Supervisory Board of the company ERBUD S.A.
with its registered office in Warsaw
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02-819 Warszawa

Report of the Supervisory Board of the company ERBUD S.A. with its registered office in Warsaw ("Company") on evaluation of the report of the Management Board on Company's operations in the financial year 2011, Company's financial statements for the financial year 2011, Company's consolidated financial statements for the financial year 2011 and the Supervisory Board's report on the operations of the Supervisory Board in the financial year 2011.

1. Operations of the Supervisory Board in the financial year 2011 and evaluation of the standing of the company ERBUD S. A.

During the report period the Supervisory Board continuingly supervised the Company's Management Board and accompanied it with its advice.

In the financial year 2011 there were 4 meetings of the Supervisory Board. During those meetings the Management Board informed the Supervisory Board of the current business operations, enterprise's standing and current issues in writing and orally.

In the past year, next to further strategic development of the Group ERBUD, the main focus of deliberation of the Supervisory Board was consolidation in order to regain strong profitability for the next financial years.
As regards running business, offers for big projects were discussed among others and considered with the Management Board from the viewpoint of identifiable risks. Offers for big projects were discussed during meetings and additionally during conference calls, and they were approved in the form of resolutions passed within the scope of a circulation procedure.

Moreover, the Management Board informed the Chairman of the Supervisory Board of special events in writing and orally on a current basis. Measures serving optimisation of enterprise's structures and processes in the enterprise were also considered. Moreover, the Management Board informed the Chairman of the Supervisory Board of all important issues and substantial decisions to be taken during regular discussions.

Actions that required approval of the Supervisory Board were examined on the basis of materials of the Supervisory Board and considered during meetings of the Supervisory Board and then approved.

The development of ERBUD in the financial year 2011 was disappointing and its course was negative. In some areas losses were incurred. Consequent work over negative areas resulted in introduction of an internal risk management system. Then, the audit company PWC was ordered to review processes in order to minimise risks.

The Supervisory Board thanks to both Members of the Management Board, officers and employees of ERBUD S.A. and enterprises forming the Group ERBUD for their work and commitment in the past financial year.

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

The Supervisory Board hereby approves the report of the Management Board of ERBUD S.A. on the Company's operations in the financial year 2011 and on the operations of the Group ERBUD. In Supervisory Board's opinion the report dated 27 April 2012 correctly reflects the economic standing and the course of the financial year.

3. Separated balance sheet of ERBUD S. A. and consolidated balance sheet of the Group ERBUD for the financial year 2011

The Supervisory Board critically reviewed both the separated balance sheet of ERBUD S. A. and the consolidated balance sheet of the Group ERBUD for the financial year 2011, audited by the audit company TPA Horwath Horodko Audit Sp. z o. o. The Supervisory Board is unanimously convinced that presented documents are compatible with books and records they are based on and that the presented facts are compatible with the events of the financial year 2011 and are duly reflected in balance sheets for the year 2011. The Supervisory Board agrees with the result of the auditor's audit.

Warsaw, 30 April 2012

Chairman of the Supervisory Board

Udo Berner