



Dear Sirs/Madams!



Many things happened in 2011 just as a lot is happening at METALPOL. Thus, to be able to inform you about events, new products, realizations, investments, plans and projects of our Company, we have decided to create a magazine which shall serve as a link between us, the first issue of which you are reading right now.

From the beginning of 2011 the Management Board took some firm actions both in the field of organizational changes aiming at making maximum use of competences, innovativeness and dynamics of the Company Employees and in the field of investments, the aim of which was to optimize technical resources remaining at the Company's disposal. In the last few months we obtained some new machines and equipment, and we changed the external appearance of the office building and the entrance to the Company, which is our showpiece for the Customers, residents of Węgierska Górka and many tourists who visit this resort. However, the most ambitious venture which was undertaken that year was the start of implementation of the Integrated IT System, the purpose of which is to improve and quicken flow of information between the Company's departments and particular Employees and in this way facilitate decision-making by the Management and the Management Board. This System is necessary for us to execute the Company development plans envisaged by the Management Board for the following years. And our plans are ambitious!

It may sound like a slogan, but to allow METALPOL to continue in the next several dozen years its almost 175-year long tradition, the Management Board has taken up the challenge to make METALPOL during the nearest years a state-of-the-art plant manufacturing products at the top technological level and, thanks to its position, place the Company in the group of the top foundries in Poland and Central Europe and at the position of one of the leading fittings manufacturers.

I know that this challenge is ambitious, but when I look at the history of the Company, when I see what has been accomplished by the Management Boards and the Foundry Employees in its different forms and under different names both in the interwar period and after World War II, when I appraise realizations and achievements of the last decade, I have no doubt that this challenge shall be realized.

To do this we shall of course need high motivation and persistence in execution of the set goals. Highlanders from Beskid Mountains, however, are not short on these!

I would like to thank you for trust which you bestowed upon METALPOL during the last several hard years and for successful cooperation during this year, the results of which are surely beneficial for both your Companies and METALPOL and its Employees, and I am certain that the following year will be even better for all of us.

I would like to seize this opportunity and wish you and your families warm, family and merry Christmas and may the year 2012 bring you health, happiness and many successes.

Marek PODGRODZKI
President of the Management Board

- New IT face of the Company.
- B safety sign on our product.
- Cast iron fittings for water-pipe and sewerage networks
- Let us get to know each other.



*Mery Christmas
and Happy New Year
wishes Metalpol*



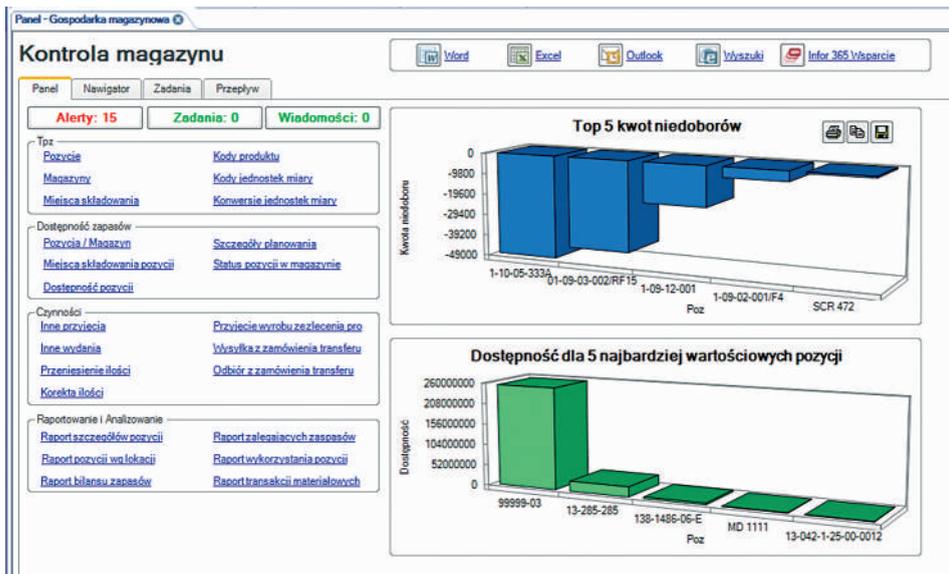
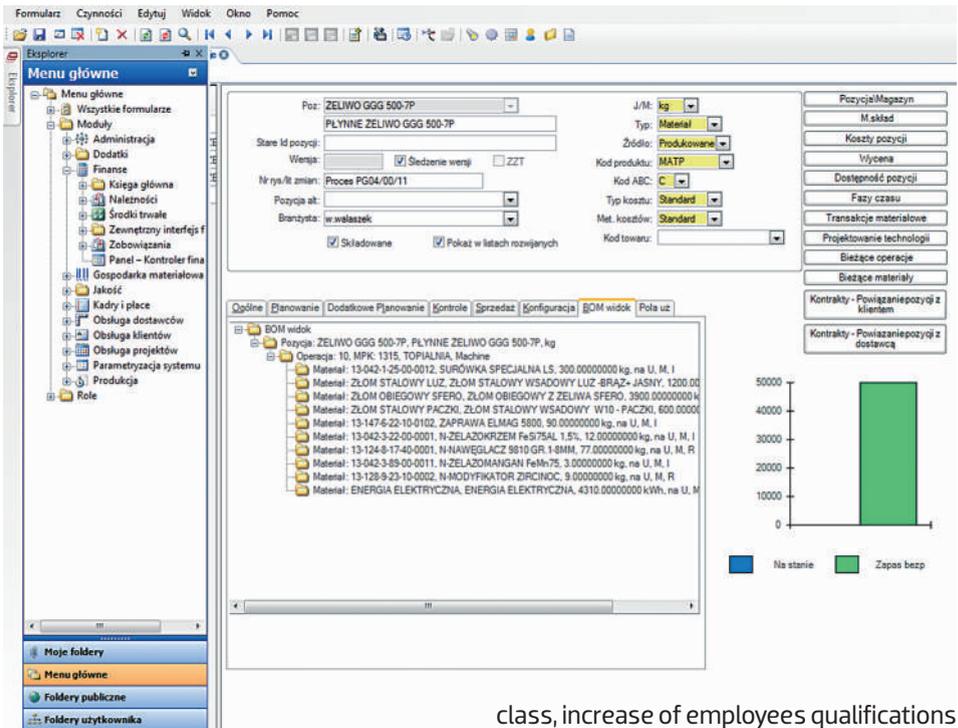
New IT face of the Company.

