

Report on the activities of the Company for 2008

**[Report of the Executive Board of the Company's
activities]**

**RADPOL S.A.
In Człuchów**

for the period 01.01.2008-31.12.2008

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I.GENERAL INFORMATION ON THE COMPANY

The information contained in this report covers the reporting period from 01-01-2008 to 31-12-2008 and have been prepared in accordance with the Regulation of the Minister of Finance dated 19-02-2009 on current and periodic information submitted by issuers of securities and the conditions for recognition as equivalent to the information required by the law of a non-Member States as well as the accounting of 29-09-1994. (Journal of Laws number 121 item 591 with subsequent amendments).

On 26-10-2001, RADPOL S.A. was added in the register of entrepreneurs under the National Court Register (KRS) number 0000057155 of District Court in Gdańsk - Gdansk North, VIII Commercial Division of the National Court Register.

The total number of issued shares of RADPOL S.A. amounted to 23 951 610 Series A and B, each of which nominal value of one share is 0.03 PLN (the nominal value of all shares is 718 548.30 PLN):

- Series A shares - 17 651 610 ordinary bearer
- Series B shares -- 6 300 000 ordinary bearer shares

On 10-05-2007 RADPOL S.A. debuted on the Warsaw Stock Exchange S.A.

On 16-05-2007 an increase in share capital of 529,548.30 to 718,548.30 PLN has been registered, registration of series of B shares

On 03-07-2008 RADPOL S.A. purchased 16,068 Series A shares of Elektroporcelana Ciechów SA - the creation of the holding.

1.SUBJECT MATTER AND SCOPE OF ACTIVITIES

RADPOL S.A. is responsible for production of:

- heat-shrinkable fittings (heat-shrinkable pipes, couplers for heating, cable couplers)
- cable accessories (armbands, handles, ends, fittings)
- pipes and electricity lines.

2. BODIES OF THE COMPANY

2.1. The General Assembly

During the period under review, a General Meeting of Shareholders was held on 21-04-2008.

At this Meeting, the following resolutions were adopted:

- Resolution No. 1 on the approval of the report of the Supervisory Board of RADPOL S.A. for the General Assembly of Shareholders for the period from 1 January 2007 to 31 December 2007
- Resolution No. 2 on the approval of the financial statements for the period from 1 January 2007 to 31 December 2007
- Resolution No. 3 on the approval of report of the Executive Board on the activities of the Company for the period from 1 January 2007 to 31 December 2007
- Resolution No. 4 on the distribution of profit for 2007,
- Resolution No. 5 on the granting of exoneration to the Company's Chairman of the Board - Andrzej Sielski for the completion of his duties in 2007
- Resolution No. 6 on the granting of exoneration to Vice-Chairman of the Board - Grzegorz Malczyk for the completion of his duties in 2007
- Resolution No. 7 on the granting of exoneration to the Chairman of the Supervisory Board of the Company - Grzegorz Jan Bielowski for the completion of his duties in 2007
- Resolution No. 8 on the granting of exoneration to the Vice-Chairman of the Supervisory Board of the Company - Zbigniew Janas for the completion of his duties in 2007
- Resolution No. 9 on the granting of exoneration to the Member (Secretary) of the Supervisory Board of the Company - Tomasz Firczyk for the completion of his duties in 2007
- Resolution No. 10 on the granting of exoneration to the Member of the Supervisory Board of the Company - Tomasz Kapiński for the completion of his duties in 2007
- Resolution No. 11 on the granting of exoneration to the Member of the Supervisory Board of the Company - Krzysztof Wachowski for the completion of his duties in 2007
- Resolution No. 12 on the granting of exoneration to the Member of the Supervisory Board of the Company - Krzysztof Kurowski for the completion of his duties in 2007
- Resolution No. 13 on the appointment of a Member of the Supervisory Board of the Company - Marcin Kowalczyk,
- Resolution No. 14 on the number of members of the Executive Board of the Company,

- Resolution No. 15 on the appointment of members of the Executive Board of the Company for a new term, the Chairman of the Board - Andrzej Sielski and Vice- Chairman - Grzegorz Malczyk
 - Resolution No. 16 on the authorization of the Executive Board of the Company to purchase its own shares for their redemption.

2.2. The Supervisory Board

The Supervisory Board of RADPOL S.A. worked in the following composition in 2008:

Name	Function in the Supervisory Board	From	To
Grzegorz Jan Bielowski	Chairman	01-01-2008	Until present
Zbigniew Janas	Vice-Chairman	01-01-2008	Until present
Tomasz Firczyk	Secretary	01-01-2008	Until present
Tomasz Kapliński	Member	01-01-2008	Until present
Krzysztof Wachowski	Member	01-01-2008	21-04-2008
Krzysztof Kurowski	Member	01-01-2008	Until present
Marcin Kowalczyk	Member	21-04-2008	Until present

On 21 April 2008 the Company received the resignation of Mr Krzysztof Wachowski from the post of a member of the Supervisory Board, the information was provided with the current report No 12/2008 on 21-04-2008.

Mr. Krzysztof Wachowski's resignation was accepted by acclamation by the General Assembly on 21-04-2008.

2.3. The Executive Board.

Activities of the Board of RADPOL S.A. in 2008 were carried out by 2 people:

Name	Function in the Executive Board	From	To
Andrzej Sielski	Chairman	01-01-2008	Until present
Grzegorz Jan Bielowski	Vice-Chairman	01-01-2008	Until present

Between the issuer and the managers of the company, a non-competition agreements have been signed - the prohibition of competition is to apply for a period of 24 months after the employment relationship is finished. In exchange for the implementation of the prohibition of business after the end of the competitive employment relationship, each member of the Board shall receive compensation amounting to 25% of the salary received before leaving the service for a period corresponding to the period of prohibition of competition.

2.4. Holdings of shares of RADPOL S.A. by managers and supervisors.

Name	Number of shares	Nominal value (0.03 PLN per 1 share)	Share in share capital (%)	Number of votes at the General Assembly	Share in the number of votes at the General Assembly (%)
The Supervisory Board:					
Grzegorz Bielowski	3 031 572	90 947,16	12,66	3 031 572	12,66
Tomasz Firczyk	1 000	30,00	0,004	1 000	0,004
The Executive Board:					
Andrzej Sielski	182 203	5 466,09	0,76	182 203	0,76
Grzegorz Malczyk	182 203	5 466,09	0,76	182 203	0,76

Information on wages of managers and supervisors can be found in the financial statements in additional information and explanations section (V, Additional explanatory notes, note number 34).

In accordance with the resolutions of General Meetings of Shareholders, an incentive program was adopted in RADPOL S.A., which empowers the Board of Directors to include 529 548 subscription warrants (529 548 ordinary bearer shares series C of the nominal value of 0.03 PLN each):

- Andrzej Sielski - entitled to purchase 264 774 subscription warrants
- Grzegorz Malczyk - entitled to purchase 264 774 subscription warrants.

At its meeting, on 18 June 2008, the Supervisory Board has conveyed a resolution specifying the persons entitled to subscribe for shares and the number of shares, to which they are eligible for the first year of implementation of the Incentive Program. Persons eligible are:

- Andrzej Sielski - entitled to cover of 88,258 shares Series C in 2008,
- Grzegorz Malczyk - entitled to cover of 88,258 shares Series C in 2008

Mr. Grzegorz J. Bielowicki under powers of attorney granted by TAR HEEL CAPITAL R LLC and the acquisition of shares of RADPOL S.A. by the unit controlled by him ("TAR HEEL CAPITAL Limited Company" Limited Partnership based in Warsaw) has the right to vote due to shares of those persons.

3. Information on known contracts to the issuer (including those made after the balance sheet date) due to which changes in the proportions of shares held by existing shareholders and covenantees may occur in the future

Until the day of preparation of the report, the Executive Board was not informed of the contractual arrangements, due to which significant changes in the proportions of shares held by existing shareholders and covenantees may occur in the future.

4. Information on organizational affiliation of the issuer with other units.

4.1. Tar Heel R Capital LLC is a major investor within the meaning of the Act on Accounting (has more than 20% of the share capital).

4.2. Elektroporcelana Ciechów S.A. is a subsidiary of RADPOL S.A. (as of 31-12-2008 the issuer had 93.23% of the share capital and 95.62% of the total number of votes at the General Assembly). Acquisition of shares of Elektroporcelana Ciechów S.A. was financed from own resources of RADPOL S.A. from the public issue of shares series B and is a confirmation of the implementation of the planned issue of shares of RADPOL S.A. – of acquisition.

4.3 UNIMOR RadioCom Sp. z o.o. Gdańsk - as of 31-12-2008, the issuer had 0.03% of the share capital and 0.03% of the total number of votes at the General Assembly.

4.4 GZE UNIMOR S.A.. Gdańsk – as of 31-12-2008, the issuer had 0.099% of the share capital and 0.099% of the total number of votes at the General Assembly.

5. Information on material transactions concluded by the Issuer or its subsidiary body of the related parties on other than market terms.

Not applicable.

6. Description of related party transactions which value exceeds 500,000 PLN.

There are no such related party transactions.

7. Information about the employee share checking system.

The Company possesses no employee share schemes. It only possesses the incentive program for members of governing bodies of RADPOL S.A..

II. CHARACTERISTICS OF THE COMPANY

1. Basic information about the products and their part in the sale

RADPOL S.A. specializes in the production of ennobled polyethylene based on own, unique blends of materials suitable for radiation treatment of cross-linking.

1.1 Pipes and heat-shrinkable fittings (made of ennobled polyethylene)

Manufacture of heat-shrinkable materials for sealing and insulating the conductors cables, connectors, cable ends, etc.:

- heat-shrinkable thin-wall tubes (RC)
- bold heat-shrinkable pipe (RP) and the thick-walled heat-shrinkable pipe (RG)
- couplers, mounting kits and cable-heads low voltage (LV) to 1kV and medium voltage (sn) above 1kV
- heat-shrinkable shapes: caps, Plates, etc.
- heat-shrinkable fittings for heating, to the end of the connector and pre-insulated pipes.

1.2. Cable Accessories:

- Products of nonferrous metals (aluminum and copper),
- mainly connectors and cable ends - intended to connect and end wires
- Products of plastics (polyethylene, polypropylene, polyamide), such as clamps and cable clamps, cable glands - designed for mounting and sealing pipes and electricity cables.

1.3. Power cables and links:

- The veins of the flexible type: Ohms, OMYp, O ye LgY.

RADPOL S.A. also carries out individual orders on the products of unusual dimensions, in addition, conducts presentations and training for contractors and technicians.

1.4. Sales of RADPOL S.A.

Products of RADPOL S.A. are sold on the domestic market (87%), as well as in foreign markets (13%), mainly in the countries of Central and Eastern Europe (46% foreign sales in total)

	Quantity (pcs, set, m, km, kg, h)	Net value (thousand PLN)	% Share of total sales for 2008
Heat-shrinkable accessories	9 785 382,55	17 246	47,05%
Cables	11 168,26	7 881	21,50%
Cable accessories	3 633 856,04	5 555	15,16%
Trade goods	1 238 674,09	5 422	14,79%
Materials	54 877,64	304	0,83%
Services	11 338,00	233	0,64%
Other production	76,00	11	0,03%
Total	14 735 372,85	36 653 416,26	100%

1.5. Factory Warehouses

The company is also selling through factory warehouses within the company P.P.H.U. PROSPER Sp. z o.o. in Sosnowiec and Zaopatrzenie Energetyki in Koszalin.

The entire production is carried out at the premises of RADPOL S.A., and sales of products is further implemented with the participation of the above mentioned Biuro Eksportu (Export Office) and Skład Fabryczny (Factory Stock) located in Poznań.

The company operates production based on the requirements of ISO 9001:2000 and ISO 14001:2004 standards - on issues related to the protection of the environment, as confirmed by a certificate issued by the Polish Register of Shipping.

2. Information on markets

Implemented development strategy aims, on the one hand, on strengthening the Company's market position in segments which are the current core business of RADPOL S.A. and, on the other hand, on preparing an offer of products, allowing for significantly increasing its presence in other market segments, including in particular on market of average voltage, electrical services and market of crosslinking radiation of polyethylene pipes for floor heating and the installation of hot and cold water.

2.1. Energy market

Purchasers of products of RADPOL S.A. are mainly Zakłady Energetyczne, the company implementing and servicing energy networks, implementing infrastructure investments. The use of heat-shrinkable and cable accessories products is very broad in this market and is related to the investment in the broader energy sector. Because of the frequent need for works in the soil, selling the products at this market is characterized by seasonality, growth in turnover was recorded in the second and third quarter of the year.

