The Supervisory Board of ERBUD S. A.
with headquarters in Warsaw
ul. Puławska 300 A
02-819 Warszawa

Report of the Supervisory Board of ERBUD S.A. with headquarters in Warsaw (the "Company") on the assessment of the Management Board's Report on the activity of the Company in 2010, the Company's financial statements for the fiscal year 2010 and the Company's consolidated financial statements for the year 2010, as well as the Supervisory Board Report on the activities of the Supervisory Board in fiscal year 2010.

1. The Supervisory Board's report in FY 2010 and evaluation of the Company's standing

During the reporting year the Supervisory Board of the Company constantly supervised and advised the Management Board.

In the fiscal year 2010 there were held 4 meetings of the Supervisory Board. On these meetings the Management Board informed the Supervisory Board in writing and orally about the ongoing activities, the situation of the enterprise and current themes.

The key subject of the Supervisory Board's meetings in the past year was the further strategic development and expansion of the ERBUD Group as well as the successful acquisition and starting joint venture cooperation with some major companies.
As regards ongoing operations there were discussed, inter alia, offers for large projects and considered with the Board in terms of apparent risk. Offers for such large projects were discussed at meetings and additionally in the form of conference calls, and the consent to perform them was made in the form of resolutions passed in circulation procedures.

Furthermore, the Management Board informed the Chairman of the Supervisory Board in writing and orally about special events. There were also considered measures to optimize the Company's structures and processes. Moreover, the Management Board informed the Chairman of the Supervisory Board within the regular talks on all substantial matters and important decisions to be taken.

All actions requiring the consent of the Supervisory Board were examined on the basis of materials provided by the Management Board and examined considered at meetings of the Supervisory Board, then was granted an agreement for their implementation.

The ERBUD's development in the fiscal year 2010 proceeded positively. In some areas the losses were incurred. As a result of consistent work on the situation, the negative areas were consolidated or abandoned, so that not to generate further burden in next periods. The overall situation of the ERBUD Group is more and more established.

The Supervisory Board expresses its thanks to both members of the Company's Management Board, boards and employees of ERBUD and companies belonging to the ERBUD Group for their work and commitment over the past year.

2. Report of the Management Board of ERBUD S. A.

The Supervisory Board hereby approves the Report of the ERBUD S.A. Managemnt Board on the Company's activity in FY 2010 and the activities of the ERBUD Group. In the opinion of the Supervisory Board, the Report dated 28 April 2011 reflects correctly the economic position and course of the FY 2010.

3. The separate balance sheet of ERBUD S.A. and the consolidated balance sheet of the ERBUD Group for FY 2010

The Supervisory Board subjected both the separate balance sheet of ERBUD S.A. and the consolidated balance sheet of the ERBUD Group for the financial year 2010, audited by the auditing company Horodko TPA Horwath Audit Sp. z o. o. to critical evaluation.
The Supervisory Board is unanimously convinced that the documents provided are consistent with the accounting books and documents which constituted a basis for them, and that the actual condition as presented is consistent with the events of the 2010 and is duly reflected in the balance for FY 2010. The Supervisory Board agrees with the auditor's review result.

Warsaw, 24 May 2011

Chairman of the Supervisory Board

Udo Berner