CHARTERED AUDITOR’S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT OF IZOSTAL S.A. SEATED IN ZAWADZKIE FOR THE BUSINESS YEAR FROM JANUARY 1, 2011 TO DECEMBER 31, 2011

Report of an independent chartered auditor for shareholders and the Supervisory Board of Izostal S.A. in Zawadzkie

This report has been prepared in connection with the audit of the financial statement of Izostal S.A. in Zawadzkie for the period from January 1, 2011 to December 31, 2011.

This report should be analyzed together with the opinion of a chartered auditor on the above-mentioned financial statement.

The report has 21 pages numbered consecutively and comprises the following sections:

I. GENERAL PART

1. BASIC INFORMATION

Izostal S.A. seated in Zawadzkie was established by a notarized deed of July 14, 1993. The Company's seat is in Zawadzkie (47-120) at Polna 3.

The company is registered in the National Court Register kept by the District Court in Opole, Business Division of the National Court Register under KRS number: **0000008917**.

Izostal seated in Zawadzkie is a joint stock company.

The entity has its statistical ID "REGON" **530884676** and functions with the taxpayer's ID **756-00-10-641** granted on September 9, 1993.

In line with the Company Articles, its objects include specifically:

- processing of metals and coating of metals,
- wholesale of metal products and equipment and additional hydraulic and heating equipment,
- production of other plastic products,
- production of plastic boards, sheets, pipes and sections,
- recycling of sorted materials,
- works related to the construction of transmission pipelines and distribution networks,
- other financial service activity not classified elsewhere, exclusive of insurance and pension funds,
- other business support activity, not classified elsewhere,
- other technical research and analyses,
- scientific research and development works in biotechnology and other natural and technical sciences.

The actual objects do not differ in any significant way from what is written in the Articles.

As on December 31, 2011 the share capital was PLN 65,488 thou. and was divided in 32,744,000 shares of face value of PLN 2.00 each.

Shareholding structure as on December 31, 2011:

	Number of shares	Number of votes	Face value of shares (PLN)	Percentage share in share capital
Stalprofil S.A.	19,739,000	19,739,000	39,478,000.00	60.3
Aviva PTE BZ WBK S.A.	1,669,877	1,669,877	3,339,754,00	5.1
BPH TFI S.A.	1,644,021	1,644,021	3,288,042,00	5.0
Others	9,691,102	9,691,102	19,382,204,00	29.6
Total	**32,744.000**	**32,744.000**	**65,488,000.00**	**100.0**

In the period covered by the audit the share capital changed.

By resolution no. 2/2010 of the Extraordinary General Meeting of September 2, 2010, the share capital was increased by the amount not lower than PLN 6,000 thou. and not higher than PLN 24,000 thou. through the public offering covering not less than 3,000,000 shares and not more than 12,000,000 shares of PLN 2.00 each. 12,000,000 shares were subscribed and paid in properly under the public offer, and they were allocated by the Management Board on December 29, 2010. Thus, share capital increased by PLN 24,000 thou. The increase was registered by a relevant court on January 28, 2011.

Equity as on the balance sheet date, i.e. December 31, 2011, was PLN 140,276 thou. which was by PLN 18,930 thou. higher.

Izostal S.A. belongs to Stalprofil S.A. Group.

Affiliated companies of the Group:

- KOLB Sp. z o.o. seated in Kolonowskie,

- ZRUG Zabrze Sp. z o.o. seated in Zabrze.

Composition of the Management Board as on December 31, 2011:

- Management Board President - Marek Mazurek
- Management Board Vice-President - Jacek Podwiński

Composition of the Management Board changed in the period covered by the audit.

On February 21, 2011 Mr. Władysław Mrzygłód submitted his resignation from the function of the Management Board President. The function of the Management Board President was taken over by Mr. Marek Mazurek appointed by the Supervisory Board on February 28, 2011.

Composition of the Supervisory Board as on December 31, 2011:

- Supervisory Board President - Jerzy Bernhard
- Supervisory Board Vice-President - Zdzisław Mendelak
- Supervisory Board Secretary - Jan Chebda
- Supervisory Board Member - Jan Kruczak
- Supervisory Board Member - Lech Majchrzak
- Supervisory Board Member - Adam Matkowski

Composition of the Supervisory Board changed in the period covered by the audit.