The company in the basic range of products (pipes RC, RP, RG, and sets up to 1 kV) competes in the Polish market with the following companies:

1. DSG-Canusa – heat-shrinkables manufacturer based on cross-linking radiation technology services. The company is focused on end users (manufacturers of components for automotive and household appliances). On the Polish market, the company works by DSG-Canusa, based in Zagórki where the production section is based. It also offers couplers at low voltage and is seeking to acquire a market for them for some time now.
2. Crosstronic (part of the Dutch corporation) owns production facilities in Slovakia and Poland (in Inowrocław), yet sends the whole production for export. They have also plans to enter our market. They produce mainly thin-walled thermoshrinkable tube on spools, the lack of a broader type of offer: end-caps, thermoshrinkable strips, couplers, cable heads.
3. 3M Poland, which is already operating on our market since 1976. The company has in its offer, such products like: thermoshrinkable pipes, three- and four-parted heads, couplers to connect cables, caps to end cables, Plates, etc. The offer of 3M is very rich because in addition to heat-shrinkable products, it also offers insulating tape and products that are substitutes with respect to our products. Currently, their goal is to win power at the market which is revealed by a reduction in selling prices of products for low voltage (couplers and thermoshrinkable heads) in which our company is a leader in the domestic market.
4. Cellpack - operates mainly in the electricity industry and mining. Mainly competes with us in heat-shrinkable accessories, ie cable couplers and heads to low and medium voltage. In addition, a wide range of other products including thermoshrinkable pipes, culverts and walls caps. Strong activity in mining industry, currently has also enabled service aimed at the energy industry. Cellpack is currently in the process of opening offices in Warsaw and to build a distribution network in Poland and Eastern Europe.
5. Raychem Poland - a leader in the supply of accessories for the average voltage on the domestic market. The offer has the heads and couplers flights at low and medium voltage, wide range of heat-shrinkable pipes and other heat-shrinkable fittings. This is a major supplier of heat-shrinkable products for the telecommunications industry. Distribution takes place in the country by authorized dealers.
6. Barnier - has a comprehensive offer of accessories for medium voltage in thermoshrinkable technology, tape and resin. On the Polish market, sales are conducted by selected distributors.

Tab. Share of RADPOL SA and its major competitors in the market for electricity grid industry

ASSORTMENT	RADPOL S.A.	Raychem	DSG-Canusa	3M	Cellpack	Barnier	Crosstronic	Others
tubes type RC	68%	2,50%	20%	2,50%	Lack in offer	Lack in offer	0,50%	6,50%
tubes type RP i RG	74%	5%	8%	4%	7%	Lack in offer	Lack in offer	2%
enclosure and cable heads up to 1 kV	70%	13%	5%	5%	5%	1%	Lack in offer	1%
enclosure and heads cable above 1 kV	1%	43%	Lack in offer	20%	15%	15%	Lack in offer	6%

2.2. Thermal energy market.

The industry provides second-largest market of heat-shrinkable products for the Company, in addition, is in a continuous and dynamic phase of growth. The need for heat exchange networks because of the limitation of transmission loss of heat forced distributors to launch investment programs in which the existing pipe is replaced by a modern network-based pre-insulated pipes. According to its own estimates of network technology in heating, the pre-insulated pipe is less than 30% of all currently existing in the network. Taking into account the fact that over the next few years the increase in investment in infrastructure housing and the need to replace the old network is inevitable, it is estimated that over the next few years the number of new networks will grow at a rate of at least 10% per year.

The main products for heating companies in RADPOL S.A. are:

Couplers - for reconstruction on the external mantle sections of the routes of preinsulated heating pipes.

Thermoshrinkable bands - used to seal pipe connections, such as preinsulated. Perfect to the performance of the insulation gas pipelines, petrochemical, ventilation, etc.

End caps - intended to isolate the ends of pre-insulated pipes. Secure and effectively safeguard the pipe before the penetration of moisture. They are used for heating, electricity, construction and telecommunications.

The main recipients of products manufactured by the Company are:

- manufacturers of pre-insulated pipes purchasing products directly in the Company with the purpose of resale to producers of heat, complete with pre-insulated pipes,
- producers of heat such as power plants, thermal power plants supplied by the most comprehensive manufacturers of heating,
- Repair and assembly of heat energy companies,
- Distributors and companies that supply thermal heating companies with energy.

Demand for thermoshrinkable products for the heating sector - application of the products is associated with the performance of investments in heating sector. Because of the need for soil works, there is the seasonality of sales, where its peak is at the II and III quarter of the year. Competition in the domestic heating market are the producers fully supplying pre-insulated pipe producers of heat: thermal power, thermal power plants to the full implementation of systems for district heating. The most significant company is ZPU Kazimierz Jonca Sp. z. o.o. in Międzyrzecze based in Poland and the ZPU Międzyrzecze pre-insulated pipes in Międzyrzecze offering non heat-shrinkable couplers, but also supplemented by imported products (Western Europe). These companies are about 40% of the national market for pre-insulated pipes, including heating couplers, but they are also the main recipients of the company for the bands and heat-shrinkable end caps. They have a wide distribution network of authorized dealers serving various regions of the country. Sales by cost leadership give them a comprehensive, local production.

The company also competes with other non-domestic pre-insulated pipe manufacturers with production in the country, mainly with LONGSTOR based in Zabrze, producing cross-linking heat-shrinkable couplers in the country and partly in Denmark. After taking over the company ALSTOM, LONGSTOR has reinforced its position as a leader in the European market and increased its share in the Polish market and has extended an offer of steel couplers, simple couplers, and special couplers.

The other companies that offer complete preinsulated systems, including heating couplers are Finpol Rohr, based in Warsaw and STAR PIPE based in Czerwonak near Poznan importing couplers and being supplemented by national non heat-shrinkable couplers produced by Test Radom. A separate competition is a BRUGGE Pipe Systems, based in Płochocin producing in Switzerland couplers electrically welded joints used in most pre-insulated pipes for pipe diameters above 250mm.

To the extent of heat-shrinkable bands, straps and heat-shrinkable fittings sealing an end-caps, the Company competes with a company ENERGOFIT based in Chojnice and with ARMATECH based in Warsaw as a distributor of Raychem.

Tab. Share RADPOL Co. and its major competitors in market products for heating plant industry.

Assortment	RADPOL S.A.	Canusa	Raychem (Armotech)	ZPU Kazimierz Jońca Sp. z. o.o.	ZPU Międzyrzecz Polskie Rury Preizolowane	Logstor	Star Pipe	Finpol Rohr	Energofit	Brugg	Others
Tapes and bands	60%	5%	25%	Lack in offer	Lack in offer	Lack in offer	Lack in offer	Lack in offer	Lack in offer	Lack in offer	10%
End-capes	15%	5%	45%	Lack in offer	Lack in offer	Lack in offer	Lack in offer	Lack in offer	25%	Lack in offer	10%
Couplers and sleeves	15%	5%	10%	16%	16%	15%	5%	5%	Lack in offer	5%	8%

1. Major domestic recipients by the criterion of the volume of sales in 2008:

Contractor	Share in global sale	Official connection with RADPOL S.A.
No. 1	4,03%	Terms of trade cooperation
No. 2	2,92%	Commercial contract
No. 3	2,52%	Terms of trade cooperation
No. 4	2,50%	Commercial contract
No. 5	2,37%	Commercial contract
No. 6	2,31%	Commercial contract
No. 7	2,20%	Commercial contract
No. 8	1,94%	Terms of trade cooperation
No. 9	1,62%	Commercial contract
No. 10	1,61%	Commercial contract

2. Major international recipients by the criterion of the volume of sales:

Contractor	Share in global sale	Official connection with RADPOL S.A.
No. 1	1,53%	Terms of trade cooperation
No. 2	1,31%	Commercial contract
No. 3	1,18%	Terms of trade cooperation
No. 4	1,09%	Terms of trade cooperation
No. 5	0,49%	Terms of trade cooperation
No. 6	0,46%	Commercial contract
No. 7	0,43%	Terms of trade cooperation

2.3. The standards of quality.

The company is certified with ISO 9001:2000 and ISO 14001:2004 which are valid until 13 July 2011, renewed 14 July 2008.

In May 2008, the Company received the certificate on the device for heating:

- Teams of couplers of polyethylene HDPE radiation cross-linked with corks.

The certification body: SPEC OBRC, 02-104 Warsaw, ul. Walentego Skorochoch-Majewskiego 3

Test report: 001-35024 / K; Release date: 2008-05-29.

Scope of Research: Exploring the burden of the tested land as a box of sand with water and sampled impervious research teams from PUR foam joints after impervious water sample (1000 cycles).

Works on the renewal of the technical regulations for products from the accessories of Energy Institute in Warsaw was finished and a new technical assessment allowing the products listed in the evaluation, production of RADPOL S.A. for use in the Polish electricity networks was issued. The terms of renewed technical assessments are depicted in the table below.

Object of technical estimate	Number	Technical estimate valid until:
Copper ends cable type: K, Ks, KU, KUs, DKU, DKUs, KP, KPs, DKP, DKPs, DK, DKs, 2K, 2Ks, KF, KsF	IEn EWP - 368/2003: exchanged by IEn-EWP – 677/2008	2013.11.20
Copper couplers cable type: Z, Zs, DZ, DZs, Zp, Zps, DZp, DZps, ZR, ZRs, DZR, DZRs, 2Z, 2Zs, ZRp, ZRps, DZRp, DZRps, DZO, DZOs, DZOOp, DZOps, DZROp, DZROps	IEn EWP - 369/2003 exchanged by: IEn-EWP – 678/2008	2013.11.20
Aluminum ends cable and aluminum - copper type: KA, KAp, DKA, DKAp, KAMp, DKAMp, BAM, DBAM	IEn EWP-370/2003 exchanged by: IEn-EWP – 679/2008	2013.11.20
Aluminum couplers cable type: DZA, DZAp, ZAE, ZAEp, ZRA, ZRAp, DZRA, DZRAp ZOA, DZOA, ZOAp, DZOAp, ZROAp, DZROAp	IEn EWP - 371/2003 exchanged by: IEn-EWP – 680/2008	2013.11.20
Aluminum - copper cable couplers type: ZAM, DZAM, DZROAM	IEn EWP - 372/2003 exchanged by: IEn-EWP – 681/2008	2013.11.20
Transitional couplers type JLP-CX (S) and JLP-CA (S) 0,6/1kV	IEn - EWP - 373/2003 exchanged by: IEn-EWP – 682/2008	2013.11.20
Transitional couplers type JLP - CX/CF 4/3, (S) 0,6/1kV	IEn - EWP - 374/2003 exchanged by: IEn-EWP – 683/2008	2013.11.20
Transitional couplers type JLP - CX/CF 4/3, 0,6/1kV	IEn EWP - 376/2003 exchanged by: IEn-EWP – 684/2008	2013.11.20
3-Phase arterial couplers type 6/10kV type JHP-10-CF 3	IEn - EWP - 382/2003 exchanged by: IEn-EWP – 685/2008	2013.11.20

Works on expanding the scope of the technical evaluations was started:

- IEn-EWP-677/2008: DK ends, DKs to extend the scope of the evaluation range 6 ÷ 625 mm²
- IEn-EWP-678/2008: DZ connectors, extending the scope of RDA to assess the range 16 ÷ 625 mm²
- IEn-EWP-679/2008: DKA ends to extend the scope of the evaluation range 16 ÷ 625 mm²
- IEn-EWP-680/2008: connectors seem to extend the scope of the evaluation range 16 ÷ 625 mm²
- IEn-EWP-683/2008: work aimed at obtaining technical evaluation kits for the 0,6 / 1kV

Type:

- JLP - CX / CF 4 / 4
- JLP - CX / CF 4 / 3 +1

In the second half of 2008, works on the introduction of new products to be sold for energy has began. Staff Development Department is working on the following systems:

- A cable consisting of heads and cable couplers type JHP-10 (15.20)-CX1 (S) and THP-I (N) -10 (15.20)-CXd1 (S) from fitting with one vein clamp for cables of rated voltage 6 / 10 kV, 8.7 / 15 kV 12/20 kV and extruded insulation of polymers with the return of the live wires
- A cable consisting of heads and couplers cable type JHP-10-CG4 and THP-I (N)-10-CG4 hardware for four-vein voltage cables rated 6 / 10 kV insulated rubber.

Staff Development Department undertook research and construction works for cable accessories. The work consists of building couplers and heads, execution of prototypes, developing documentation, and assembly technology. In parallel, studies of individual components and devices included in the construction of the accessory cable or cable system are carried out.

Research is carried out according to PN EN 61442, and the systems must meet the requirements contained in the standards and EN PN-90/E-06401 HD 629.S1: 2006 or the WTO (Removal of Technical Terms). Cable system that has been approved

for use in the Polish electricity networks, it must obtain a positive assessment from an accredited technical research unit. Currently we are at the stage of testing and selection.

The planned date for completion of work - the first half of 2009

3. Information about sources of supply.

The Company's purchasing policies adopted by the principle that it purchases from proven and reliable suppliers to guarantee the stability of prices and timely deliveries. Before we begin working with the supplier, the quality of the material is tested in our laboratory and after they have been licensed for the production of co-operation is established for the supply of materials. In addition, each delivery of the samples are taken for testing and archiving. Once a year, the supplier shall be subject to verification and assessment procedure in accordance with ISO 9001. For the supply of materials and raw materials Certificate stating compliance with the material accepted by our standards shall be attached. Supplies are checked by the designated person on production and Departments Quality Assurance Division.

The general principle is the use of credit with a maturity of between 14 to 45 days.

