



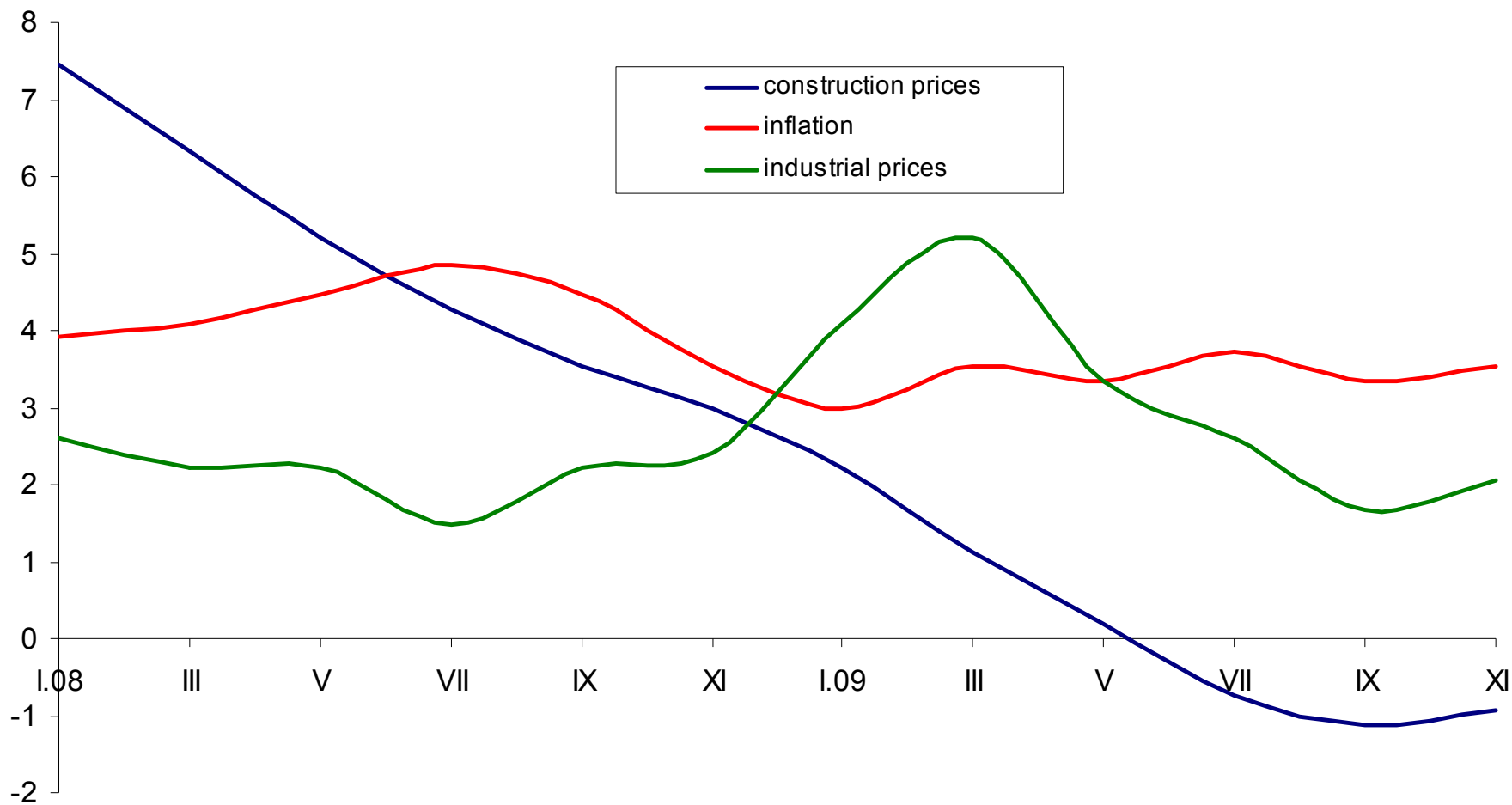
Corporation of Hydraulic and Pneumatic Drives and Control POLAND

