The Supervisory Board of Erbud S.A.
with its registered office in Warsaw
ul. Puławska 300 A
02-819 Warsaw

The report of the Supervisory Board of Erbud S.A. with its registered office in Warsaw („the Company") including the assessment of the Management Board's report on the Company's operations in the financial year 2013, assessment of the annual financial statements of the Company for the financial year 2013, assessment of the consolidated annual financial statements of the Company for the financial year 2013 and the assessment of the Supervisory Board's report on the Supervisory Board's operations in the financial year 2013.

1. The Supervisory Board's operations in the financial year 2013 and the assessment of the Erbud S.A.'s situation.

During the year covered by the statements, the Supervisory Board supervised the Management of Company and supported them with advice.

There were 5 meetings of the Supervisory Board in the financial year 2013. During those meetings the Management Board informed the Supervisory Board, both in writing and orally, of the current operations, the company's situation as well as other current issues. The Supervisory Board consists of 7 members.

The main focus of the meetings of the Supervisory Board in the past year was further strategic development, in particular regarding Erbud Group's services and further strengthening of the position in the key segment of operations. In order to immediately restore the previously achieved level of revenues, the inspection bodies (controlling) were appointed and assigned the responsibility for the technical and commercial aspects of operations. As a result, the projects are each time subject to inspection and supervision based on the established criteria.

As regards the current operations, the offers for large projects were discussed and the risks related thereto were consulted with the Management Board. The offers relating to such large projects were discussed during the meetings and, additionally, during the teleconferences. They were then approved in writing in the form of resolutions adopted by circulation.

Furthermore, the Management Board kept the Chairman of the Supervisory Board up to date, both in writing and orally, on the special events. Moreover, during the regularly held individual conversations, the Management Board provided the Chairman of the Supervisory Board with the information regarding the key aspects of business development and important decisions which were soon to be made.

Actions subject to the Supervisory Board's approval were first verified based on the Management Board's documentation, then discussed during the Supervisory Board's meetings and only later the approval for their undertaking was granted.

In the financial year 2013 Erbud was developed positively and successfully. As a result the company once again stabilized and managed to restore its previous position. The controlling activities effectively contributed to the success.

The Supervisory Board would like to thank the members of the Management Board, people holding managerial positions and employees of Erbud and companies belonging to Erbud Group 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 2013 and on the Erbud Group's operations. In the Supervisory Board’s opinion, the report of 30 April 2014 in a correct way reflects the important economic aspects and the course of business in the financial year 2013.

3. The balance sheet of Erbud S.A. and the consolidated balance sheet of ErbudGroup for the financial year 2013.

The Supervisory Board arranged a critical analysis of the balance sheet of Erbud S.A. as well as the consolidated balance sheet of Erbud Group for the financial year 2013, which were audited by the company of the registered auditors, TPA Horwath Horodko Audit Sp. z o.o. The Supervisory Board unanimously concluded that the above documents are consistent with the books and documents on the basis of which they were drawn up, and the facts presented therein correspond to the actual events of the financial year 2013 and have been properly presented in the balance sheets for 2013. The Supervisory Board hereby declares that it agrees with the result of the audit carried out by the registered auditor.

Warsaw, 28 May 2014

Chairman of the Supervisory Board

Udo Berner