2. FINANCIAL STATEMENT

2.1. Audited financial statement

The financial statement prepared for the period from January 1, 2011 to December 31, 2011 comprises:

- Introduction to the financial statement,
- Financial position statement as on December 31, 2011 showing an amount of **PLN 272,426 thou.,**
- Comprehensive income statement for the period from January 1, 2011 to December 31, 2011 showing a comprehensive net income of **PLN 19,134 thou.**
- Statement of changes in equity for the period from January 1, 2011 to December 31, 2011 showing an increase in equity by **PLN 18,930 thou.**
- Cash flow statement for the period from January 1, 2011 to December 31, 2011 showing an increase in cash by **PLN 3,510 thou.**
- Notes to the financial statement.

2.2. Information on the authorized entity and chartered auditor

The audit was conducted on the basis of the agreement concluded between Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Spółka z ograniczoną odpowiedzialnością seated in Katowice at Floriana 15 and Izostal S.A. seated in Zawadzkie at Polna 3 on May 11, 2011.

The firm was appointed a chartered auditor by SB resolution of April 20, 2011.

Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Spółka z ograniczoną odpowiedzialnością in Katowice functions in the scope of auditing financial statements in line with the procedure provided for in the Act of May 7, 2009 on chartered auditors, their governance, entities authorized to audit financial statements and public supervision (Journal of Laws No. 77 item 649), and was entered into the list of entities authorized to audit financial statements under the number 1695.

For the purposes of the audit performance the contractor is represented by
Joanna Solarczyk - entered into the list of chartered auditors under the number 9502.
The following persons participated in the audit:

- Aleksandra Malcherczyk – trainee auditor,
- Damian Młynarczyk – assistant.

The audit was conducted in July 2011 and in the period from February to March 2012.

Both the entity authorized to audit the statement and the chartered auditor acting on its behalf, declare to be independent of the audited entity in the meaning of Art. 56 of the Act on chartered auditors, their governance, and entities authorized to audit financial statements and public supervision.

2.3. Received statements and availability of data

There were no significant limitations to the scope of the audit. The Management Board made all the financial statements, accounting books and documents available to the auditors, and also provided the information necessary to issue the opinion.

We also received the statement of the Management Board, signed by all its members (performing their functions as on March 30, 2012) on complete data in the accounting books, including all contingent liabilities, and on providing any information on the events in between the balance sheet date and the statement preparation date.

2.4. Information on the financial statement for the previous business year

The financial statement for the previous business year was audited by Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Spółka z ograniczoną odpowiedzialnością in Katowice and there were no reservations.

This statement was approved by resolution of the Annual General Meeting on May 20, 2011.

The financial statement for the previous business year was submitted with the National Court Register and announced on August 23, 2011 in *Monitor Polski B* no. 1381.

In line with the resolution of the General Meeting of May 20, 2011, entire net profit for the business year 2010 was allocated to share capital.

Accounting books as on January 1, 2011 were opened properly on the basis of the approved closing balance sheet as on December 31, 2010.

II. FINANCIAL SITUATION

1. Entity's business activity, its financial result and financial and material situation for the business year closed on December 31, 2011 and for previous years can be reflected by the following absolute figures and selected ratios:

(PLN thou.)	2011	2010	2009
Balance sheet amount	**272,426**	**203,466**	**154,198**
Fixed assets	**132,200**	**99,568**	**99,626**
Equity	**140,276**	**121,345**	**51,529**
including financial result	19,134	7,438	5,071
EBITDA operating result + depreciation	**29,216**	**14,836**	**9,223**
Gross sales profitability (%) EBIT / operating income	**9,7**	**7,1**	**8,3**
Net sales profitability (%) Net financial result / operating income	**7,4**	**5,4**	**5,6**
Return on equity (%) Net financial result / equity	**14,6**	**8,6**	**11,8**
Return on assets (%) Net financial result/ balance sheet amount	**8,0**	**4,2**	**4,2**
Liquidity ratio I (current) Current assets / current liabilities	**1,63**	**2,51**	**0,91**
Liquidity ratio II (quick) Current assets – inventory / current liabilities	**1,10**	**2,03**	**0,53**
Net working capital Equity + long-term liabilities – fixed assets	**54,368**	**62,571**	**(5,528)**
Net working capital in days Net working capital x number of days in the period / operating income	**76,4**	**165**	**-**
Days of sales outstanding (days) Short-term receivables on account of supplies x number of days in the period / operating income	**75**	**105**	**109**
Days of inventory outstanding (days) Inventory x number of days in the period / operating income	**51**	**61**	**100**
Days of purchases outstanding (days) Short-term liabilities on account of supplies x number of days in the period / operating costs	**71**	**91**	**157**
Global debt ratio (%) Balance sheet amount – equity / balance sheet amount	**48,5**	**40,4**	**66,6**
Earnings per share (PLN) Net earnings / number of shares issued	**0,58**	**0,36**	**0,34**

