

Dear Shareholders,

It is with a great pleasure that I submit herewith the financial statement of RAFAKO S.A. for the year 2010. This statement is elaborated in accordance with International Accounting Standards and International Financial Reporting Standards. It was prepared with a great care of details and its informative value. We have also tried to give you the fullest possible image of our achievements and perspectives of the Company.

We have completed yet another year of hard work focused on gaining and reinforcing the strong market position and on struggling with both local and foreign competition. The process of transformation of RAFAKO S.A. from the role of a subsupplier to the one of a market leader is carried out in close co-operation with scientific institutes being our partners in execution of research and development works. This focusing on use of the knowledge of our scientific partners supports the continuous technical development of our products and increases the competitive advantages thereof. Our own investment programs have extended our manufacturing capacities and the organisational transformation process being carried out shall finally prepare RAFAKO S.A. to a role of the main contractor of the largest power generation projects in Central Europe and especially in Poland. We would also like to continue to perform the tasks related with environment protection including those traditionally associated with RAFAKO S.A. as well as those, which are meant to make their appearance on the local market, i.e. municipal waste incineration plants and biomass-fired plants. Apart from continuous verification of a domestic market, we are also intensifying our activities in other markets. We have already signed and shall sign in the near future the agreements with customers from Turkey, France, Italy or Kazakhstan.

Since several years we may proudly present the increasing income combined with related improvement of efficiency indicators. This year was similar to the previous one. Once again we reach the highest net result in the history of RAFAKO.

Focusing on successes and opportunities may not mean that the Company is neglecting the risks that await the large companies during the post-crisis stabilisation period.

The fundamental risks include the increasing competitive activity of the companies that were hitherto active in the building sector and the companies from Asia. The effects of 2008 crisis cause the shifting of priorities taken into account by the customers from the quality considerations towards minimisation of investment costs.

The tendency to achieve better efficiency in various aspects causes the appearance of process risks related with application of newly developed materials and technologies.

We are still experiencing the uncertainties associated with the extent of European CO<sub>2</sub> emission abatement programs.

We are sparing no efforts in order to mitigate the effect of aforementioned risks on the situation of our Company and, on the other hand, we are seeking to use the related opportunities.

Let me express, in my own name and on behalf of the whole Management Board, our gratitude to Investors for their trust and confidence, to Supervisory Board for the continuous support and the whole staff of RAFAKO S.A. for a whole year of hard and honest work.

Wiesław Rózacki

President of Management Board

Racibórz, March 21<sup>st</sup> 2011

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