Constant collaboration with suppliers allows you to preserve the timeliness of delivery, quality and repeatability of a broader cooperation such as: warehousing, technical advice, etc.

Tab. The biggest national suppliers.

No.	Name	Material	Percentage in global supply	Official connection
1.	KGHM METRACO S.A	copper rod	26,35%	Annual contract
2.	Supplier No. 2	pollinate	8,25%	Cooperation contract
3.	Supplier No. 3	aluminum	2,81%	Cooperation contract

Tab. The biggest foreign suppliers.

No.	Name	Material	Percentage in global supply	Official connection
1.	MKC Metall KundenCenter GmbH Germany	copper tubes	14,18%	Quarterly orders
2.	Supplier No. 2	polyethylene	4,54%	Quarterly orders

In 2008, a high-storage warehouse with complex shelves system has been opened. It is intended primarily for the storage of inventory of finished goods and raw materials. Storage was supported by the implementation of the WMS warehouse working on the identification of bar codes using mobile terminals.

4. Material and financial investments.

In 2008, expenditures incurred and completed the following investments in kind, which will increase production capacity in strategic ranges of production, improve productivity through modern technology to introduce the next generation and most importantly improve the competitiveness of RADPOL S.A. on the market.

Name of an investment	Value of an investment in thousand PLN
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 refitting	48
Constant tubing expansion line No. 1	690
Constant tubing expansion line No. 2	693
Constant tubing expansion line No. 3 type Nexa + modernization	3 012
Name of an investment	Value of an investment in thousand PLN
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
Injection moulding machine/P-10/	6
Forms for small hoods (6 pieces)	606
System of shelf	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
Air-conditioning machine (3 units)	13
Winder for tubes - modernization	4
Printer machine (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 - movement maintenance department	7
GPZ building - modernization	6
Productive hall - modernization	14
Hall /Gamat/-modernization	1 379
Productive halls termomodernization	2 028
Installation of compressed air - modernization	22

Band-saw 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
Name of an investment	Value of an investment in thousand PLN
Reactor for production of glue	41
Extruder LW-139 modernization	86
Krousening machine K-700-modernization	16
Extruder Rollepal - modernization	46
Tube technological line T32(2 pieces)	283
Tube technological line T45	283
Cross-linking tool - modernization	1 107
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
Productive hall.A5	8 502
Analyzer of spectrum	115
Adaptor-building of hall	19
Internal Roads - modernization	259
Match of cooling AKC /new/	375
Accelerator IŁU 10	3 874
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	34 684

On 03.07.2008 RADPOL S.A. purchased 16,068 shares of Elektroporcelana Ciechów SA based in Ciechów, which accounted for 80.34% of share capital and votes at the General Meeting. On 17.12.2008 Elektroporcelana Ciechów S.A. has made a registration in KRS of the share capital increase, resulting from the issuance of series B shares of RADPOL S.A. including the 24,000 preference shares, with the result that participation in the capital increased to 91.06%, and votes at the General Meeting to 94.22%. On 31.12.2008, after redemption of 952 shares of small shareholders, RADPOL S.A. had 93.23% of share capital and 95.62% of votes at the General Meeting. Until the date of the report, the Issuer has acquired shares of Elektroporcelana Ciechów SA and has a total of 42,286 shares, representing 96.10% of the share capital and 97.48% of votes at the General Meeting.

5. Protection of the environment.

In RADPOL S.A. an integrated quality management system and environmental standards based on ISO 9001:2000 and ISO 14001:2004 operate. This system has been certified by the PRS SA on 20.05.2005 and has a term of validity to 19.05.2008. Due to the fact that modernization works were carried out in RADPOL S.A., the deadline for audit was extended for the end of June 2008. On 23 and 24.06.2008. re-certification audit conducted by the Office of Certification PRS.SA. RADPOL S.A. received a certificate of compliance with ISO 9001:2000 and ISO 14001:2004, which is valid until 13.07.2011. Since changes in ISO 9001, an integrated management system to the requirements of the new standard ISO 9001:2008 should be prepared.

On 15 November 2008 The International Organization for Standardization ISO has published a new standard ISO 9001:2008 Quality management systems - Requirements, which replaces the standard ISO 9001:2000. In Poland, a new standard in English is planned for the year beginning April 2009 - information from PKN. The English version with the Polish cover is available.

The essence of the changes in ISO 9001:2008 is to improve the compatibility and consistency requirements of the quality management system conforming to the requirements of ISO 9001:2000 with the environmental management system conforming to ISO 14001:2004 and to facilitate the use of QMS standards by increasing the transparency, clarity and brightness used in the concepts and requirements. No new requirements in relation to the edition of ISO 9001:2000 were introduced.

12 changes in ISO 9001:2008 are primarily to clarify the wording in the English to make them easier to translate into other languages (same words in another language had a completely different meaning). The same applied to the definition of "validation", "verification", "equipment for the monitoring and measurement."

As of 15 November 2008, this standard can be the basis for certification.

During the period of one year since the above mentioned date by the new certification and recertification, and within 2 years must be changed, all certified with ISO 9001:2000 to ISO 9001:2008 - the date of 15.11.2010 (to be certified for compliance with the requirements of ISO 9001:2000 shall not be valid).

Deadline for issuing a new standard in English and the recommendations will require the certification body of RADPOL S.A. to adapt its system to the new requirements of ISO 9001:2008. Revision of this work will be carried out during the next audit supervision by the Office of Certification PRS.SA, probably in 2010.

5.1. The degree of achievement of planned objectives and targets.

Environmental quality objectives established for 2007 were met. The objectives and related environmental responsibilities have been established and recorded in the minutes of the management and approved by the President of the Board. For each objective identified tasks, appointments, responsible and necessary means for their implementation, and measurable indicators. The aims and objectives are monitored and discussed in the reviews made by management. On review of the changed management goals. In April, the Executive Board has appointed a new environmental targets for 2008 and subsequent years. These objectives will be reviewed, and the revision bill to the next review of the management, which is scheduled for the end of March 2009, after a summary of the financial company and after a series of internal audits throughout the Company.

5.2. Environmental aspects.

RADPOL S.A. made a periodic review of identified environmental aspects and significant environmental aspects. For the significant environmental aspects established procedures relating to the access road to their elimination, restriction or monitoring.

Recently, the main aspects of environmental areas were related to ongoing investment and modernization, construction, waste and emissions.

Waste and emissions are regulated by local authorities in the decision.

In accordance with the provisions of the Proc.6 "Identification and assessment of environmental aspects" will be held on the environmental aspects of the review, which will be complemented by new areas such as, for example: introduction of new products.

5.3. Compliance with the legal requirements - monitoring and measurement.

RADPOL S.A. developed a procedure for the identification and oversight of the legal requirements in relation to the environment. Each quarter, the persons responsible for different areas of the Company shall verify and monitor developments in the law relating to business of RADPOL S.A..

Responsible for the topicality of the health is the safety inspector, the inspector on Radiological Protection, Head of Maintenance - each in its field of activity with the involvement of an external company that supports RADPOL S.A in this respect.

At present, the company complies with all applicable requirements of the law on environmental protection. Compliance with the limits set out in the decisions of local authorities regarding the amount of waste and emissions of pollutants into the atmosphere.

In connection with the construction of a new accelerator, the necessary changes in the instructions for the requirements of the law relating to nuclear have been made. Operating instructions for a new AKC-based manufacturer's instructions and technical instructions collateral against ionizing radiation during operation of the accelerator ilu-6 (ilu-10).

No significant changes in the law that would have to be made in RADPOL S.A. were identified.

5.4. Communication with external parties.

In the present period, there were no complaints of stakeholders.

For external communications related to the topic of environmental protection a Head of Traffic Maintenance is responsible.

5.5. Effects of environmental activity.

RADPOL S.A. developed a procedure for identifying potential failures which may have an impact on the environment. The company operates preventive (simulations) associated with the identified potential accidents that could have a negative impact on the environment. Periodic surveys are conducted on preparedness of equipment in the event of failure with a negative impact on the environment. The reviews relate to the availability of equipment for the naturalization of potential leaks and fire-fighting equipment, which are connected to the reviews of the work stations for the health and safety requirements.

There has been no major accidents, which would have a negative impact on the environment. Supervision of the waste and emissions to air shall be monitored in accordance with the agreed procedures as well as local government decisions. RADPOL S.A. shall not exceed the limits placed on emissions and waste. Fees for the Marshal's Office shall be entered on a timely basis of semi-annual billing cycles.

5.6. Changing the exterior rules, which may have an impact on the identified environmental aspects.

No information in this regard. At present, the company is based on current regulations.

6. Funding rules.

The company uses a variety of funding sources, such as bank loans (loans were incurred to finance the investments covered by funding from the European Union - the terms of the contract with PARP), trade credit, grants.

6.1. Information about borrowing loans and advances.

Balance of loans on 31.12.2008 amounted to 2,889 thousand PLN and represented 3.85% of the total amount.

The following table provides information on loans contracted from the time-limits their due, and the guarantees and assurances given.

**List of credit according to state on day
31st Dec. 2008**

N o.	Amount of a granted credit	Balance on 31 st Dec. 2008	Credit contract Number	Purpose of a credit and interest rate	Type of a guarantee	Credit receiving date	Final credit repayment date	Name of a creditor bank
1	7 676 600,00 PLN	2 888 566,50 PLN	06/0318	Technological credit on shopping of accelerator. Interest rate for 2008 – 8,65%	1. Promissory note in blanco with an exchange declaration. 2. Registered pledge on object of lending: a) accelerator, b) technological line – AKC winder, c) technological line – testing winder, d) technological line – tightness examination, e) Shelves of high storage, f) trolley. 3. Transfer talk from insurance policy. 4. Blockade of money of total 10.000,00 PLN 5. Real estate Mortgage of total 4.000.000,00 PLN 6. Real estate mortgage securing future claim up to 500.000,00 PLN.	28.12.2006	30.09.2013	BGK

Non-balance obligations

No.	Bill of exchange depositing place , conditional creditor	Description	Period of binding of agreement / realization of project
1	PARP Warsaw	Bill own cheque (1 piece) on insurance of execution of an agreement about extra funding project No. SPOWKP/2.3/1/22/445 from 20 th May 2005 under the name "Buy helium detector leaks in order to achieve product innovation in RADPOL S.A.", given financial support 36.141,89 PLN.	20.05.2005-31.05.2010
2	Pomerania Development Agency Co.	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".	01.07.2006-30.11.2006
3	PARP Warsaw	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.	17.01.2006-30.06.2006
4	PARP Warsaw	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.	17.01.2006-30.06.2006
5	PARP Warsaw	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.	01.05.2007-31.03.2008
6	KGHM Metraco Co. Legnica	Bill own cheque (1 piece) on insurance of execution of copper rollers delivery from 02 nd Jan.2007.	01.01.2007-31.12.2007
7	Pomerania Development Agency Co.	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.	01.05.2007-30.06.2008
8	Elektroporcelana Ciechów Co.	Guaranty of bank credit up to 950.000,00 PLN granted by Cooperative Bank in Kostomłoty.	22.09.2008-30.06.2009

6.2. Financial leasing.

At the balance sheet date the Company has no finance leases.

6.3. Trade credit.

The Company shall make purchases of goods and services from deferred terms of payments for the periods from 14 to 45

days.

Most major providers grants credit for a period exceeding 30 days.

6.4. Grants.

The company also benefits from public assistance in the form of reimbursement of incurred expenses. In 2008 work on the implementation of sustainable projects and these have successfully completed two of them:

INFRASTRUCTURAL PROJECTS (hard)							
No.	Title	Object of extra funding	Extra founding agreement No.	Total qualified expenses	Amount of an extra founding	Source of financing	Comments
1.	<i>"Building of an accelerator station for industrial radiational cross-linking of term shrinkable products."</i>	Buy of an accelerator with linked tools and technological lines	06/0318	7.676.600	3.838.300	Technological Credit Fund	in process
2.	<i>"Launch of an innovative technological line for term shrinkable products in RADPOL Co."</i>	Buy of innovative technological lines, tools, equipment measuring – laboratory and store house equipment with store house software	SPOWKP/2.2.1/1/22/155	10.050.365,70	5.025.182,85	Suboperation 2.2.1 SPO - WKP	finished
3.	<i>"Innovative line for examination of tube tightness launched in RADPOL Co."</i>	Line for examination of tube tightness	SPOWKP/2.2.1/1/22/289	1.603.808,30	782.498,06	Suboperation 2.2.1 SPO - WKP	finished

7. Information about the awarded loans, as well as the guarantees and assurances given.

RADPOL S.A. provided guarantee for the loan amounting to 950 thousand PLN. To guarantee the obligations of the credit to the Cooperative Bank of Olesnica Department in Kostomłoty (loan of 1,500 thousand PLN granted under contract No 7/KOD/2008 of 22.09.2008) incurred by the SA Elektroporcelana Ciechów to repay creditors covered by the judicial system of 14.02.2001.