Henryk CHROSTOWSKI, PhD. Eng.
V-ce President of Corporation

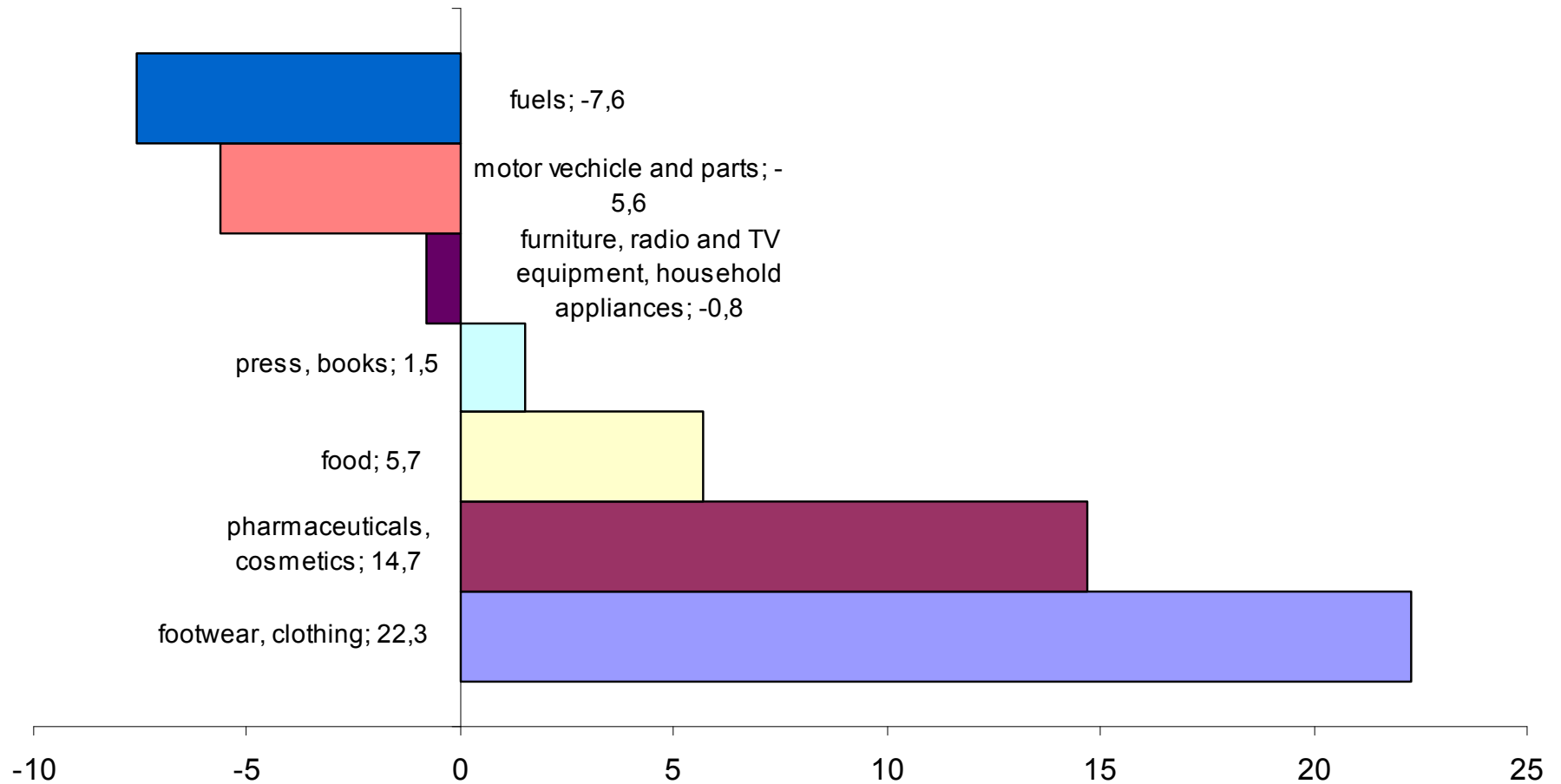
Major data regarding the socio-economic situation of the our country

