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, 2010 TO DECEMBER 31, 2010

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, 2010 to December 31, 2010.

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

The report comprises the following sections:

I General part

II Financial situation

III Detailed information

I. **GENERAL PART**

1. **BASIC INFORMATION**

Izostal Spółka Akcyjna (Izostal S.A.) seated in Zawadzkie was established by 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 public limited 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 analyzes,
- scientific research and development works in biotechnology,
- scientific research and development works in 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, 2010 the share capital was PLN 41,488 thousand and was divided in 20,744,000 shares of a face value of PLN 2.00 each.
Shareholding structure as on December 31, 2010:

	Number of shares	Number of votes	Face value of	Percentage share

			shares (PLN)	in capital
Stalprofil S.A. Dąbrowa Górnicza	19,739,000	19,739,000	39,478,000.00	95.1
PGNiG SA Warsaw	680,000	680,000	1,360,000.00	3.3
Others	325,000	325,000	650,000.00	1.6
Total	**20,744,000**	**20,744,000**	**41,488,000.00**	**100.00**

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 thousand and not higher than PLN 24,000 thousand 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. Under the public offer 12,000,000 shares were subscribed and paid in properly, and they were allocated by the Management Board on December 19, 2010. Thus, share capital increased by PLN 24,000 thousand. The increase was registered by a relevant court on January 28, 2011.

Share capital as on the balance sheet date, i.e. December 31, 2010, was PLN 121,346 thousand which was by PLN 69,817 higher than at the end of the previous business year.

Izostal S.A. belongs to Stalprofil S.A. Group.
Affiliated companies of the Group are as follows:
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, 2010:

- Władysław Mrzygłód – Management Board President,
- Marek Mazurek - Management Board Vice President,
- Jacek Podwiński – Management Board Vice-President.

In the period covered by the audit no changes to the Management Board were effected.
On February 21, 2011 Mr. Władysław Mrzygłód submitted his resignation from the function of the Company Management Board President. The function of the Management Board President of Izostal S.A. 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, 2010:

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

2. FINANCIAL STATEMENT

2.1. Audited financial statement

The financial statement prepared for the period from January 1, 2010 to December 31, 2010 comprises:

- Introduction to the financial statement,
- Financial position statement as on December 31, 2010 showing an amount of **PLN 203,466 thou.,**
- Comprehensive income statement for the period from January 1, 2010 to June 31, 2010 showing a comprehensive net income of **PLN 7,438 thou.**
- Statement of changes in equity for the period from January 1, 2010 to December 31, 2010 showing an increase in equity by **PLN 69,817 thou.**
- Cash flow statement for the period from January 1, 2010 to December 31, 2010 showing an increase in cash by **PLN 39,229 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 Sp. z o.o. seated in Katowice at Floriana 15 and Izostal S.A. seated in Zawadzkie at Polna 3 on June 21, 2010.

The firm was appointed a chartered auditor by SB resolution of April 14, 2009.

Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Sp. z o.o in Katowice functions in the scope of auditing the financial statements in line with the procedure provided for in the Law 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 the entities authorized to audit financial statements under the number 1695.

For the purposes of the audit performance the contractor is represented by Ms. Joanna Solarczyk, chartered auditor entered into the list of chartered auditors under the number 9502.

The following persons participated in the audit:

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

The audit was conducted from June to July 2010 and from February to April 2011.

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. 5 of the Law on Chartered Auditors, Their Governance, Entities Authorized to Audit Financial Statements and Public Supervision.

2.3. Received statements and availability of data

There were not any 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 give the opinion.

We also received the statement of the Management Board, signed by all its members (performing their functions as on April 15, 2011) on complete data in the accounting books, including 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 Sp. z o.o in Katowice and there were no reservations.

This statement was approved by resolution of the Annual General Meeting on May 12, 2010.

The financial statement for the previous business year was submitted with the National Court Register and announced on August 16, 2010 in *Monitor Polski B* no. 1409.

In line with the resolution of the General Meeting of May 12, 2010, entire net profit for the business year 2009 was allocated to share capital.

Accounting books as on January 1, 2010 were opened properly on the basis of the approved closing balance sheet as on December 31, 2009.

II. FINANCIAL SITUATION

1. Entity's business activity, its financial result and financial and material situation for the business year closed on December 31, 2010 and for previous years can be reflected by the following absolute figures and selected ratios.