The company has provided loans amounting to 65,000.00 PLN to Office of Law - Tax Wiesław Guentzel in Chojnice under a contract of 22.04.2008. Repayment of the loan in accordance with the contract shall be in monthly installments of not less than 1,000.00 PLN. The loan in the amount of the average rate of deposits obtained by the RADPOL S.A. on the last working day of the month or in the absence of deposits - by the average rate of bank loans obtained on the last working day of the month.

Maturity of the loan at the minimum installment to 10.09.2013. Repayment in installments is higher than the minimum. The balance of the loan at 31.12.2008 amounted to 34,848.69 PLN.

The loan was disclosed in the balance sheet assets of the secured bonds and a blank.

RADPOL S.A. did not grant a guarantee.

8. Personnel management.

Employment Status:

at 01.01.2008 - 224 persons (*)

at 31.12.2008 - 242 persons (**)

(*) Without taking into account 2 people undergoing essential military service, 1 person on maternity leave,

(**) Excluding 4 person undergoing a fundamental military service, and 3 persons on parental leave

8.1. Personnel costs.

The cost of salaries for 2008 amounted to: 7700 thousand PLN but the cost of benefits to employees: 1,688 thousand PLN.

8.2. Company Social Benefits Fund.

The company offers its employees the following benefits from the Social Fund (the amount of impairment in 2008 - 228 thousand PLN):

- Assistance
- Housing loans,
- The funding of the rest.

8.3. Training.

The company in 2008 has conducted training for employees with a value of 18 thousand PLN on the following topics:

- Information requirements and reporting for listed companies;
- The general meeting of shareholders - the first debut on the stock exchange;
- Seminar on fire "FIRE WARNING";
- Integrated management system ISO 9001 and ISO 14001;
- Labor law and the provisions of OSH - Social Work Inspectors;
- The legitimacy of the software, and media organizations in terms of security, administrator and employee;
- Control field in couplers and cable heads;
- Clearing and planning time with a particular focus on overtime;
- Implementation of the Directive on shareholders rights - changes in KSH;
- Reporting in the current context of regulatory changes;
- Maintenance and repair of printers VIDEOJET;
- REACH pre-registration by the end of November 2008! Do you know what are your responsibilities?
- Obligations of issuers in light of the revised Law on public offering and the information obligations of issuers (including reporting);
- Generating reports and labels in Crystal Reports.

RADPOL S.A. in 2008 paid for such studies as:

- Bachelor's Degree in Human Resource Management.

RADPOL S.A. in 2008 participated in meetings and conferences such as:

- National Congress of Energy and heating in Kazimierz Dolny
- CABLE Conference 2008 in Zakopane
- MITEL 2008 Conference in Gorzow Wlkp
- Exhibition in Kielce PLASTPOL 2008
- Meeting with key clients in the Hotel Niedźwiadek
- Exhibition in Warsaw LIGHT
- ENRGETAB Fair in Bielsko-Biala
- Symposium on Power in Bełchatów
- XV, Spring 2008 Zakopane Heating Engineers
- Conference "Heating Engineers Forum" – Międzyzdroje

III. SUPPLEMENTARY INFORMATION

1. INFORMATION ON IMPORTANT EVENTS THAT HAD VITAL IMPACT ON THE ACTIVITIES OF THE COMPANY IN 2008 AND BEFORE PREPARATION OF THE FINANCIAL STATEMENTS

1.1. Creating a holding company - the purchase of Elektroporcelana Ciechów SA.

A detailed review in Section II. 4. (Current Reports No. 11, 17, 20/2008).

1.2. An application for payment (funding from EU funds).

Both investment projects financed from EU funds have been realized. (Agreement for funding the project "Mobilization of

the innovative technology to fabricate heat-shrinkables in RADPOL S.A. SPOWKP/2.2.1/1/22/155 and innovative line of pipe leakage test implemented in RADPOL S.A. SPOWKP/2.2.1/1/22 / 289).

In accordance with the procedural requirements of the Company to report on the implementation of both projects.

Results of inspections of the project, which took place on 02.09.2008 and was carried out by the regional funding body were positive with the result that the Company has received funding for two projects submitted in the amount of 5 025 thousand PLN and 782 thousand PLN.

2. Information regarding the anticipated development of the Company.

2.1. The development of production.

In view of the continuing dynamic development of the Company and the continuing application of the same sales growth, expanding market shares in the electricity and heating devices, in connection with the acquisition of the stock market debut, and EU subsidies, continued development activities related to the Company, increasing production capacity with special emphasis on construction of a second accelerator.

As part of the expansion of the plant out two main tasks were carried out:

a) the new production and storage hall was built (Hall 5A) with an area of about 3500m², in which is the second accelerator, and a modern high-storage warehouse. Construction of the hall was completed in the first quarter of 2008. The next step was to start construction on a new bunker, the second accelerator and start to equip the hall with the necessary facilities and technologies. Bunker for the implementation of the Company has signed a contract with the company Projprzem SA amounting to 1.32 million. Works are carried out in accordance with the plan and the bunker was completed in the second quarter of 2008. Work has been conducted in parallel with the implementation of industrial flooring in parts of the storage and production. Such a phased implementation of dividing the floor allows for the planned construction work in the bunker, while the start of the equipment in the warehouse storage system. In May, the Company instructed the company STANMET on execution components and execution of the bunker doors lead. The value of the contract is around 375 thousand PLN. The work was carried out at the beginning of the fourth quarter of 2008. In the fourth quarter of year 2008 the installation of the accelerator and the work associated with the startup and tuning of all the accelerator systems was also completed, and have been made by a team of experts from the manufacturer of Novosibirsk. Completed was also the work associated with the installation of ventilation and cooling systems to a new accelerator. These works were entrusted to ATOL, the contract with a value of 345 thousand PLN. Element associated with launching a new accelerator technology are the lines for the cross-linking in the system of pipe. On the creating of the line for continuous system, RADPOL signed a contract with the Swiss company MAILLEFER for an amount of 635 thousand CHF (1,352 thousand PLN) and the Polish company Mechanics Industrial Machinery and Equipment for the line item with a value of 350 thousand PLN. The devices were delivered to the company, installation and start-up will take place in January and February 2009. For implementing a system for cross-linking serial pipes, the Company is in the advanced talks with EUROPE SYSTEM, responsible for the transport system and the company responsible for the system ANIRO automation and control systems. The project and technical equipment have already been entirely agreed and approved on. The company signed an agreement with ANIRO on the value of 460 thousand PLN. Signing a contract with the company EUROPE SYSTEM should take place in the first quarter of 2009.

b) upgrade of existing hall "GAMAT" on an area of about 700m² and moved to a new place to allow to expand the cable production (Hall 5B). Hall currently adheres to the old part of the plant directly into the department for a cable accessory, which is a natural extension of the surface of the warehouse and production department. Hall has been equipped with modern shelving system. The system allows for the better use of space compared to traditional solid shelving by approximately 30%.

The company has signed an agreement in 2007 to finance the investment project of more than 10 million PLN within the framework of EU programs for the implementation of innovative technology, which covers the following investments:

- Equipment for pipes in the system continued in the large diameter pipes;
- Implementation of the new mold for the production of heat-shrinkable capsules that will improve their quality and reduce waste;
- Purchase of injection molding machines for the production of capsules heat-shrinkable;
- Implement of pipes RC, RP calibrators using vacuum (increase productivity, improve quality);

- Purchase of extruding lines for the production of dual-layer pipes - for extrusion of pipes with adhesive;
- Purchase of printers for the printing application on pipes;
- New position to complete the production of heat-shrinkable capsules i.e. bonding and cutting;
- Crushers for the grinding of waste;
- Equipment of storage systems including shelving storage system with a high essential warehouse management software;
- The chamber for testing the degree of linking using Hot-Set method.

The project also includes upgrading the laboratory site, which will allow for further expanding the scope of their research, faster introduction of new materials for the production and even better control of the production process:

- Laboratory extruder attempt at developing new types of polymer blends;
- Scanning calorimeter DSC;
- Viscosimeter;
- Hardness tester;
- Heat chamber.

In the second quarter of 2008 all the other investments related to the implementation of the EU project were accomplished. These were:

- Machines for vacuum tube method for thin-walled and thick-walled tubes in a continuous technology. The agreement with the Dutch company Inhol PTL amounting to about 4 million PLN.
- Device for tubes. The agreement with the Dutch company Inhol PTL amounting to about 170 thousand PLN.
- A complete line for the production of capsules, i.e. gluing, and clipping. The agreement with the Dutch company Inhol PTL amounting to approximately 900 thousand PLN.
- The chamber to measure the degree of cross-linking heat-shrinkable products using method of HotSet. The agreement with the Dutch company Inhol PTL amounting to around 48 thousand PLN.
- High shelving storage system based on Swiss firm Dexion part of the newly built warehouse in the main hall 5A. The agreement signed with the Polish company for an amount Logis approximately 570 thousand PLN.
- Software to manage high-storage warehouse. The agreement signed with the Polish company OptiData for an amount of about 193 thousand PLN.
- Two-track laboratory extruder for the development of new polymeric compound which is a laboratory version of its existing production lines Theysohn brand. Agreement signed with German company Brabender amounting to approximately 680 thousand PLN.
- Two complete lines for the production of thin-walled tubes with bold and precise metering of material type gravimetric. The agreement signed with the Polish company Metalchem Torun 1.25 mln for the amount of approximately PLN.
- Modern forms of capsules (6 pcs) equipped with a system of nozzles. The agreement signed with the Polish company Formet amounting to approximately 630 thousand PLN.
- scanning calorimeter DSC capable of measuring temperature determinations of mixtures of basic components of plastic. The agreement with the Austrian company Netsch amounting to approximately 130 thousand PLN.

As a result of the appeal and increase the amount of resources allocated to the UE Program 2.2.1, the Company has obtained additional funding for investment. Funding for equipment for testing leakage of tubes that is needed to run services to cross-linking of hot water pipes. The service is put into operation after the construction of a new accelerator. The value of the investment is 1.6 million, a funding level of 50%. Under this project the German company and has supplied equipment for testing leakage of hot water pipes.

In the fourth quarter, control audits on the implementation of EU projects were carried out by the supervisory units. The results of the audits have been positive and at the end of 2008 the company received a reimbursement of funds for both projects in the amounts of 5,025 thousand PLN and 783 thousand PLN.

As part of further work on the improvement of infrastructure and the relevant company's property as collateral and further opportunities for the proper operation, the Company has signed a contract with the company DEKPOL the replacement of roof sheathing for 80% of the surface. The value of the contract is 2 million, due date 31.12.2008. The task was completed on time.

In addition, through the purchase of investment funds, the company completed the contract for the supply of machines for thin-walled tube - 4 pcs. The agreement was signed with a Dutch company Inhol PTL amounting to approximately 680 thousand PLN. Machines have been installed and are working towards heat-shrinkable department.

The extension associated with the construction of a new water cooling system of the plant. Completion of the work is planned to end by the end of I quarter 2009. This allows the proper control of the production process and significantly reduce the cost of power generation.

Work began in September in connection with the modernization of the ventilation system and current accelerator cooling has been completed. The current accelerator works with more efficient systems which lengthen the service life of the device.

In the third quarter of 2008 the process associated with works towards the modernization of the old accelerator also started as a result of which it becomes more stable in performance and is equipped with an integral computer control system. The contract value is around 150 thousand Euro (581 thousand PLN), and the term is scheduled for implementation beginning second quarter of 2009 (the deadline is subject to completion of work on launching the new accelerator).

As part of the alignment fixture cable to DIN standards other tools designed for the dimensions of 70 - 625 mm² have been made. As part of this project, cable accessories department was additionally equipped with a hydraulic press with a new emphasis 250T. Installation of the press has been completed in the fourth quarter. Cable endings are made in accordance with DIN 46235. Implementation of the ends aimed at marketing the product in accordance with the standards in force in the European Union with high quality and low cost of production.

Furthermore, by own means, tasks are carried out for the modernization of production and increase of production capacity:

- Equipment for mechanical drawing pipes, heating systems modified to increase efficiency and reduce consumption of electricity;
- Equipment for mechanical fittings extend an end-cap, the implementation of the production line for sizes from 50-200mm;
- Modification of equipment for the production of heating couplers to reduce the amount of tools and increased flexibility in the types of manufactured couplers
- Implementation of new tools for the production of couplers reducing the diameter of heating pipe 200 mm
- Construction of new and upgrading of existing facilities to the imposition of glue on the pipes (the change of warming up the glue allows the elimination of the risk of degradation of the glue during warm-up)
- Construction of new facilities for the production of glue (to accelerate the process, energy and provides a better homogenisation of ingredients)

Purchase for research from its own resources:

- The purchase of dygestorium together with apparatus for testing the degree of cross-linking method in the extraction in xylen
- Purchase of GENESYS 20 spectrophotometer with software to measure the dose of cross-linking tube
- The production of equipment for monitoring the products during the manufacturing process - the type of thermal test chamber BINDER for the measurement of longitudinal shrinkage and measure the diameter of shrinking.