- ▶ Population in 2009 – 38,2 mln
- ▶ Total area in thous. km² – 312,7
- ▶ Gross domestic products in 2009 – about 412 bn EUR
- ▶ GDP per capita in 2009 – 10812 EUR
- ▶ Inflation – 2,5% (Jan. 2010)
- ▶ Unemployment – 12% (Jan. 2010)

Inflation, industrial prices, construction prices, %



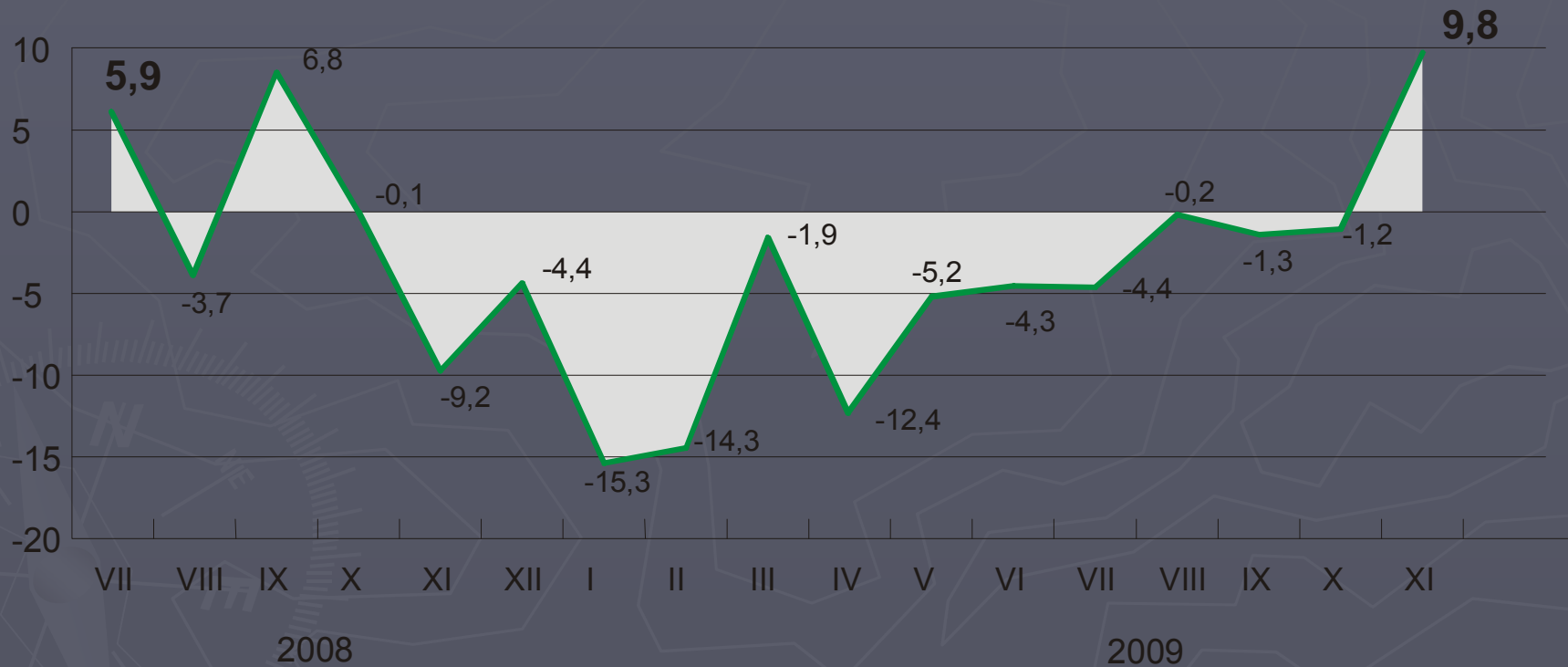
Products groups with a large share in retail sales in Jan.-Nov. 2009, % change year on year