In September of the current year METALPOL signed an agreement with TRAX / INFOR concerning purchase and implementation of the new integrated IT system INFOR SyteLine for the company management. It is a system of ERP / MRP II class, which contains the below functionalities:

customer and sales service and CRM
suppliers and purchasing management and warehouse management technology
and planning of production
finances and bookkeeping management,
general ledger
production management with registration of production transactions
with the use of bar codes,
personnel and payroll management
quality control of processes

Implementation of the new system started two months ago and intensive education and training of key users are in progress. New high performance servers were purchased and an optical fibre network enabling fast, safe and efficient data transmission was constructed for the purpose of the new system. Philosophy of the INFOR SL program is based on an intuitive and friendly user interface referring to solutions we meet every day in MICROSOFT MS OFFICE applications (e.g., EXCEL) through, among other things, management panels. They allow dynamic access to functions which are necessary for a given role, they present key data and indices in a graphic way (various types of graphics and charts), they enable fast data transmission through shortcuts to popular office programs, they contain block diagrams with dynamic access to particular elements of the business process, they

allow to create text notes. System registers can be accessed through windows or from the level of management panels presented below: INFOR SL shall replace the OKSoft accounting program, which we have been using for more than 15 years, and with its functionality it shall cover internal processes of the Company and allow their optimisation, including planning, scheduling and registering of production processes. The new solution shall contribute to more effective execution of business plans, user satisfaction with the standard of working with a system of this



class, increase of employees qualifications and expanding their knowledge and responsibility concerning business processes in the company. The implemented IT system is one of the significant elements of METALPOL development strategy aiming at introduction of the state-of-the-art IT infrastructure, the task of which is to support management processes in a dynamically developing Company.

Włodzimierz Walaszek
Economic Director

B safety sign on our product.



In November of the current year auditors from the Railway Institute Quality and Certification Centre conducted in our company an audit. The audit concerned one of our products for the railway industry – anchor type SB 3/M and SB 3/3 used in railroad surface as an element of SB elastic fastener.

The Railway Institute Quality and Certification Centre, within the framework of the 2+ system of compliance

assessment, conducted inspection of the plant and the plant production control and it continuously supervises, assesses and approves the plant quality control. In the result of the conducted audit on 7 December 2011 we obtained the Certificate No. CZKP IK – 6/2011 authorising our company to place the B graphic sign on the anchor type SB 3/M and SB 3/3. It is our next step in the development of this product in view of safety of its use and application. We have begun design works aiming at placing the B sign so that from January 2012 it is visible on our products.



Jerzy Buratowski
Quality Systems Manager

Cast iron fittings for water-pipe and sewerage networks

Metalpol manufactures a wide range of ductile and grey cast iron products. The company offers castings for automotive and machine-building industry, agricultural sector, construction industry, public works, mining and railway industry as well as industrial fittings for water-supply and sewerage systems.

Gate valves

Among products intended for water-pipe and sewerage networks there are F4 and F5 flange valve wedges for water, Auma and Regada gate valves for drives and with electric power drive, and Mastergear gate valves with worm gear. Other products of the company are gas gate valves and gate valves with open indicator used mainly in fire protection systems as well as in house connections with internal and external threads. Soon we will introduce in our offer house connection gate valve with PE pipe connectors.

Hydrants

Metalpol offers also various types of underground and overground hydrants both with single and double closing. A new product is a hydrant with double closing and the breaking point system.

Construction of the so-called "breaking"

hydrant prevents accidental water outflows. Thanks to the breaking point system the overground part separates from the underground part which does not get damaged and sustains tightness of the main closing, while the additional second closing – a vulcanised aluminium ball – ensures 100% tightness at possible hydrant damage by, e.g., a motor vehicle. This construction meets the requirements of PN-EN 1074-6 and PN-EN 14384 standards.