As part of the development, such works has been carried out:

- Technology:
 - a. Tests with a new material for thin-wall pipes and the energy kits;
 - b. The development of a new type of pipe material for RD;
 - c. selection of high-density polyethylene HDPE pipe for shock absorbers.
 - d. choice of Mastik control couplers and heads for the SN
 - E. The search for the type of sealant to impose Mastik using hot method.
 - f. Investigation of glue to the extrusion.
 - g. Implementation of new methods for testing pipes (Hot Set, measuring the dose)

The development teams continue works on the following topics:

Applied power industry:

- a. Expanding an offer for couplers and heads in the SN on the cable for mining 6/10kV;
- b. Introduction and couplers and heads with SN;
- c. Introduction to manifolds couplers ff.

Heat power industry:

- a. reduction couplers of LDPE and HDPE material
- b. end-caps divided into two tubes and pipes
- c. new accessories for the manufacture of end-caps

- d. reduction coupler
- e. knee coupler
- f. ramification coupler
- g. repair coupler

The company still continues work related to the systematic implementation of a computer system for the production departments. After the change of management system Symphony premium to its newer version prepared to work with the system of production and based on an SQL - Symphony Forte began work on the follow-up of products for the production with the use of bar codes. This work will be developed together with OPTIDATA who provided the new warehouse management software for high storage. This work will be continued in the first and second quarter of 2009.

3. Information about the major achievements in research and development.

In 2008 studies on cross-linking connectors for enhanced heating utility were completed. Heat coupler was subjected to a test for 1000 cycles (the standard test is 100 cycles). Obtained positive result confirms the excellent strength parameters of joints produced by RADPOL.

In the fourth quarter of 2008 year application in the production of cable ends are compatible with the standard DIN 46 235 up to 625 mm² was completed. This will allow the company to supplement their products with offers of good quality and lower cost of manufacture.

Development Department completes its work on new products for heating:

- knee coupler,
- reduction coupler.

In the case of knee couplers, it will be a unique in the market use of coupler as an angled connector that enables the connection pipeline. Coupler will have all the advantages of the heat produced cross-linking couplers. Reduction coupler for PUR foam in pre-insulated pipe system to be built in places on the network to connect the pipeline with a smaller cross. Introduction of reduction couplers is an innovation and will enable to shorten the connector assembly of the highest quality.

In 2008 nine feedbacks for technical evaluations of electric power produced in RADPOL S.A. were renewed:

- a) copper cable endings type: K, KS, KU, Kus, DKU, DKUs, KP, NSP, DKP, DKPs, DK, DKs, 2K, 2Ks, KF, KsF
- b) type of copper cable Connectors: Z, Zs, DZ, RDA, RC, ZPS, DZP, DZps, ZR, ZRs, DZR, DZRs, 2Z, 2Zs, ZRP, ZRps, DZRp, DZRps, DZO, DZOs, DZOOp, DZOps, DZROp, Drops
- c) The end of aluminum and aluminum cable - copper type: KA, KAP, DKA, DKAp, Kamp, DKAMp, BAM, care
- d) Aluminum Bushings Cable type: runs, DZAp, while, ZAEp, ZRA, ZRAp, DZRA, DZRAp ZOA, DZOA, ZOAp, DZOAp, ZROAp, DZROAp
- e) Cable Connectors aluminum - copper type: ZAM, DZAM, DZROAM
- f) transitional couplers type JLP-CX (S) and JLP-CA (S) 0.6 / 1kV
- g) transitional couplers JLP - CX / CF 4 / 3, (S) 0.6 / 1kV
- h) transitional couplers JLP - CX / CF 4 / 3, 0,6 / 1kV
- i) 3-phase arterial couplers 6/10kV type JHP-10-CF 3

The findings allow for further evaluation of the sale and use of products listed in the Polish electricity networks to 20 November 2013.

Work on developing new products for the energy are also at the final stage, .i.e couplers and heads SN 12/20 kV clamp and the fitting sleeve and head for the ending mining shielded rubber cables insulated voltage rated 6 / 10 kV:

- Couplers SN 12/20kV heads and accessories are designed to clamp and connect shielded cables endings with extruded insulation one-vein polymer with the wires. Screw fittings with screw transmissions was used in these products. Prepared construction after receiving a number of research and technical evaluations in the first half of 2009 at the Institute of Power Engineering in Warsaw will be an excellent complement to the current offer of RADPOL S.A..
- Coupler heads and shielded cables for mining insulated rubber 6 / 10 kV will be the only structure of this type available on the market having a technical assessment issued by the Institute of Power Engineering in Warsaw. Acquisition of technical evaluation will confirm the quality of the product and allowed for use in the Polish opencast mines.

Currently the following development works are ongoing:

- Development of material for the production of bands designed to operate at elevated temperatures above 125 ° C and enabling four to six times stretching. Bands made of such material should have a minimum longitudinal shrinkage.
- Identifying of basic replacements for LDPE materials used for the manufacture of materials for the manufacture of heat-shrinkable pipes.
- Continue the introduction of flexible pipes with double the amount of glue used as insulation in the automotive industry and automotive industries.
- Development of a new formulation of material for injection into the production of capsules.
- Definition of replacement for glue.
- Study and search for sealing substances, with enhanced mechanical properties, suitable to impose on the products on an ongoing basis
- Development of a new formulation of glue for the sealing of goods intended for heating.
- Development of a low-voltage ramification coupler.

4. Current and projected financial situation.

RADPOL S.A. recorded a net profit of 6,808 thousand PLN for 2008. In contrast, the Company recorded revenues of 36,653 thousand PLN and in turn an increase of 2.32% compared to 2007.

Very good financial results of RADPOL S.A. are the result of a reasoned pursuit of a rational development strategy of the Company. The company regularly implements new projects and is upgrading equipment, which significantly raises the competitiveness on the market. The degree of amortizing the machinery and equipment compared to 2007 decreased by 45.40% as a result of the completion of a substantial part of investment and renewal of machinery. RADPOL S.A. is particularly keen to increase the share of the goods for the power and heating, as these segments have a high potential for growth. These actions will help to significantly increase sales on the Polish market, as well as on foreign markets

Further implementation of the strategy of RADPOL S.A. aims at the development of wider heat-shrinkable products together with activation of Elektroporcelana, which substantially completed product offer of RADPOL S.A. and previously planned investments related to the purchases of new fixed assets and the launch of the second accelerator gives grounds for optimism concerning the increase in the value of RADPOL S.A. for its shareholders in the second half of 2008.

5. Information for the acquisition of own shares.

On 21 April 2008, the General Assembly took a resolution authorizing the Executive Board of RADPOL S.A. to acquire its own shares for their redemption.

On 7 July 2008, the Board of RADPOL S.A. adopted a resolution on the establishment of the program to repurchase its own shares and the date of the plan. According to the resolution of the Board to acquire own shares under the Company's repurchase of its own shares commenced 7 July 2008 and end no later than 1 October 2009. The conditions of the repurchase of its own shares are presented in the current report No. 21/2008 of 7 July 2008.

Acquisition date Treasury shares	Amount of shares	Nominal value (0,03 pln x number of shares)	Average acquisition price by 1 action (PLN)	Participatio n in the capital of the wagering requiremen t (%)	The share of total votes on those (%)
30-07-2008	53 041	1 591,23	5,45	0,22	0,22
29-08-2008	42 866	1 285,98	5,34	0,18	0,18
30-09-2008	23 314	699,42	5,51	0,10	0,10
24-10-2008	70 140	2 104,20	5,07	0,29	0,29
31-10-2008	44 747	1 342,41	4,94	0,19	0,19
28-11-2008	85 529	2 565,87	5,31	0,36	0,36
31-12-2008	30 691	920,73	5,86	0,13	0,13
27-02-2009	29 228	876,84	5,87	0,12	0,12
Total	379 556	11 386,68	5,35	1,58	1,58

RADPOL S.A. acquires shares from the Brokerage House through which a buy back program is implemented.

6. Information on branches held by the unit.

RADPOL S.A. has no branches.

7. Pending legal proceedings before the court, the authority responsible for arbitration or a public authority.

Not applicable.

8. Discussion of the size of the main economic and financial outlook and business development.

No attachments 3-5 on the basic data balance sheet – financial data for 2008 is presented.

In 2008, the Company successfully completed the expansion, about which it informed the shareholders in the prospectus, in connection with the stock exchange debut in May 2007 on the Warsaw Stock Exchange.

With these objectives in the prospectus all the emissions were completed, built and put into use, in particular:

- a) the new electron accelerator of energy 4.5 MeV obtained from the National Atomic Energy Agency in December 2008, authorized no limit to operate;

- b) launched new production lines and cleared properly and timely grant applications for a total amount of 12 million, while the impact of the grant was received at the rate of 50% of that amount;

- c) other than the development of productive activity successfully completed the design and development of new high-storage warehouse, together with the management software;

- d) A company's acquisition of the energy industry - Elektroporcelana Ciechów SA while the smooth running of the restructuring of property of the mentioned company (the company acquired the property in which it is established from the State Treasury), and the financial system by making repayment of creditors and increasing the equity of the mentioned company by the amount of 1.2 million PLN.

The above-mentioned topics are just a few examples of major projects completed by RADPOL S.A. in 2008, which are reflected in the balance sheet where it is important to stress the increase in value of fixed assets of 21.6 million to almost 52 million and increasing the value of fixed assets of 9.3 million to more than 41 million PLN.

These actions, which should be stressed, were carried out through proper financial management, which did not cause the Company's debt to the creditors (banks, suppliers), and allowed even though the conduct of such a dynamic balance of investment measures show nearly 7 million free up resources in the implementation of Resolution No. 16 of General Assembly associated with buying their own shares to which the Company was forced to release in 2008 for the amount of 1,859 thousand PLN.

In 2008, with the ongoing policy development level, sales revenue was increased from 35.8 million to 36.7 million. At the same time, despite an expansion of the Company (the construction of a second accelerator) financial results were improved and there has been a significant increase in one of the most important parameters of the efficiency of financial enterprises, the rate of EBITDA (earnings from operations plus depreciation), which increased by 20.4% from 8.6 million to 10.4 million.

In conclusion, it must be concluded that the results of the financial year 2008, as well as the investment made, technological and organizational measures to increase the efficiency of production with particular emphasis on the development of heat-shrinkable products with activities related to the sale of those products, with particular regard to the sale export (the acquisition of new markets for heating products in Germany and Kazakhstan) are designed to further improve the results obtained in 2009 by RADPOL S.A..

Taking into account obtained financial and economic results in 2008 and the development actions taken, the company expects to achieve in 2009 and subsequent years a continuous stable growth, improve profitability and thereby ensure the stable development of the company. In the years following the completion of the above-described investment and development activities, the Management of the Company provides a significant increase in revenues from the sale of which it will increase the value for the shareholders of the Company.

8.1. The management of financial resources.

In 2008, there has been a major decline in trade relative to the previous year by 16%. This result was obtained thanks to the long term management of financial resources and a clear preference to start of selling to customers with established market position (large network of wholesale trade, large-or long-term, for the development of end-user customers).

8.2. Financial instruments in the field of risk.

1. RADPOL S.A. is exposed to foreign exchange risk in relation to the existence of assets and liabilities denominated in foreign currency but it is limited to a large extent with the so-called natural hedging of making purchases in foreign import in which a sale of export.

2. Accordingly, the Company does not hedge accounting.

8.3. Explanation of differences between the financial results disclosed in the annual report and the previously published results forecasts for the year.

The Company did not publish the results of forecasts for 2008.

8.4. Evaluation of management of financial resources.

The company attaches great importance to the efficient management of its equity, while taking into account the wider economic risk. Obtained from improving the profitability of their business, while a decrease in the amount of impairment are created as an expense to the positive assessment of the management of financial resources. At the same time, we stress that the company has a high capacity and stable performance of the obligations entered into, which fell in relation to 2007 by 11%.

8.5. Evaluation of the viability of investment intentions.

The last two years have been a significant increase in the level of revenue including the implementation of new products, which led to the start of a series of investment measures (including upgrading), aimed at improving the efficiency of production.

In view of the planned expenditure, actions have been taken to gain funds from the sources of EU, in January 2008 another contract for the funding for the project was signed (the project was worth 1600 thousand PLN) and completed earlier projects, which the Company acquired 50% return on investment. Widely discussed in Chapter III. 1.2.

In January 2009, the Company has already lodged an application for further funding for the project under the Priority Axis 1 for the Regional Operational Program for the period Pomeranian Voivodeship 2007-2013 under the name "The implementation of innovative solutions in RADPOL SA in Człuchów through the implementation of an innovative production process of composite insulators.

According to the Executive Board of the Company, the implementation of the investment program is carried out correctly. Only in 2008 investments in the amount of 34,684 thousand PLN were accomplished.

8.6. An assessment of the factors or unusual events affecting the outcome of the activities for the year, specifying the degree of impact of these factors or unusual events on the achieved result.

There were no unusual events and factors affecting the outcome of the activity.

8.7. Characteristics of the external and internal factors relevant to the development of the company.

a) Internal factors:

Strengths:

- 1) High liquidity of the Company (this gives credibility to suppliers, lenders).
- 2) The ability to finance investment (high equity, fast pace of recreate the fixed assets).
- 3) Increase of resources for investments that will contribute to an increase in production capacity, increase of sales and enlarge market share.