2. **Comment**

In 2011 Company assets increased by PLN 68,960 thou., that is by 33.9%. The face value of sales revenues increased by PLN 121,403 thou., that is by 87,8%. The Company's financial result was by 157% higher as compared to the previous year. All profitability ratios increased against 2010.

In the audited year DSO went down by 30 days to the level of 75 days, with simultaneous reduction in DPO by 20 days, to the level of 71 days. DIO is 51 days and compared to the previous year it dropped by 10 days.

Liquidity ratios decreased in 2011, at the same time global debt ratio increased to the level of 48.5%.

Working capital at the end of the audited year was PLN 54,368 thou., and its working cycle was 76 days.

III. DETAILED INFORMATION

1. **Assessment of the documents on the applied accounting policy, documenting of business operations and bookkeeping**

   The documentation kept by the company on the applied accounting policy is in accordance with principles arising from International Financial Reporting Standards. During the audit we did not find any irregularities of significant influence on the audited financial statement, either in the documenting of business operations or bookkeeping that would not have been removed, including the ones related to reliability, correctness and ability to verify the books, connection between the entries made and the booking evidence receipts and the financial statement and correctness of the accounting books' opening. The books are kept in a computerized system and meet the requirements of the regulations on electronic book keeping. Accounting books and financial and accounting documentation are kept in line with provisions of Section 8 of the Accounting Law.

2. **Stock-taking of assets**

   The Company took inventory of the following assets:

   - Cash at hand — as on 31.12.2011
   - Cash in bank — as on 31.12.2011
   - Fixed assets under construction — as on 31.12.2011
   - Materials — as on 03-05.10.2011 and 31.12.2011
   - Goods — as on 03-05.10.2011
   - Finished products — as on 03-05.10.2011
   - Receivables — as on 31.10.2011 and 31.12.2011

   This stock taking of assets is fulfillment of the Company obligation arising from Art. 26 of the Accounting Law. Stock-taking differences were found and settled in the books of a given period. Auditor's employees participated in the observation of the physical stock-taking exercise for selected inventory items on October 5, 2011.

3. **Basic accounting principles used for preparation of the financial statement**

The financial statement was prepared in line with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related interpretations announced in the form of EC directives, and in the scope not regulated in the IAS and IFRS in line with the Accounting Act of September 29, 1994 (Journal of Laws No. 152 of 2009, item 1223 as amended) and related enforcement laws issued on its basis On June 15, 2005 the General Meeting adopted a resolution which obligated the Company to change its accounting policy starting from January 1, 2005 and to prepare financial statements in line the with aforesaid Accounting Standards.

a) **Valuation of assets and liabilities in foreign currencies**

As on the balance sheet date, the following items in foreign currencies are valued:

- assets – at purchasing rate applied on this date by the leading bank whose service is used by the company,
- liabilities – at selling rate applied on this date by the leading bank whose service is used by the company.

Exchange rate differences for assets and liabilities in foreign currencies originating on the day of their valuation or on payment of receivables and liabilities in foreign currencies are also classified as financial income and costs, and in justified cases – as cost of product or goods purchasing price, as well as purchasing price or cost of fixed assets production, fixed assets under construction or intangible assets (in line with the alternative approach of IAS no. 23).

b) **Tangible fixed assets**

Tangible fixed assets comprise fixed assets. Fixed assets include assets kept to be used in the production process or for the deliveries of goods and provision of services so that they can be transferred for use to other entities on the basis of a rental agreement or for administration purposes, and which are expected to be used for a time longer than a single period.

Fixed assets are valued at purchasing prices (production cost) less depreciation write-downs.

Financial lease agreements are activated as tangible fixed assets as on the day of the lease start at the value of the current minimum lease fees.

c) Intangible assets

Intangible assets are identifiable non-cash assets which do not have a physical form which are controlled by the entity, which will bring business benefits for the entity.