(PLN thousand)	2010	2009	2008
Balance sheet amount	**203,466**	**154,198**	**88,683**
Fixed assets	**99,568**	**99,626**	**34,902**
Equity	**121,346**	**51,529**	**34,458**
including financial result	7,438	5,071	6,033
EBITDA operating result + depreciation and amortization	**14,836**	**9,223**	**10,271**
Gross sales profitability (%) EBIT / operating income	**7.1**	**8.3**	**7.2**
Net sales profitability (%) Net financial result / operating income	**5.4**	**5.6**	**4.8**
Return on equity (%) Net financial result / equity	**8.6**	**11.8**	**19.2**
Return on assets (%) Net financial result/ balance sheet amount	**4.2**	**4.2**	**7.9**
Liquidity ratio I (current) Current assets / current liabilities	**2.51**	**0.91**	**1.10**
Liquidity ratio II (quick) Current assets – inventory / current liabilities	**2.03**	**0.53**	**0.64**
Net working capital Equity + long-term liabilities – fixed assets	**62,571**	**(5,528)**	**4,754**
Net working capital in days Net working capital x number of days in the period / operating income	**165**	**-**	**14**
Days sales outstanding (days) Short-term receivables x number of days in the period / operating income	**105**	**109**	**91**
Inventory turnover (days) Inventory x number of days in the period / operating income	**61**	**100**	**60**
Days payables outstanding (days) Short-term liabilities x number of days in the period / operating costs	**91**	**157**	**102**

Global debt ratio (%) Balance sheet amount – equity / balance sheet amount	**40.4**	**66.6**	**61.1**
Earnings per share (PLN) Net earnings / number of shares issued	**0.36**	**0.34**	**0.41**

2. Comment

In 2010 Company assets increased by PLN 49,268 thousand, that is by 31.9%. The face value of sales revenues increased by PLN 48,120 thousand, that is by 53.3%. The Company generated a better financial result compared to the previous year. However, return on sales and equity goes down. Return on assets stays on the same level.

In the audited year the receivables rotation cycle went down by 4 days to the level of 105 days, with simultaneous reduction in liabilities turnover cycle by 66 days, to the level of 91 days. Inventory rotation is 61 days and compared to the previous year it was reduced by 39 days.

In 2010 liquidity ratios increased with simultaneous reduction in global debt ratio to the level of 40.4%.

Working capital at the end of the audited year was PLN 62,571 thousand, and its working cycle was 165 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 and concerning the applied accounting policy meets the requirements of the Accounting Law and the principles arising from the 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 operation 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 or 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 retained in line with the 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 31.12.2010
Cash in bank	as on 31.12.2010
Fixed assets under construction	as on 31.12.2010
Materials	as on 31.12.2010
Goods	as on 31.12.2010
Finished products	as on 31.12.2010
Receivables	as on 31.10.2010 and 31.12.2010

   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 December 30, 2010.

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

   The financial statement of Izostal S.A. was prepared in line with the 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 Law of September 29, 2004 (Journal of Laws No. 76 of 2002, item 694 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 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 leasing bank whose service is used by company,
- liabilities – at selling rate applied on this date by the leasing bank whose service is used by 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 the rental agreement or for administration purposes, or for which it is expected to use them for the time longer than a single period.

Fixed assets are valued at purchasing prices (production cost) reduced by 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 and computer software.

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 33 years
means of transport	from 5 years	to 14 years
other fixed assets	from 5 years	to 40 years

Use periods for intangible assets

licenses	from 2 years	to 5 years

The assets of the initial value which does not exceed PLN 3.5 thousand are charged to costs on their transfer for use. Capitalization starts not earlier than once this fixed asset is ready for use, and capitalization ends not later than on the date depreciation write-offs correspond to the initial value, an assets 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 in the future will 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 show 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 for 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 the incurred expenses which will be considered costs in the next business year. They include the 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 the capitals established by the Company in line with the 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. Net financial result corresponds to the profit as shown in the 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.

ł) Long-term liabilities

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

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.

m)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 receives for the acquisition or production of fixed assets.

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

Revenues from the sale of products, goods and materials are existing repeatable receivables 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.

o) 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.

p) Other operating income and costs

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

r) Financial income and costs

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

s) 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 corporate income tax have the value of the amount that exceeds the amounts to be deducted in the future due to future 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 thr Company accounting books.

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

(PLN thousand)	Beginning of the year		End of the year	
	gross value	aggregate depreciation	gross value	aggregate depreciation
Fixed assets, including:	**124,417**	**25,312**	**122,935**	**23,988**
-technical machinery and plant	*59,360*	*21,045*	*56,392*	*19,193*

Incoming fixed assets in 2010 were related to the construction of the storage yard and purchase of technical machinery and plant. Outgoing fixed assets were connected mainly with their sale.

As on December 31, 2010 tangible fixed assets made 48.6% of company assets.

4.2. Intangible assets

Intangible assets include licenses and computer software.

As on December 31, 2010 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, 2010 assets on account of deferred income tax made 0.2% of Company assets.