- 4) Increased investment in research and development (development of new technologies, materials).
- 5) The profitability of production (production, the profitability of products for 2008 years - 41%, profitability of operations for the years 2008 - 23%).
- 6) A high percentage of products in the market.
- 7) The increase in production capacity and products for heating.
- 8) Good quality, wide range, life cycle of key products.
- 9) The unique technology on a national scale (heat-shrinkable products) - a unique cross-linking radiation technologies. The flexibility of the technological process, creating an unusual opportunity to meet orders.
- 10) Quality Management (certificates).
- 11) Focusing on the complexity, quality and high specialization in the field of electricity and heating accessories (advice, training, demonstrations).
- 12) The active promotion (increased investment in promotion).
- 13) Ever lower amortized machinery and equipment (2007r. - 63% and in 2008 - 34%).

WEAKNESSES:

- 1) Weak capacity for timely execution of orders for large export contracts.
- 2) The difficulty in obtaining a skilled staff with experience, especially in the sphere of planning and development - at the same time absence of a production planning software for ERP.
- 3) Low advantageous location (a significant distance from customers, a region not active).

b) External Factors

OPPORTUNITIES

- 1) Easy access to new technologies at home and abroad. The possibility of starting up new products.
- 2) Liberalization of foreign trade.
- 3) The absorptivity of eastern market. Entering and conquering eastern markets, attracting new customers (contracts with: Russia, Belarus, Lithuania, Kazakhstan) and conducted discussions, the creation of representations (reactivating, permanent exhibitions such as Ukraine), a positive impact on the promotion.
- 4) Intensive development of telecommunications.
- 5) The high price barrier to widespread use of substitutes.

THREATS

- 1) Excessive fiscal state (high income tax, social security contributions) and frequent changes in legal and tax systems.
- 2) Lack in the immediate vicinity of highly qualified and specialized personnel (in addition to obstruction of staff, the persons graduating from technical universities do not wish to return / resettle in such small residential facilities in which the main production plant of the company is based).
- 3) The operation on the market in which the main competitors are international companies of the global scale of operations.
- 4) None long-term contracts with receivers, a small variation in the recipients.
- 5) Strengthening the competition of large manufacturers throughout the industry (the prices, payment terms and the complexity of supply, the rapid growth of production capacity, rapid promotion of products).
- 6) Competition from abroad (China). Excess production capacity of foreign producers.
- 7) The collapse of the renovation and construction industry.

c) the attributes which are a driving force in the field of technology in RADPOL S.A. are:

- 1) well-controlled technology of precision extrusion of tubes,
- 2) the unique technology of cross-linking radiation in accelerator in the continuous and partial system,
- 3) the unique technology of devices drawing heat-shrinkables: pipes and fittings,
- 4) own recipe of materials and their manufacturing technology in the form of granulates,
- 5) own recipe and technology of glues and their imposition,
- 6) own structures of couplers and cable heads,
- 7) upgrading of machinery and laboratory time.

8.8. Changes in the basic principles of management.

There were no changes in the basic principles of management.

9. The information on the major contracts contained for the Company's operations.

9.1. The agreement for funding the project "Mobilization of the innovative technology to fabricate heat-shrinkables in RADPOL S.A..

On 19 June 2007, RADPOL S.A. has concluded an agreement No SPOWKP/2.2.1/1/22/155 for funding the project with the Polish Agency for Enterprise Development, based in Warsaw, under the Sectoral Operational Program Increase the competitiveness of enterprises, year 2004 - 2006, Priority 2 Direct support to firms, Measure 2.2 Support competitive products and technological enterprises, the sub-measure 2.2.1 Support to enterprises making new investments. RADPOL S.A. having met the conditions arising from the contract in 2008 received a grant in the amount of 5,025 thousand PLN, representing 50% of the total eligible expenditure.

On 21.01.2008 the contract No SPOWKP/2.2.1/1/22/289 was signed with Polish Agency for Enterprise Development for funding the project "Innovative line tightness test tubes implemented in RADPOL S.A..". The value of the contract: 1.600 thousand PLN. As a result of the project the Company has received a grant of 783 thousand PLN.

9.2. The execution of contract for construction works.

In July 2007, the Board of the Company has signed a contract with "Projprzem" SA , based in Bydgoszcz for the execution of construction works - renovations (the execution, delivery and erection of steel structure, supply and installation of the roof of the casing).

The salary for the execution of the works amounted to approximately 1.7 million net PLN. On 27.09.2007, the Company has signed another contract for the construction and assembly works amounting to 3.3 million PLN net. Date by which contracts were transferred to the relevant annexes 20.02.2008. The work was performed in accordance with previously agreed terms in the first half of 2008.

9.3. The contract for the purchase of machinery for the manufacture of heat-shrinkable products.

On 6 August 2007 an agreement was signed with the company INHOL BV, The Netherlands for the purchase of machinery for the manufacture of heat-shrinkable products (contract is for supply of 7 types of machines for a total amount of 1,360,000 euro). Completion of the contract is fixed at the end of February 2008. The contract has been carrying out the purchase of related to the implementation of the 2008 closed year contract No SPOWKP/2.2.1/1/22/155 for funding under the Operational Program Increase the competitiveness of enterprises, year 2004 - 2006, Priority 2 Direct support to firms, Measure 2.2 Support of competitiveness product and technological enterprises, sub 2.2.1 Support for enterprises making new investments.

Deadline for implementation is February 2008.

On 18.10.2007, the company signed an agreement with INHOL BV, The Netherlands for the supply of machines for bold and thin-walled tubes for a total of 182 thousand. EUR.

Deadline for implementation in February / March 2008.

Both contracts were completed in the first half of 2008.

9.4. Contract of insurance - as at 31.12.2008.

1) insurance of property of RADPOL S.A.	TUiR	WARTA	SA
2) insurance-related activity and possession of property and the introduction of products	TUiR	WARTA	SA
3) insurance for conduct of the accounts	PZU		SA

10. Information about the contracts with an entity authorized to audit financial statements.

On 28 July 2008, the Management Board of the Company entered into an agreement with a number 014/C/2008 entitled to audit financial statements - M2 Audit Sp. z o.o. based in Bydgoszcz. The agreement includes an overview of the scope of its interim separate financial statements for the period 01.01.2008 - 30.06.2008, the test unit's annual financial statements for the period 01.01.2008 - 31.12.2008 and the examination of the annual consolidated financial statements of the capital group of RADPOL S.A. for the period 01.01.2008 - 31.12.2008.

List of agreements with the counterparty and the value of net salary for the period 2006 - 2008 year, a table:

	2007		2008	
	Period of agreement	Value of reward		Period of agreement
Examination of an individual annual financial report	Agreement from 20.07.2007 period: 01.01.2007-31.12.2007	18.000,00	Examination of an individual annual financial report	Agreement from 20.07.2007 period: 01.01.2007-31.12.2007
Review of an individual middle-annual financial report	Agreement form 20.07.2007 period: 01.01.2007-30.06.2007	9.000,00	Review of an individual middle-annual financial report	Agreement form 20.07.2007 period: 01.01.2007-30.06.2007
Examination of an annual consolidated financial report of Capital Group RADPOL Co.	-	-	Examination of an annual consolidated financial report of Capital Group RADPOL Co.	-
Examination of historical data being subjects in the prospectus along with examination of forecasts and consulting as well as supervision in respect of accounting and accounting system customizations to the requirements of The Warsaw Stock Exchange in Warsaw	Agreement from 08.02.2007 period: 2004-2006	15.000,00	Examination of historical data being subjects in the prospectus along with examination of forecasts and consulting as well as supervision in respect of accounting and accounting system customizations to the requirements of The Warsaw Stock Exchange in Warsaw	Agreement from 08.02.2007 period: 2004-2006

IV. STATEMENT CONCERNING ABIDING BY THE RULES OF CORPORATE GOVERNANCE

1. The indication of a set of principles of corporate governance:

1.1. Of the issuer:

"Good Practices of Companies listed on the Warsaw Stock Exchange"

- Division II Best Practices implemented by the boards of listed companies,
- Division III Best practices for members of supervisory boards,
- Division IV Best practices used by the shareholders.

1.2. On the application, which RADPOL S.A. was able to implement voluntarily:

"Good Practices of Companies listed on the Warsaw Stock Exchange"

- Business and recommendations for best practices of listed companies.

1.3. A place where the text of a set of principles is publicly available:

Corporate governance "Good Practices of Companies listed on the Warsaw Stock Exchange is publicly accessible on www.corp.gov.gpw.pl. This is the official site of the Warsaw Stock Exchange on corporate governance issues (www.corp.gov.gpw.pl/assets/library/polish/dobrepraktyki2007.pdf).

2. Indication of the rules of corporate governance, which were not used by the issuer in 2008.

In 2008 the following principles have not been permanently or temporarily applied:

2.1. Rule No 1 of Chapter I - The issuer shall provide the information in the form of current and periodic reports, which are placed on its website (www.radpol.com.pl). There are other materials needed to get familiar with the events in the Company available on the site.

In order to ensure the security of the information, the company has made an agreement with InnerLook Consultancy from Warsaw, which contacts with the market on behalf of RADPOL S.A. (the persons entitled to contact, please refer to: www.radpol.com.pl/en/investor-relations/kontakt.html).

The company has not conducted the transmission of the general meeting in 2008, a list of questions and answers to the questions asked was placed on the website of the Company.

2.2. Rule No 1 pt. 6 of Chapter II - the company does not apply to this rule because Committees in the Board of RADPOL S.A. have not been isolated and it is not possible to respect their work in the activity reports of the Supervisory Board.

2.3. Rule No 1 pt. 12, Chapter II - The issuer has not applied this principle until 29 February 2008 because information about the projected costs to be borne by the issuer in connection with the incentive program is introduced have been prepared.

2.4. Principle No. 7 of Chapter III - because the Supervisory Board of RADPOL S.A. includes a person responsible for accounting and finances, decisions are taken collectively and to choose the auditor, the Supervisory Board does not see the need to extract the structure of the Council Audit Committee.

2.5. Principle No. 8 of Chapter III - is not used, because the Company does not provide for the appointment of committees and therefore can not be applied to Annex I of the European Commission Recommendation of 15 February 2005 concerning the role of non-executive directors (...) in terms of the role and operation of committees.

3. Indication of shareholders who are directly or indirectly holding blocks of shares of RADPOL S.A.

Name	Amount of shares	Participation in the capital of the count (%)	Number of votes in General Assembly	Participation in the overall number of votes in General Assembly (%)
Tar Heel Capital R LLC	5 449 885	22,75	5 449 885	22,75
Grzegorz Bielowski	3 031 572	12,66	3 031 572	12,66
Marcin Wysocki	3 031 572	12,66	3 031 572	12,66
ING Nationale-Nederlanden OFE	1 814 854	7,58	1 814 854	7,58
Aviva Investors Poland S.A. (dawne Commercial Union Investment Management (Polska) S.A.)	1 536 936	6,42	1 536 936	6,42
BZ WBK AIB AM, w tym BZ WBK AIB TFI	1 315 000	5,49	1 315 000	5,49
Commercial Union <i>Specialistic Open Investment Fund</i>	1 228 528	5,13	1 228 528	5,13

On 19 November 2008, the Company has received information from Aviva Investors Poland SA "Commercial Union Investment Funds Specialist Open 'including the Fund" Commercial Union Investment Funds Open "(the funds) on the fund exceeded the level of involvement of 5% of the total number of votes at the general meeting RADPOL S.A.. As of 14 November 2008 Investment funds have a total of 1 536 936 shares the Issuer, representing 6.42% of share capital of RADPOL S.A. and an entitlement to 1 536 936 votes (6.42% of the total number of votes) at the general meeting of the Company.

Prior to the above mentioned change, the investment funds together held 357 515 shares of RADPOL S.A., representing 1.49% of share capital and entitling the Issuer to 357 515 votes (1.49% of the total number of votes) at the general meeting of the Company.

Notwithstanding the foregoing, Aviva Investors Poland SA indicates that the involvement of the total number of votes at the general meeting of the Company at all of its managed portfolios of securities, which as a manager on behalf of clients may exercise the right to vote, remained unchanged, and still stands at more than 5% of the total number of votes.

On 2 January 2009, RADPOL S.A. received information from Aviva Investors Poland SA "Commercial Union Investment Funds Specialist Open sub fund CU Action on the fund exceeded the 'level of involvement of 5% of the total number of votes at the general meeting of RADPOL S.A.. As a result of the transaction of 22 December 2008 (settled on 30 December 2008) of buying shares of RADPOL S.A. The Fund has a 1 228 528 shares the Issuer, representing 5.13% of share capital of RADPOL S.A. and an entitlement to 1 228 528 votes (5.13% of the total number of votes) at the general meeting of the Company.

Prior to the above, the Fund had a change of 1 192 278 shares of RADPOL S.A., representing 4.98% of share capital and entitling the Issuer to 1 192 278 votes (4.98% of the total number of votes) at the general meeting of the Company. Notwithstanding the foregoing, Aviva Investors Poland SA indicates that the involvement of the total number of votes at the general meeting of the Company at all of its managed portfolios of securities, which as a manager on behalf of clients may exercise the right to vote, remained unchanged, and still stands at more than 5% of the total number of votes.