Production of the machine-building industry in Poland in 2000-2008

Products	2000	2005	2007	2008
General-purpose passenger cars, thousands of units.	532	540	695	842
Public conveyance vehicles, thousands of units.	2.0	5.4	3.6	4.6
Sea ships:				
Units	34	28	18	14
Thousands of GT	611	722	517	485
Bicycles, thousands of units .	1,320	1,528	1,125	1,054
Bearings, millions of pieces.	130	222	231	224
Including ball bearings	84.5	162	165	163
Machinery for farming and forestry, thousands of units:				
Farming tractors	7.2	5.7	7.0	6.3
Plows	4.0	3.9	6.6	3.3
Field sowing-machines	1.3	2.0	2.7	3.8
Machine-tools for metals, span-cutting, thousands of units.	8.1	-	3.7	4.0
Including lathes for metal removal	0.7	1.0	1.0	1.1
Household refrigerators & freezers, thousands of units	693	1,674	2,305	2,255
Household automatic wash machines, thousands of units.....	476	1,447	1,900	2,500
Household vacuum cleaners, thousands of units.	1,674	1,315	1,358	1,215
Household gas cookers with an oven, thousands of units.	161	775	875	1,045
Electric motors and generators, thousands of units	4,173	6,660	11,324	12,051

Dynamics of the industrial production in Poland in the time period of July 2008 to November 2009, %



Dynamics of the industrial production in Poland November 2009 vs November 2008

- ▶ Industrial production +9,8%,
but 11 months only +4%

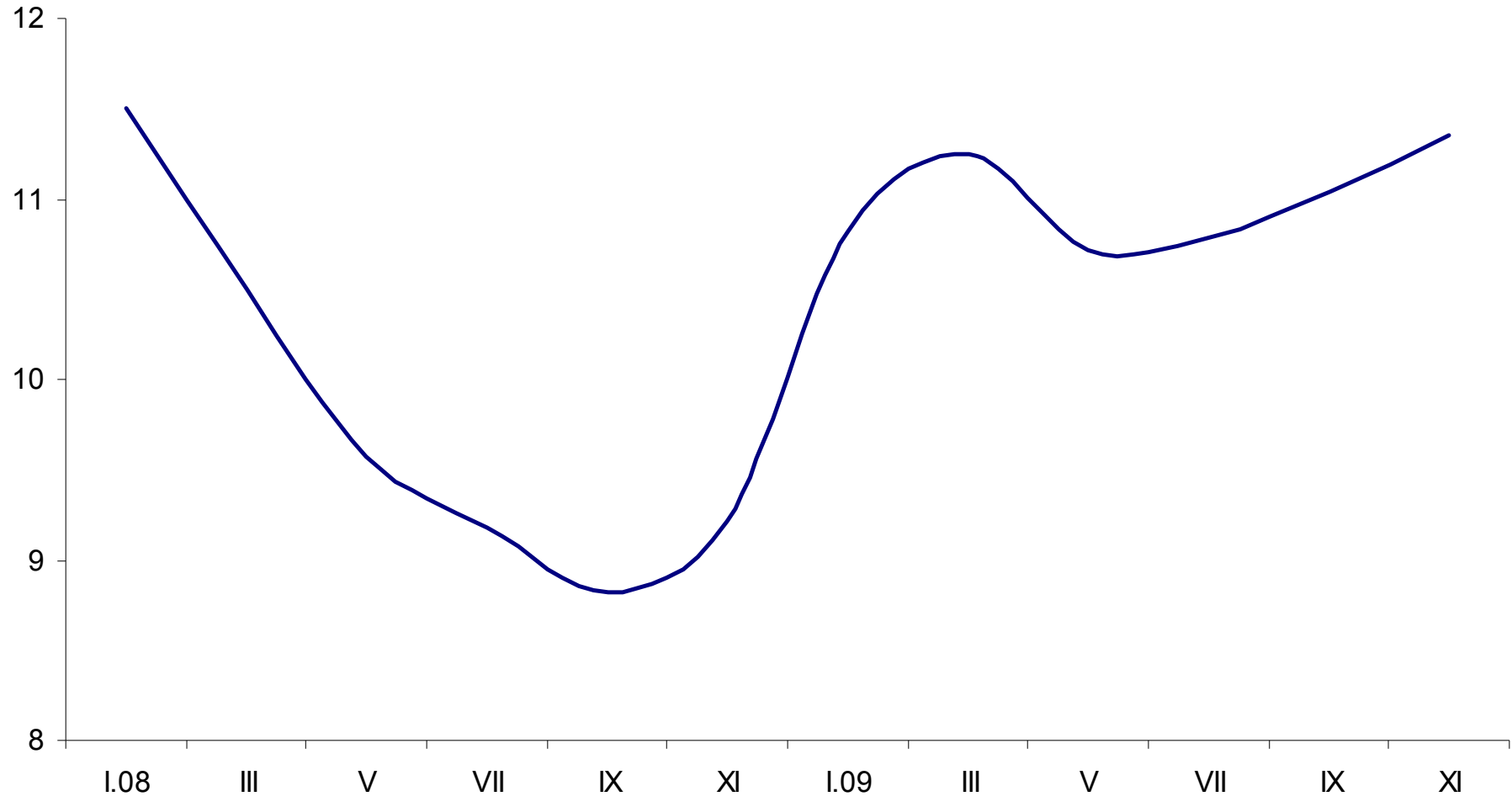
The rise in the production applied to 26 among 34 branches of industry