Intangible assets cover licenses, computer software, and costs of completed development works.

Intangible assets are valued at purchasing prices less amortization write-downs.

d) Depreciation

Depreciation rates for fixed assets and intangible assets are determined by the Company considering the period in which a given asset will be used by the entity,

Use periods for specific groups of fixed assets are as follows:

• buildings and structures	from 10 years	to 50 years
• machinery and plant	from 3 years	to 40 years
• means of transport	from 5 years	to 14 years
• other fixed assets	from 4 years	to 40 years

Use periods for intangible assets	from 2 years	to 5 years

Assets of the initial value which does not exceed PLN 3.5 thou. are charged to costs on their transfer for use. Capitalization starts not earlier than once a fixed asset is ready for use, and capitalization ends not later than on the date depreciation write-offs correspond to the initial value, an asset is transferred for liquidation or sale or once it is found that an asset is missing.

e) Assets on account of deferred income tax

Assets on account of deferred income tax are set on the basis of the amount foreseen for the future to be deducted from income tax due to negative temporary differences which will in the future lead to the reduction in the income tax calculation basis, subject to the observance of a conservative approach principle.

f) Long-term receivables and prepayments

Long-term receivables and prepayments cover the incurred costs of certificates. They are shown at face value.

g) Inventory

Inventory includes materials, finished products and goods.

Inventory is shown at net value (less depreciation write-offs). Inventory is measured at purchasing prices or production cost not higher than their net selling prices as on the balance sheet date.

h) Short-term receivables

Short-term receivables include:

- all the receivables on account of deliveries and services irrespective of the contractual payment date,
- other receivables, for which the current contractual payment date of the last installment is shorter than one year from the balance sheet date.

Receivables are measured at the required payment amount on a conservative basis.

i) Short term prepayments

Short-term prepayments include incurred expenses which will be considered costs in the next business year. They include prepaid insurance, costs of certificates and services prepaid for the business period.

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank.

k) Equity

Equity includes capitals established by the Company in line with effective regulations, relevant laws and Company Articles. Equity includes also profit of the current year. Company share capital is shown at the value in line with the Company Articles and entry into the court register as per its face value. Profit from the current year is the profit shown in the comprehensive income statement.

l) Provisions for liabilities

Provisions for liabilities are created for certain or highly probable future obligations arising from past events, the amount of which can be estimated reliably.

Provisions include:

- provisions for deferred income tax
- provisions for employee benefits.

m) Long-term liabilities

Long term liabilities include all the entity's liabilities except for liabilities related to goods and services with payment term falling later than in the year following the balance sheet date.

Long-term liabilities, except for financial liabilities, are shown at the amount that requires payment.

Accruals cover in fact the subsidies and grants obtained with the purpose of purchasing or producing fixed assets.

n) Short-term liabilities and accruals

Short-term liabilities include all the liabilities related to deliveries and services irrespective of the payment term, and other liability titles that require payment on the last day of the year following the balance sheet date at the latest.

Short-term liabilities, except for financial liabilities, are shown at the amount to be paid.

Accruals cover actual subsidies and grants received for the acquisition or production of fixed assets and posted receivables from contractors for services to be performed in the following business year.

o) Revenues from the sale of products, goods and materials

Revenues from the sale of products, goods and materials are existing repeatable revenues related to the basic activity of the entity. These revenues are shown at fair value of the payment received or due, without tax on goods and services, including subsidies, rebates, discounts etc.

p) Costs of products, goods and materials sold

Costs of products, goods and materials sold include costs of goods and materials sold, costs of production of products sold and costs of sales and overheads related to core activity.

r) Other operating income and costs

Other operating income and costs include income and costs not directly related to normal production activity, with impact on the financial result.

s) Financial income and costs

Financial income and costs include income and costs related to financial activity and having impact on the financial result.

t) Income tax

Corporate income tax is income tax which is a tax liability adjusted by the change in provisions for deferred income tax and assets on account of deferred income tax. Provision for corporate income tax is established in the amount of the income tax value that requires payment in the future in connection with positive temporary differences. Assets on account of deferred income tax have the value of the amount to be deducted in the future due to negative temporary differences established on a conservative basis.

4. Characteristics of selected balance sheet items and income statement items

4.1. Tangible fixed assets

Tangible fixed assets shown in the financial position report correspond to the ones in the Company accounting books.