On 19 December 2008 and 20 January 2009, the Company has received information of the acquisition 5 900 shares by the "TAR HEEL CAPITAL R, LLC" entity closely related to a Member of the Supervisory Board of the Issuer of, representing 0.03% of share capital of RADPOL S.A. and certificates for the 5 900 votes (0.03% of the total number of votes) at the general meeting of the Company (RB No. 40/2008 and No. 3 / 2009). Prior to the above mentioned change, the shareholder owned 5 401 485 shares of RADPOL S.A., representing 22.55% of share capital and entitling the Issuer to 5 401 485 votes (22.55% of the total number of votes) at the general meeting of the Company.

On 6 March 2009, the Company has received information of the acquisition 42 500 shares on 4 March 2009 by the "TAR HEEL CAPITAL R, LLC" - entity closely related to a Member of the Supervisory Board of the Issuer, representing 0.18% of share capital of RADPOL S.A. and certificates for the 42 500 votes (0.18% of the total number of votes) at the general meeting of the Company (RB No. 7 / 2009).

Prior to the above mentioned change the shareholder owned 5 407 385 shares of RADPOL S.A., representing 22.57% of share capital and entitling the Issuer to 5 407 385 votes (22.57% of the total number of votes) at the general meeting of the Company.

4. Indication of the holders of any securities that give special rights of control, along with a description of these powers.

RADPOL S.A. has not issued securities that give special rights of control, the shares issued by the RADPOL S.A. are ordinary shares.

5. Indication of any restrictions on the exercising of the right to vote.

There are no restrictions.

6. Indication of any restrictions on the transfer of ownership of securities.

There are no restrictions on the transfer of ownership of securities.

In accordance with Resolution No. 16 of General Assembly of RADPOL S.A. of 21 April 2008 on the authority of the Executive Board of the Company to purchase its own shares for their redemption, the Company may not acquire its own shares in the transaction packet from the shareholders: TAR HEEL CAPITAL R LLC, Mr. Marcin Wysocki and Mr. Grzegorz Bielowicki.

7. A description of the main features of the company's systems of internal control and risk management in relation to the financial reporting process.

The system of internal control and risk management in relation to the preparation of financial statements in the Company is implemented by the Company in force procedures for preparing and approving financial statements. The financial statements are drawn up by the financial and accounting under the control of the Company's Chief Accountant and the final content is approved by the Board of Directors. The financial statements approved by the Board are reviewed by an independent auditor - the auditor, elected by the Supervisory Board of the Company. Then, the Supervisory Board shall evaluate the audited accounts of the Company in respect of their compliance with the books and documents, as well as with the facts, to the results of this assessment inform the shareholders in his report that to the General Assembly.

8. A description of the policy change in the statutes or articles of association issuer.

To change the statute a decision of the general assembly and the inclusion in the register of entrepreneurs in the National Court Register is required.

The Supervisory Board of RADPOL S.A. has the power to establish uniform text of the amended statute or an amendment of a resolution referred to in the editorial meeting.

9. Description of the activities of the General Assembly and its essential powers and the rights of shareholders and how they are implemented.

9.1. Description of activities of the general meeting.

The General Meeting of RADPOL S.A. (GM) acts in accordance with the Code of Commercial Companies (KSH), the Company's Statute and Rules of the General Assembly of RADPOL S.A.. Assembly may be ordinary or extraordinary, and may be in the company's registered office or in Warsaw. Plenary Assembly is opened and run until the election of the general meeting by the chairman of the board (in his absence, Vice-Chairman of the Supervisory Board, Chairman of the Board or other person designated by the Board). The President of the General Assembly shall decide on matters of procedure and law and order and is entitled to interpret the Rules of the Company's general meeting of RADPOL S.A. General meeting may decide on the selection of the Scrutiny Commission, who shall ensure the proper conduct of voting, vote, and oversee the handling of checks and announce the results. The Assembly shall decide on the form of resolutions to be adopted in open or secret ballot. Resolutions of the general meeting shall be taken by an absolute majority, with the exception of cases for which the law provides more stringent requirements. In 2008 a meeting was convened:

21-04-2009- the Ordinary General Meeting of RADPOL S.A. (OGM)- 8 Shareholders was present at the meeting (60.59% shareholding structure of RADPOL S.A.), which represented 14,510,315 shares, representing the same number of votes. Mr. Grzegorz J. Bielowski opened the deliberations of the Board, and ordered the submission of nominations to the President of the Assembly. For this function - the Chairman of the Assembly - a candidacy has been declared, which was elected unanimously by secret ballot.

The content of the resolutions taken at the meeting and other documents can be found on the website of RADPOL S.A..

9.2. The main powers of the general meeting.

The major powers of the General Assembly of RADPOL S.A. are:

- Consideration and approval of the board's report of the company's activities,
- Consideration and approval of the financial statements for the previous financial year,
- Granting an exoneration to Management Board and Members of the Supervisory Board for the implementation of their duties,
- Taking the resolution of the distribution of profit or to cover losses,
- Determining the date by which a list of shareholders entitled to dividends is set,
- Specifying the time of payment of dividends,
- Defining the principles of the Company's redemption of shares,
- The creation of capital to cover specific losses or expenses,
- Deciding on the use of capital and capital reserve,
- Appointment and dismissal of Management Board and Supervisory Board of the Company,
- Setting the remuneration policy for members of the Supervisory Board,
- Changing the objects of the Company.

9.3. The rights of shareholders and their implementation.

The rights of shareholders and the way they are carried out:

- The right to participate in the General Assembly - the Company's shares are entitled to participate in the general meeting, if the roll is a certificate of deposit lodged with RADPOL S.A. at least one week before the date of this meeting and will not be received prior to its completion,
- Exercising the right to vote at the General Assembly - a share gives right to one vote at a general meeting. A shareholder who is a natural person can exercise the right to vote in person or by proxy and the shareholder who is not a natural person can exercise the voting rights by a person authorized to make statements of will on his behalf or by proxy,
- Equal treatment of all shareholders - RADPOL S.A. announces the information to convene a general meeting and the Economic Court Monitor and make a report public on the current date, place and agenda and draft resolutions of the General Assembly within the time limits set by law. Furthermore, information on the Company's general meeting can be found at: www.radpol.com.pl,
- The right to put items on the agenda of general meetings and to table draft resolutions - Board of Directors shall convene an extraordinary general meeting at the request of a shareholder or shareholders representing at least 1 / 10 of share capital. They may also include certain matters on the agenda of the forthcoming general meeting,
- The right to ask questions - each shareholder has the right to ask questions about matters contained in the agenda of the general meeting. Members of the board and at least two members of the board participate in the deliberations of the General Assembly with a view to providing answers to questions asked by shareholders. At the present meeting is the auditor, if the agenda of this meeting is the financial issuer.

10. A description of the policy for the appointment and dismissal of managers and their powers and in particular the right to decide on the issue or redemption of shares.

The Executive Board of RADPOL S.A. appoints and dismisses the general meeting of the issuer. In accordance with Resolution No. 16 of General Assembly of RADPOL S.A. of 21 April 2008 on the authority of the Executive Board of the Company to purchase its own shares for their redemption, the Management Board of SA RADPOL is required and authorized to take all the facts and the legal steps necessary to acquire the Company's own shares in accordance with this resolution.

In accordance with Resolution No. 16 of General Assembly of RADPOL S.A., the Executive Board has taken on 7 July 2008 a resolution on the launching of the program to repurchase its own shares, which started on 7 July 2008 and be completed no later than 1 October 2009.

The Company may acquire no more than 2 371 209 own shares, but in each case, acquired own shares will provide the right to do no more than 9.9% of the total number of votes at the general meeting. The total amount of funds allocated for the purchase of own shares will not be more than 14 227 254.00 PLN, and a purchase price per share will be higher than the 6.00 PLN and can not be less than 1 GROSZ per share.

The issuer has informed about this fact in the current report No 21/2008 of 7 July 2008 and the amount of own shares purchased presented in the table in Chapter III. 5 of this report.

11. The composition and rules of operation of the company's management and supervisory boards and their committees.

11.1. The Executive Board of RADPOL S.A.

The Executive Board of RADPOL S.A. may consist of 1 to 3 persons appointed to the joint three-year term by the General Assembly. In 2008, the Board has acted in the composition of two persons:

- President - Andrzej Sielski, as of 01-01-2008 until present
- Vice President - Grzegorz Malczyk, as of 01-01-2008 until present.

The Company's Executive Board acts on the basis of the Commercial Companies Code, the Statute of RADPOL S.A., the resolutions of the Supervisory Board and the General Assembly, the Management Board Rules of Procedure and general application of the law.

The Executive Board held 18 meetings in 2008 and took resolution outside the meeting by voting in writing. During the year, in addition to conducting the Company's current activities, the Executive Board dealt also with the following:

- Creation of RADPOL S.A. capital group,
- Application of the investment, including construction of a new accelerator and the development and improvement of the manufacturing plant,
- Implementation of Resolution No. 16 of General Assembly of RADPOL S.A. of 21 April 2008 on the authority of the board of the Company to purchase its own shares for their redemption.

11.2. The Supervisory Board of RADPOL S.A.

The Supervisory Board of RADPOL S.A. may consist of 3 to 7 persons appointed to the joint three-year term by the General Assembly. In 2008, the Supervisory Board has acted in the following composition:

- Chairman of the Supervisory Board - Grzegorz J. Bielowski, as of 01-01-2008 until present
- Deputy Chairman of the Supervisory Board - Zbigniew Janas, as of 01-01-2008 until present
- Secretary of the Board - Tomasz Firczyk, as of 01-01-2008 until present
- Member of the Supervisory Board - Tomasz Kapliński, as of 01-01-2008 until present
- Member of the Supervisory Board - Krzysztof Wachowski, from 01-01-2008 until 21-04-2008,
- Member of the Supervisory Board - Marcin Kowalczyk, of the day continues 21-04-2008
- Member of the Supervisory Board - Krzysztof Kurowski, continued from 01-01-2008.

The Supervisory Board exercises permanent supervision over the activities of companies in all areas of its activities. The rights and obligations of the Council shall determine the relevant provisions of law, and in particular the Commercial Companies Code and the Statute of RADPOL S.A.. The manner of convening, holding of meetings and adopt resolutions of the Supervisory Board determines the rules of procedure of RADPOL S.A.. The Supervisory Board shall hold a meeting at least once per quarter in the financial year. Meetings of the Board shall be convened by the President on his own initiative or at the request of any member of the Council or the Executive Board at the request of the issuer, expressed in writing. Council meeting may be held without formal convocation, if you participate in it, all members of the Supervisory Board. Resolutions of the Supervisory Board by a simple majority. The Supervisory Board may delegate to its individual members to comply with various regulatory activities.

At each meeting of the Supervisory Board in 2008, the Management Board was invited, which represented, among others Company's situation and the course of investment.

The Supervisory Board has cooperated with the Board of the Company including on:

- The timing and agenda of general meeting
- Preparation of draft resolutions and the opinion of the meeting,
- The work related to the purchase of Elektroporcelana Ciechów SA and acquisition process,
- The choice of auditor to review financial statements and audit the Company.