4.4. Inventory

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

(PLN thousand)	End of period	%	Beginning of period	%
Materials	14,224	61.5	13,455	66.9
Finished products	5,414	23.4	2,828	14.1
Goods	3,490	15.1	3,827	19.0
Total	**23,128**	**100.0**	**20,110**	**100.0**
Revaluation write-down	231	1.0	48	0.2
Net inventory	22,897	99.0	20,062	99.8

In 2010 gross inventory was reduced by 13.1%.

As on December 31, 2010 inventory made 9.9% of Company assets.

4.5. Short-term receivables

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

(PLN thousand)	End of period	%	Beginning of period	%
regular	**21,022**	**76.5**	**42,404**	**79.2**
up to 12 months	21,022	76.5	42,404	79.2
overdue	6,461	23.5	11,131	20.8

up to 1 month	4,249	15.5	1,832	3.4
from above 1 months to 3 months	862	3.1	8,759	16.4
from above 3 months to 6 months	793	2.9	55	0.1
from above 6 months to 12 months	480	1.7	212	0.4
above 1 year	77	0.3	273	0.5
Gross receivables	**27,483**	**100.0**	**53,535**	**100.0**
Revaluation write-downs	702	2.6	667	1.2
Net receivables	**26,781**	**97.4**	**52,868**	**98.8**

In 2010 gross trade receivables increased by 94.8%.

Other receivables cover mainly current receivables on account of VAT.

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

As on December 31, 2010 short-term receivables and prepayments made 26.8% 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, 2010 corporate income tax receivables amounted to 0.2% of total assets.

4.7. 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, 2010 cash and cash equivalents amounted to 14.2% of Company assets.

4.8. Company equity

Equity shown in the statement corresponds to accounting books.

	[PLN thousand]
Share capital	41,488
Surplus from the share of shares above their face value	38,379
Spare capital	34,041
Net profit for business year	7,438

Total equity **121,346**

Equity makes 59.6% of the balance sheet amount.

4.9. 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 thousand)	1.01.2010	31.12.2010
Deferred income tax	268	213
Provision for employee benefits	355	409
Total	**623**	**622**

As on December 31, 2010 provisions for liabilities amounted to 0.3% of Company liabilities.

4.10. Long-term liabilities

Long-term liabilities shown in the financial position report corresponds to book records. Liabilities cover mainly received bank loans (PLN 16.688 thousand) and financial lease obligations (PLN 4.464 thousand).

4.11. 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 thousand)	End of period	%	Beginning of period	%
regular	**28,495**	**84.4**	**30,498**	**99.5**
up to 12 months	28,495	84.4	30,498	99.5
overdue	5,267	15.6	140	0.5
up to 1 month	4,490	13.3	134	0.4
from above 1 month to 3 months	767	2.3	-	-
from above 6 months to 12 months	10	-	6	0.1
Total	33,762	100.0	30,638	100.0

Other short-term liabilities as on December 31, 2010:

	(PLN thousand)
Bank loans	4,672
Taxes and charges	3,618
Salaries	505
Financial lease	962
Other	41
Total	**9,798**

As on December 31, 2010 short-term liabilities amounted to 19.9% of total liabilities.

4.12. 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, 2010 short-term liabilities amounted to 9.8% of total liabilities.

4.13. 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 revenues increased by 53.3%.

4.14. 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 55.4%.

The entity generated a sales profit of PLN 9,775 thousand.

4.15. Other operating income and costs

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

Other operating income includes mainly the reversed receivables write-downs and settlement of received subsidies.

Other operating costs include mainly provisions created for future costs.

The company generated a profit of PLN 1,356 thousand on other operating activity.

4.16. Financial costs and income

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

Financial income covers mainly a positive balance of exchange rate differences and interest on receivables.

Financial costs include mainly interest and commissions paid on bank loans and financial lease agreements, factoring costs and interest receivables write-downs.

The company generated a loss on financial activity in the amount of PLN 2.593 thousand.

5. Contingent liabilities and risks

5.1. Securities on property in favor of third parties

As on December 31, 2010 the property secured in favor of third parties was shown in a correct way. It covers:

	(PLN thousand)
Property mortgage	59,400
Registered pledge and transfer of ownership in respect of machinery	19,069
Transfer of ownership in respect of warehouse stocks	16,500

5.2. Other contingent liabilities

As on December 31, 2010 other contingent liabilities were shown correctly; they refer to bid bond guarantees and contract performance bonds.

5.3. Other significant risks

The 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 the 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, 2010 to December 31, 2010 is properly linked with the financial position report and the 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,, 2010 to December 31, 2010 in specific items of the financial statement are correct.

Key chartered auditor:
Joanna Solarczyk
entered into the register of chartered auditors under the number 9502
Kancelaria Porad Finansowo-Księgowych
dr Piotr Rojek
Sp. z o.o.

40-286 Katowice ul. Floriana 15

Entered into the list of entities authorized to audit financial statements under the number 1695

Katowice, April 15, 2011