SA	2	
Other operating income from the sale to Elektroporcelana Ciechów SA	6	
The value of the purchase price of the goods purchased from Elektroporcelana Ciechów SA		73

c) *other data necessary to draw up consolidated financial statements*

Did not occur.

8. *Information about joint ventures, which are not subject to consolidation, including:*

- a) *the name, scope of the joint venture*
- b) *percentage of participation*
- c) *of the jointly controlled assets of property, plant and equipment, intangible assets*
- d) *liabilities incurred for the purpose of the project or purchase of property, used assets and fixed assets*
- e) *part of the liabilities incurred jointly*
- f) *income derived from the joint venture and the costs associated with them*
- g) *liabilities and commitments regarding the joint venture.*

Item does not exist.

9. *Information about an employment, with a division into professions.*

According to the explanatory note No. 33.

10. *Information about salary, benefits and awards paid to members managing and supervising the Company.*

According to the explanatory note No. 34.

11. *Information about the value of outstanding advances, credits, loans, guarantees, warrants or other agreements requiring the services provided to the issuer, of its subsidiaries, its associates and joint-venture, announcing terms of interest and repayment of the amounts granted by the issuer and the issuer separately in units of its subsidiaries, its associates and joint-venture (for each group separately), and supervising managers, separately for managers and supervisors and their spouses separately, and relative to the second degree, or adopted relative and other persons with whom they are personally associated with the terms of interest and repayment of these amounts.*

Item does not exist.

12. *Information about major events concerning the past, recognized in its financial statements for the current period.*

Item does not exist.

13. *Information about major events that occurred after the balance sheet and are not included in the financial statements.*

Item does not exist.

14. *Information about the legal relationship between the issuer and a precursor of the manner and extent of the assets and liabilities.*

RADPOL S.A. was created from the transformation of the state Department of technological equipment into the joint stock company on 01.02.1996 pursuant to Article 7 paragraph 3 of 30 April 1993 of national investment funds and their privatization (Journal of Laws, No 44, item 202 of 1994 and No. 84, item 385).

15. *The financial statements and comparative financial data, at least in relation to the basic balance sheet and profit and loss account, adjusted with corresponding rate of inflation, giving the source of the indicator and the method of its use, with adoption of the last period of the financial period as a base - if the cumulative average rate of inflation of the last three years of the issuer's activity has reached or exceeded 100%.*

Not applicable.

16. *Summary and explanation of the differences between the information disclosed in the financial statements and comparative financial data, and previously prepared and published financial reports.*

Not applicable.

17. *Changes of rules (policy) of accounting and the preparation of financial statements, made in relation to the previous year (years), their causes, titles and effects caused by the effects of financial assets and financial position, liquidity and financial results and profitability.*

According to the explanatory note No. 37.

18. *Made corrections of fundamental errors, their causes, titles and effects caused by the effects of financial assets and financial position, liquidity and profitability, and profit or loss.*

Did not occur during the reporting period.

19. *In case of uncertainty as to the possibility of continuing the business, a description of these uncertainties and the statement that such uncertainty exists, and an indication of whether the financial statements include adjustments relating with them. Information should include a description taken or planned by the issuer's efforts to eliminate uncertainty.*

Not applicable.

20. *In the case of the financial statements prepared for the period during which there is a connection, an indication that the financial statements are drawn up after the merger of companies, and an indication of the date and the method of settlement of the merger (acquisition, merger of shares):*

- *in the event of a settlement by method of acquisition - the name (company) and a description of the activity of an acquired company, the number, nominal value and type of shares (shares) issued to the call, the price of the acquisition, the value of net assets at fair value of the acquiree at the date of the communication, goodwill or negative goodwill and a description of its depreciation or*

- *in the case of a settlement by method of uniting interests - the name (company) and a description of the activities of companies, which as a result of the call were deleted from the registry, the number, nominal value and type of shares (shares) issued a call to, revenues and expenses, gains and loss and changes in equity for the combined company from the beginning of the year, during which there is a connection until the connection.*

Not applicable.

21. *In case of not using an equity method in the financial statements to value shares and shares in subsidiaries - effects which would result in its use, and impact on financial results should be provided.*

Not applicable.

22. *If the issuer does not draw up consolidated financial statements, the additional explanatory note to the financial statements should provide the legal basis concerning the not drawing up of the consolidated financial statements, together with data explaining the departure from consolidation or the equity method of valuation, the name and seat of the unit that draws up the consolidated financial statements at a higher level of capital group and the place of publication, the basic economic and financial indicators of activities associated with the related parties and the last financial year, such as: the value of the proceeds of the sale and financing revenue, net income and the value of equity, divided into groups, the value of fixed assets, average annual employment, and other information if required by separate regulations.*

Not applicable.

.....
Date and signature of a person responsible for the Bookkeeping

.....
Date and signature of unit's supervisor