Statute of RADPOL S.A. and Regulations of the company is available on the website of the Issuer: www.radpol.com.pl

Vice-Chairman of the Board

Grzegorz Malczyk

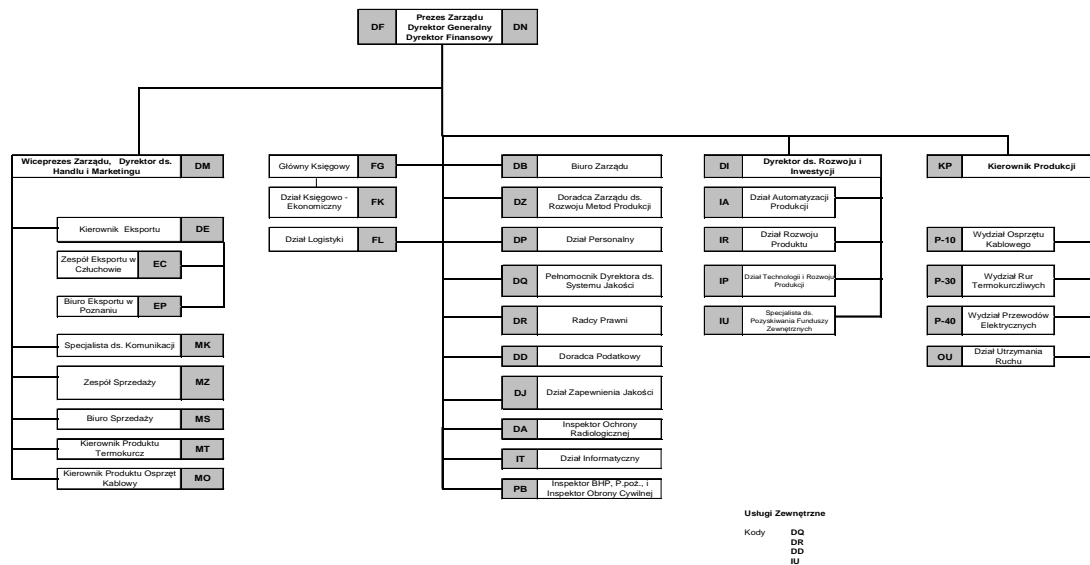
Chairman of the Board

Andrzej Sielski

Człuchów, 2009-03-30

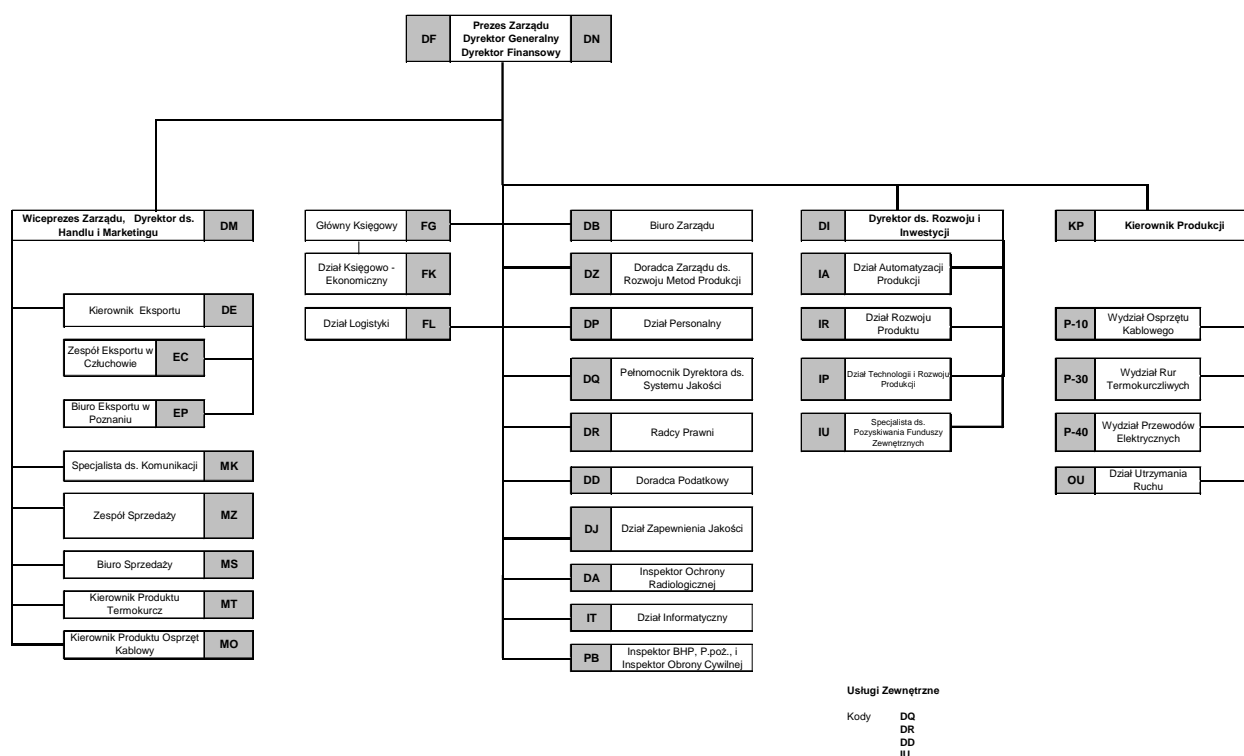
Attachments.

Annex No. 1– Org RADPOL Co. on day 1.01.2008.



Schemat organizacyjny Spółki RADPOL S.A. w Człuchowie, zatwierdzony Uchwałą Zarządu z dnia 03-09-2007 roku.

Annex No. 2– Org RADPOL Co. on 31 December 2008.



Schemat organizacyjny Spółki RADPOL S.A. w Czuchowie, zatwierdzony Uchwałą Zarządu z dnia 03-09-2007 roku.

Annex No. 3– Profit and loss. Balance sheet.

Profit and loss	For period 01.01.2007. - 31.12.2007. in thousand PLN	For period 01.01.2008. - 31.12.2008. in thousand PLN	Index of dynamics
Net income from sales, including:	35 821	36 653	2,3%
- Income from sale of product	31 092	30 927	-0,5%
- Income from sale of Commodities and materials	4 729	5 726	21,1%
Costs of products sold, goods, materials, including:	20 504	20 953	2,2%
- the value of items sold, final products	18 146	18 287	0,8%
- the value of items sold, materials	2 358	2 666	13,1%
Gross profit on sales	15 317	15 700	2,5%
Selling costs	3 440	4 137	20,3%
Cost of general management	4 486	4 398	-2,0%
Profit on sales	7 391	7 165	-3,1%
Remaining operating income	521	1 125	115,9%
Remaining operating costs	633	431	-31,9%
Profit from operating activities (EBIT)	7 279	7 859	8,0%
Financial income	1 022	653	-36,1%
Financial costs	260	6	-97,7%
Profit from ordinary activities	8 041	8 506	5,8%
Extraordinary gains	0	0	
Extraordinary losses	0	0	
Gross profit (loss)	8 041	8 506	5,8%
Income tax	1 239	1 698	37,0%

Net profit (loss) (N-O-P)	6 802	6 808	0,1%
Profit from operating activities plus depreciation (EBITDA)	8 664	10 434	20,4%
EBIT as a % of incomes	20,32%	21,44%	5,5%
EBITDA as a % of incomes	24,19%	28,47%	17,7%
Net profit as a % of incomes	18,99%	18,57%	-2,2%

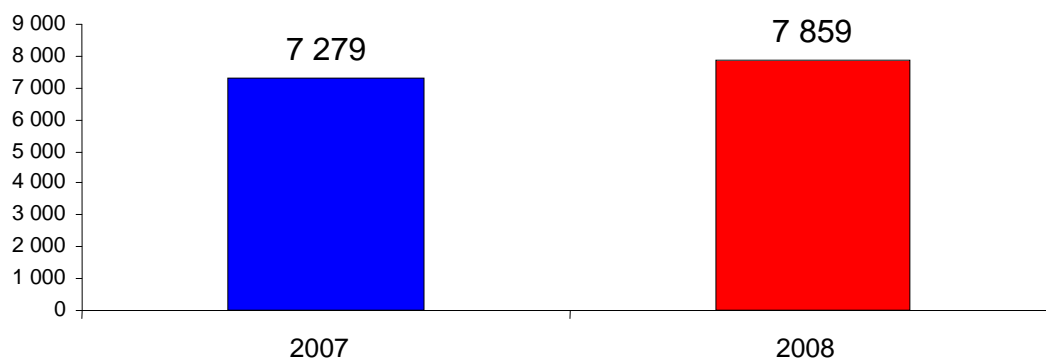
ASSETS		on the day 31-12-2007 in thousand PLN	on the day 31-12-2008 in thousand PLN	Index of dynamics
A.	Fixed Assets	21 647	51 906	139,8%
I.	Intangible fixed assets	573	894	56,0%
II.	Tangible fixed assets	20 499	43 263	111,0%
	1. Fixed assets	9 331	41 104	340,5%
	2. Assets under construction	11 135	2 159	-80,6%
	3. Advances in assets under construction	33	0	
III.	Long-term receivables	0	0	
IV.	Long-term investments	4	6 843	170975,0%
V.	Long-term interperiod settlements	571	906	58,7%
	1. Assets of the window title. deferred income tax	560	549	-2,0%
	2. Other interperiod settlements	11	357	3145,5%
B.	Current Assets	45 317	23 103	-49,0%
I.	Inventories	7 705	8 969	16,4%
II.	Short-term receivables	9 258	7 188	-22,4%
	1. Receivables from related units	0	1	
	2. Receivables from other units	9 258	7 187	-22,4%
	a) from the window title. supply and services of an annuity:	7 886	6 612	-16,2%
	b) from the window title. pod., dot, customs, and other health and social insurance	1 172	345	-70,6%
	c) others	200	230	15,0%
III.	Short-term investments	28 305	6 904	-75,6%
	1. Short-term financial assets	28 305	6 904	-75,6%
	a) in related units	0	0	
	b) in other units	0	35	
	c) cash and cash equivalents	28 305	6 869	-75,7%
	2. Other short-term investments	0	0	
IV.	Short-term interperiod settlements	49	42	-14,3%
Total Assets		66 964	75 009	12,0%

LIABILITIES		on the day 31-12-2007 in thousand PLN	on the day 31-12-2008 in thousand PLN	Index of dynamics
A.	Capital Fund	55 245	56 601	2,5%
I.	Primary capital	719	719	0,0%
II.	Due to the primary (the amount of negative equity)	0	0	
III.	Shares (actions) (the amount of negative)	0	-1 859	
IV.	Secondary capital	41 002	41 002	0,0%

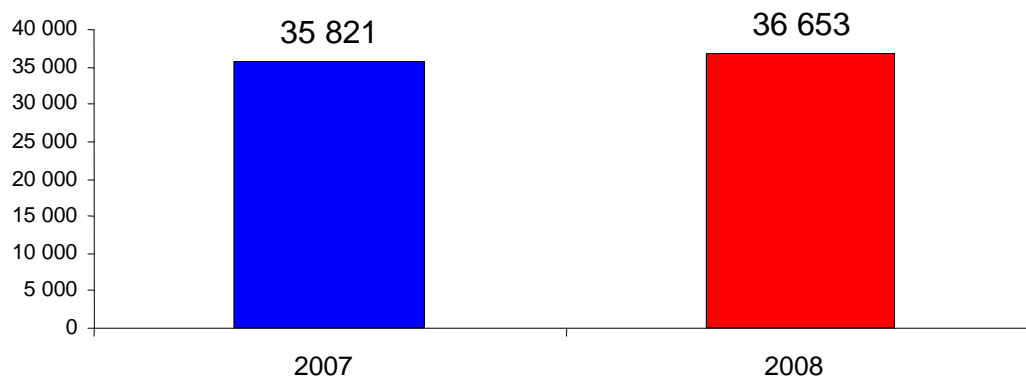
V.	Revaluation capital	0	0	
VI.	Other capital (funds) reserved	6 722	9 905	47,4%
VII.	Profit (loss) from previous years	0	26	
VIII.	Net profit (loss)	6 802	6 808	0,1%
IX.	Allowance of net profit in r. r. (case UY.)	0	0	
B.	Liabilities and reserves for liabilities	11 719	18 408	57,1%
I.	Reserve appropriations	668	768	15,0%
II.	Long-term liabilities	117	2 280	1848,7%
III.	Short-term liabilities	8 891	8 277	-6,9%
	1. Related to units	0	0	
	2. To other units	8 674	8 003	-7,7%
	a) credits and loans	551	608	10,3%
	b) from the window title. debt securities	0	0	
	c) other financial liabilities	0	0	-
	d) from the window title. supply and services of the maturity period .:	7 095	6 336	-10,7%
	e) advances received on delivery	12	14	
	f) payables exchange invoices	0	0	
	g) from the window title. customs, insurance. and other services.	585	611	4,4%
	h) from the window title. salary	405	401	-1,0%
	i) others	26	33	26,9%
	3. Special funds	217	274	26,3%
IV.	Interperiod settlements	2 043	7 083	246,7%
	1. Negative goodwill	0	0	
	2. Other interperiod settlements	2 043	7 083	246,7%
	- long-term	1 111	5 943	434,9%
	- short-term	932	1 140	22,3%
Total Liabilities		66 964	75 009	12,0%

Annex No. 4– Charts part I

Profit from operating activities (EBIT)

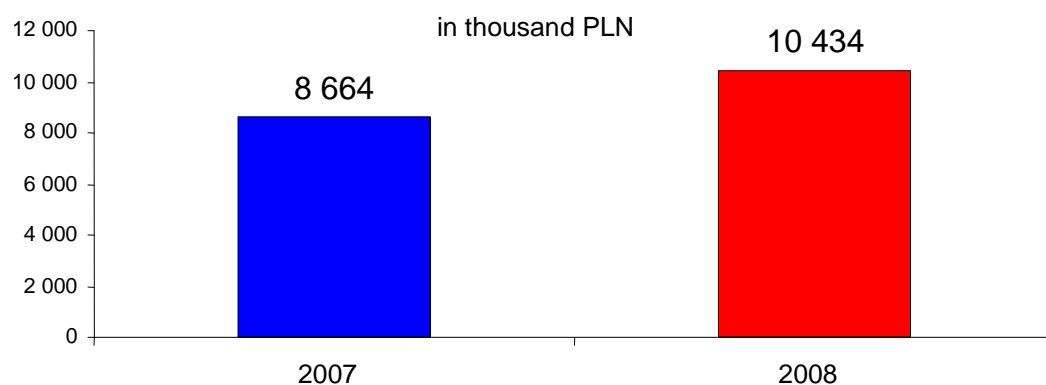


Incomes from sales in thousand PLN



Annex No. 5– Charts part II

Profit from operating activities plus depreciation (EBITDA)



Net profit (loss) (N-O-P)

in thousand PLN