Pipe fittings and accessories

The company offer includes also ductile cast iron flanged pipe fittings which, just as gate valves and hydrants, are covered with epoxy powder coatings in accordance with the requirements of DIN 30677 standard and the RAL-GZ 662 Quality Assurance Specification. Accessories necessary to install gate valves and hydrants and to operate them – cast iron street boxes for

gate valves and hydrants, gate valve casings, keys for opening gate valves and hydrants, standpipes and wells for water meters – are also available.

Quality of materials

Fittings used in water-supply systems should enable water flow at the lowest losses possible and minimise the risk of outflow losses that is of the greatest importance for network administrators. Meanwhile, for the water recipients the most important issue is its quality. It is also important for the fittings to possess appropriate mechanical strength and construction which allows them to transmit maximum pressures and stresses of pipelines. However, to fulfil all these conditions, the highest quality materials and technologies guaranteeing reliable and long service of the equipment should be used at fittings manufacturing. Products offered by Metalpol meet the set high quality requirements, winning recognition not only in Poland but among foreign customers as well.

Grzegorz Skrzypek
Sales Manager



Let us get to know each other.

In this column we are going to introduce METALPOL employees. The Company is above all the people. Dynamical development of our Company requires special commitment to continuous improvement of the effective management of the Integrated System of Quality and Human Resources Management. Improvement of quality systems, development of personnel skills, competences and qualifications guarantee increase of competitiveness of our Company on the market. The recently implemented training programme is only one of the examples of our actions aiming at the achievement of the permanent competitive advantage. In the recent months new co-workers joined our personnel. We would like to welcome Mrs. Monika Kałkol and Mr. Maciej Skorupa. We wish you quick integration with METALPOL staff and many professional and personal successes.

Władysław Płonka
Managing Director



POSITION:
HUMAN RESOURCES
SPECIALIST
MONIKA KAŁKOL

I am a graduate of the University of Silesia in Katowice, where in 2009 I graduated from master's studies in the field of sociology. In the second year of the master's studies I also commenced postgraduate studies at the University of Silesia in Katowice in the field of Management and Administration and I defended a Diploma Thesis on the subject of "Holiday leave". Additionally, in the current year I graduated from postgraduate studies in the field of Human Resources

Management and Career Counselling at the Poznan School of Banking, Chorzów Campus. During my studies I acquired theoretical and practical knowledge concerning, among other things, issues of human resources management in a

company, legal bases for human resources management, elements of Labour Law. To November 2011 I performed duties at the position of the Career Counsellor in the District Employment Agency in Żywiec, where I worked with people looking for job, establishing their career development paths and motivating to make decisions concerning further education. However, it is "hard" HR, which emphasises the importance of the quantity and economic aspect in the personnel management that is at the centre of my interests.

In my free time I develop my artistic skills in the scope of interiors design and my sports skills, mainly through snowboarding. At present I am undergoing a computer training preparing for passing of the European Computer Driving Licence. In our company I am responsible for managing human resources issues in compliance with the Labour Law regulations, including:

- keeping personal records, documentation connected with employment relationship,
- keeping and updating the employees database (admissions, redundancies, transfers),
- records of holidays, medical sick leaves, leaves and other absences, supervision of working time records,
- determination of entitlement to holiday, childcare, paternity leave and jubilee award, years of service supplement, retirement allowance,
- preparation and dealing with retirement and pension issues of employees and their families – cooperation with the Payroll Specialist,
- dealing with issues concerning medical care and social welfare of the employees,
- updating regulations: organizational, work, social welfare benefits,
- preparation of human resources specifications and reports, current update of human resources information (MIS) and quality indices (sickness, holiday absence and others in accordance with findings),
- development of the plan and organization of internal and external trainings, internships, keeping appropriate documentation.

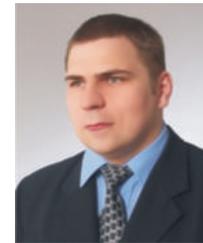
I am convinced that our cooperation will be successful.

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Best regards
Monika Kałkol



POSITION
QUALITY SYSTEMS
SPECIALIST
MACIEJ SKORUPA

I live in Żywiec and I possess higher education in Production Engineering and Management, major in Quality Engineering. I have been professionally connected with quality since 2007, firstly as a Supplier Quality Engineer at Electrical Components International – a company manufacturing wire harnesses for automotive industry and household appliances, and then as a Quality Engineer in SMI(DSI Plastics) company dealing with production of plastic components for automotive industry. In our company I am responsible for:

- Procedures and instructions updating, corrective actions,
- Conducting and verification of performance of internal audits and audits at suppliers,
- Conducting 5S audits and verification of performance compliance vs. schedules,
- Collecting data and calculation of rates for the Quality Costs procedure,
- Supervision over "PRONOST" process meters,
- Conducting FMEAs, statistical analyses,
- Determination of range of topics for internal and external trainings and monitoring their implementation,
- Updating the Quality Manual,
- Participation in preparation of the quality plan,
- Registration and supervision over suggestions forms.

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Maciej Skorupa