Changes in tangible fixed assets in the audited period were as follows:

(PLN thou.)	**Year-beginning**		**Year-end**	
	gross value	aggregate depreciation	gross value	aggregate depreciation
• Fixed assets, including:	**122,935**	**23,988**	**152,444**	**21,037**
-technical machinery and plant	56,391	19,193	58,963	14,885

Incoming fixed assets in 2011 were related to the construction of Research & Development Center and purchase of technical machinery and plant. Outgoing fixed assets were connected mainly with their wear and tear.

As on December 31, 2011 tangible fixed assets made 48.2% of company assets.

4.2. Intangible assets

Intangible assets include mainly licenses and computer software.

As on December 31, 2011 intangible assets made 0.1% of entity's assets.

4.3. Assets on account of deferred income tax

Assets on account of deferred income tax correspond to the books. As on December 31, 2011 assets on account of deferred income tax made 0.1% of Company assets.

4.4. Inventory

Inventory shown in the financial position report is based on accounting books:

(PLN thou.)	Period-beginning	%	Period-end	%
Materials	13,455	66,9	21,606	46,5
Finished products	2,828	14,1	20,541	44,2
Goods	3,827	19,0	4,313	9,3
Total	**20,110**	**100,0**	**46,460**	**100,0**
Revaluation write-down	48	0,2	551	1,2
Net inventory	20,062	99,8	45,909	98,8

In 2011 gross inventory increased by 131% against the previous year.

As on December 31, 2011 increased by 16.9% of Company assets.

4.5. Short-term receivables and short-term prepayments

Receivables shown in the financial position statement correspond to the books. Time structure of receivables on account of deliveries and services based on the maturity date is as follows:

(PLN thou.)	End of period	%	Beginning of period	%
Regular	**42,404**	**79.2**	**44,222**	**80.6**
• up to 12 months	42,404	79.2	44,222	80.6
Overdue	**11,131**	**20.8**	**10,675**	**19.4**
• up to 1 month	1,832	3.4	5,815	10.6
• above 1 month up to 3 months	8,759	16.4	2,831	5.2
• above 3 months up to 6 months	55	0.1	227	0.4

• above 6 months up to 12 months	212	0.4	1,723	3.1
• above 1 year	273	0.5	79	0.1
Gross receivables	**53,535**	**100.0**	**54,897**	**100.0**
Revaluation write-downs	667	1.2	1,172	2.1
Net receivables	**52,868**	**98.8**	**53,725**	**97.9**

Other receivables cover mainly current receivables on account of VAT and advance payments transferred.

Prepayments shown in the financial position report correspond to the accounting books and cover mainly costs of certificates obtained.

As on December 31, 2011 short-term receivables and prepayments made 21.2% of Company assets.

4.6. Receivables on account of income tax

Receivables shown in the financial position report correspond to the books.

As on December 31, 2011 corporate income tax receivables amounted to 0.1% of total assets.

4.7. Currency derivatives

The value of currency derivatives shown in the financial statement corresponds to the books and covers evaluation of currency transactions open as on the balance sheet day.

As on December 31, 2011 currency derivatives amounted to 0.2% of Company assets.

4.8. Cash and cash equivalents

Cash and cash equivalents shown in the financial statement correspond to the accounting books and cover cash in hand and at bank.

As on December 31, 2011 cash and cash equivalents amounted to 13.1% of Company assets.

4.9. Company equity

Equity shown in the statement corresponds to accounting books.

	[PLN thou.]
• Share capital	65,488
• Surplus from the share of shares above their face value	38,175

• Spare capital	17,479
• Net profit for business year	19,134
Total equity	**140,276**

Equity makes 51.5% of the balance sheet amount.

4.10. Provisions for liabilities

Provisions shown in the books correspond to the provisions shown in the financial position report.

Provisions at the beginning and end of the business year:

(PLN thou.)	As on 1.01.2011	As on 31.12.2011
• Deferred income tax	213	128
• Provision for employee benefits	409	405
Total	**622**	**533**

As on December 31, 2011 provisions for liabilities amounted to 0.2% of Company liabilities.

4.11. Long-term liabilities

Long-term liabilities shown in the financial position report correspond to book records.

Liabilities cover mainly received bank loans (PLN 19,214 thou.) and financial lease obligations (PLN 3,425 thou.).