- ▶ Chemistry business +34%
- ▶ Cars business +20%
- ▶ Metals industrial +16,3%
- ▶ Rubber and plastic products +14,8%

Dynamics of the „high-tech“ business in Poland, over 10 months of 2009

- ▶ „High-tech“ generally **+18%**
- ▶ Electric product **+13,9%**
 - Computers 4,4 mln (**+63%**)
 - TV sets 18,5 mln (**+36,6%**)
 - Automatic wash machines 2,6 mln (**+25%**)
 - Electric motors 13,5 mln (**+23%**)
 - Machinery and equipments as the means of production **-1,8%**

Unemployment rate, %



Year 2009		Hydraulics	Pneumatics	
National home sales 2009 in 1.000 EURO		310 000	70 000	
National home sales increase / decrease %				
Year 2009 vs. 2008		25,0	25,0	%
Incoming orders increase / decrease %				
Year 2009 vs. 2008		20,0	15,0	%
Year 2010		Hydraulics	Pneumatics	
National home sales increase / decrease %				
1st quarter 2010 vs. 1st quarter 2009		-5,0	-15,0	%
Forecast for the year 2010/2009		5,0	-10,0	%
Incoming orders increase / decrease %				
1st quarter 2010 vs. 1st quarter 2009		10,0	5,0	%
Forecast for the year 2010/2009		5,0	0,0	%
Utilization of capacity				
(Please tick where applicable)				
high				
normal		X	X	
low				

Unemployment rate in % / which month?		12%/January		%
Inflation rate in % / which month?		2,5%/January		%
Customer industries:	(Please tick where applicable)			
Economic trends for the next quarter		Hydraulics		Pneumatics
<i>Mobile machinery application market</i>	increase			
	same	X		
	decrease			
<i>Industrial fixed machinery application market</i>	increase	X		
	same			X
	decrease			
Miscellaneous				
<p>The world-financial and economic appears in Poland Gross Domestic Product: on 2010 increase + 4%. Increase of consumption goods, an example - 10 months 2009 to 2008 increase production: wash machine 25%, electrical motors 23%, TV set 36,6%, computers 63%. Decrease of investment goods: construction and mining machine, tools machine etc. Companies of machinery, hydraulic and pneumatic sector have difficulties with getting bank credits for actual activity. Clients, machine manufacturer, declare decrease of number of orders for hydraulics and pneumatics components.</p>				

Thank you very much for your
attention