

## PRESS RELEASE

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### THE NEW DEVELOPMENT STRATEGY OF GRUPA APATOR

**Development strategy of Apator for the period 2011-2013 assumes establishing a leading position on key geographic markets. Key markets include Central and Eastern Europe, including the Balkan countries. Apator broadens the abovementioned strategic area of market interest with Germany, Benelux, the United Kingdom and Ireland, and also intends to establish a strong position on the Russian metering equipment market.**

**In 2013 Grupa Apator forecasts achieving sales income of PLN 610 million with EBIDTA 20-25%.**

**The strategy considers only the organic development of Grupa Apator, and does not include potential takeovers. Apator is searching for possibilities of further development of the capital group by takeovers of Polish and foreign companies.**

The leading position in switchgear and metering sectors of the Polish market and key foreign markets is the aspiration of Grupa Apator.

During the following 3 years the company will focus on a number of strategic directions.

One of the most important assumptions of the developed strategy is an intensive geographic expansion, especially on the developed markets of Western Europe. **By 2013 Apator aims at achieving 25% of income from export in the switchgear sector and 50% of income from export in the metering equipment sector.**

Deep penetration of the domestic market, directed at reaching new areas and sectors is the next pillar of the long term plan of action.

Development of modern products and services is the fundamental direction of our strategy. Thanks to this Grupa Apator will become the best European specialist in the scope of switchgear production. In the metering equipment sector the company shall become a multi-integrator supplying innovative electricity, water, heat and gas metering and reading systems.

Apator made a decision on consistent implementation and realization of a policy focussing on one strong brand – APATOR.

Apator will still invest in services for the current key customers: power companies, switchgear producers, integrators. In addition, new clients will appear in the area of interest such as industrial companies and network companies.

One of the advantages of Apator will be the dynamic technological and functional development achieved thanks to the work of own design offices. New disconnectors with rotating drives and a whole range of accessories will be an example of product development.

To the most demanding clients Apator will offer the so called “second brand” – a line of highest quality products in Europe, for use in industry and power industry. An additional “premium” sector brand will be directed especially for the most demanding customers.

Improvement of the position of Grupa Apator in the scope of the metering sector will be based in technological and functional development of current products. The company plans to implement, among others, state-of-the-art “C” class dry type water meters (high precision), new heat meters with remote reading and distribution electricity meters.

Apator intends to use EU regulations, according to which EU countries are obliged to implement 80% of smart electricity meters until 2020 in order to improve power efficiency (Directive 2006/32/EC and "3x20" energy and climate package). The Polish regulating body specified a plan of replacement of 16 million electricity meters with smart devices.

Apator plans to win at least 1/3 of the smart meters market in Poland along with a substantial share of the market in chosen European countries.

In 2013 Apator intends to achieve smart electricity meters sales income in Poland at the level of at least PLN 40 million.

Grupa Apator intends to strengthen its position in the water and heat sector by focussing its market activities on the end users, such as housing cooperatives, heating and water companies. New services will also be an additional source of income – network property inventorying and “Monitorus” system for optimization of power usage.

The next three years will be a time of stable organic growth for Grupa Apator. Apator also intends to broaden the make-up of the group by takeovers of companies that will extend our product offer with their portfolios. Also the improvement of market position may be the aim of a takeover.