As on December 31, 2011 long-term liabilities amount to 8.3% of Company liabilities.

4.12. Short-term liabilities

Short-term liabilities are shown in line with the books. Liabilities for deliveries and services in the breakup into payment terms:

(PLN thou.)	Period-beginning	%	Period-end	%
regular	**30,498**	**99.5**	**59,326**	**98.0**
• up to 12 months	30,498	99.5	59,326	98.0

Overdue	140	0.5	1,214	2.0
up to 1 month	134	0.4	1,209	2.0
from above 1 month to 3 months	-	-	3	-
from above 6 months to 12 months	6	0.1	2	-
Total	30,638	100.0	60,540	100.0

Other short-term liabilities as on December 31, 2011:

	(PLN thou.)
Bank loans	19,601
Taxes and charges	2,967
Salaries	505
Financial lease	942
Other	28
Total	**24,043**

As on December 31, 2011 short-term liabilities amounted to 31.0% of total liabilities.

4.13. Accruals

Accruals shown in the financial position report correspond to the books. These accruals refer mainly to the received subsidies for the purchase of tangible fixed assets.

As on December 31, 2011 short-term accruals amounted to 9.0% of total liabilities.

4.14. Income on the sale of products, goods and materials

Income shown in the business year corresponds to the books.

The company generates income mainly on the sale of coated pipes and polyethylene pipes.

Compared to previous year, sales income increased by 87.8%.

4.15. Cost of products, goods, and materials sold

Costs of products, goods and materials sold in the business year correspond to the books.

Compared to the previous year, costs of products, goods and materials sold with costs of sales and overheads increased by 82.5%.

The entity generated a sales profit of PLN 25,129 thou.

4.16. Other operating income and costs

Amounts shown in the comprehensive income statement correspond to the books.

Other operating income includes mainly settlement of subsidies received, released provisions and released revaluation write offs of receivables.

Other operating costs include mainly provisions created for future costs and revaluation write-offs of inventories.

The company generated a profit of PLN 537 thou. on other operating activity.

4.17. Financial costs and income

The amounts shown in the comprehensive income statement correspond to the books.

Financial income includes mainly received and charged interest.

Financial costs include mainly negative balance of exchange rate differences, interest and commissions paid on bank loans and financial lease agreements, and interest receivables write-downs.

The company generated a loss on financial activity in the amount of PLN 1,893 thou.

5. Contingent liabilities and risks

5.1. Securities on property in favor of third parties

As on December 31, 2011 the property secured in favor of third parties was shown in a correct way. It covers:

	(PLN thou.)
Property mortgage	60,936
Registered pledge and transfer of ownership of machinery	18,280
Transfer of ownership of warehouse stocks	26,500

5.2. Other contingent liabilities

As on December 31, 2011 other contingent liabilities were shown correctly; they refer to bid bond guarantees and contract performance bonds.

5.3. Other significant risks

Regulations on taxes, duties and insurance changed frequently, and the practice related to the application of the tax system results in the occurrence of significant uncertainties in the regulations.

Additionally, frequent differences of opinion in the interpretation of the tax provisions lead to a high tax risk. Even though the Management Board is convinced that the tax law requirements are met, there is a risk of misinterpretation of these provisions.

Control authorities may audit tax aspects in the period of 5 years from the closing of a business year.

6. Events following the financial statement date

No significant events occurred after the financial statement date that would have impact on the financial and material situation of the examined entity.

7. Introduction to the financial statement

The information included in the introduction to the financial statement is correct and complete.

8. Statement of changes in equity

The information included in the statement of changes in equity is complete and coherent with the information in the financial position report and the books.

9. Cash flow statement

Cash flow statement prepared by the Company for the period from January 1, 2011 to December 31, 2011 is properly linked with the financial position report, comprehensive income statement and the books. During the audit no significant irregularities were found as to the preparation of the statement.

10. Notes

The information included in the notes corresponds to the books and other values presented in different parts of the statement.

We did not find any significant gaps or irregularities that could have negative impact on the credibility of the financial statement.

11. Report on the entity's activity

The financials in the Management Board's report on the activity of the entity for the business year from January 1, 2011 to December 31, 2011 in specific items of the financial statement are correct.

Key chartered auditor:

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Joanna Solarczyk

entered into the register of chartered auditors under the number 9502

Katowice, March 30, 2012