

REPORT OF THE SUPERVISORY BOARD OF

Skyline Investment S.A. seated in Warsaw

for the fiscal year 2008

for the General Shareholders' Meeting convened for 1th June 2009.

During the fiscal year 2008, that is from 1st January 2008 up to 31st December 2008, the Supervisory Board of Skyline Investment S.A. consisted of:

1. Jacek Rodak - Chairman of the Supervisory Board
2. Marek Wierzbowski - Vice Chairman of the Supervisory Board
3. Witold Witkowski - Secretary of the Supervisory Board
4. Przemysław Lasocki - Member of the Supervisory Board
5. Piotr Wojnar - Member of the Supervisory Board

During the reporting period, and as of the day of drawing up this report no changes occurred in the structure of the Supervisory Board, particularly no committees having special powers were appointed.

However, after the reporting period the Chairman of the Supervisory Board received a resignation of Mr. Jarosław Tomczyk from the position of a Member of the Supervisory Board, and on 30th March 2009 the Board appointed Mr. Paweł Maj to work in the Management Board.

Information on the Supervisory Board's activities during the reporting period of 2008

According to the regulations of the Code of Commercial Companies and the provisions of the Articles of Associations, the Supervisory Board supervised constantly the activities of the Company in all aspects and controlled the Company's actions in terms of their usefulness and reasonability.

In order to fulfil its tasks the Supervisory Board was permanently in touch with the Company's Management Board and was holding meetings. In scope of controlling the Company's financial management, the Supervisory Board particularly supervised the investments planned by the Company, organizational structure development and the Company's financial plans. The Supervisory Board provided the Management Board of Skyline Investment S.A. with advisory services which was possible due to employing professional experience of the individual members of the Supervisory Board. The experience of the Board's members and close cooperation between the Supervisory Board and the Company's Management Board made it possible to undertake new duties of a public limited company in 2008.

Meetings of the Supervisory Board

From 1st January to 31st December 2008 the Supervisory Board convened six meetings, during which the resolutions concerning the motions presented by the Company's Management Board and the statutory issues were adopted, including:

- a) giving an opinion for the resolution prepared for the General Meetings concerning: the Company's Financial Statements drawn up according to the International Accounting Standards,
- b) giving an opinion for the Management Board's Report and the Financial Statement for the fiscal year 2007 and giving a recommendation to the General Meeting to approve the Management Board's Report and the Financial Statement,
- c) giving an opinion for the consolidated report of the activities of the Capital Group and for the consolidated financial statement for the fiscal year 2007 and giving a recommendation to the General Meeting to approve those documents,
- d) giving a recommendation to the General Meeting to approve the Management Board's motion to divide the profit for 2007,
- e) selecting the chartered auditor that is the company Meritum Audit sp. z o.o. seated in Kraków to be an entity authorised to audit the financial statements and the consolidated financial statements for the fiscal year 2008 and to review the mid-year financial statements for the first half-year of 2008,
- f) analysing the current situation of the Company.

All the convened meetings of the Supervisory Board were attended by the quorum required to pass the resolutions.

The Supervisory Board efficiently and in a trouble-free way carried out the statutory supervision over the Company's activities; therefore it positively evaluates its work in 2008.

The audit of the financial statement of Skyline Investment S.A. for the reporting period from 2008-01-01 to 2008-12-31, concerning its conformity with the books and documents and with the actual state of affairs.

The Supervisory Board, by performing its statutory duties, read and evaluated the Company's Financial Statement for the reporting period from 2008-01-01 to 2008-12-31 submitted by the Company's Management Board; moreover the Supervisory Board met the chartered auditor when auditing the statements.

The Supervisory Board selected the chartered auditor to audit the Company's Financial Statement for the reporting period from 2008-01-01 to 2008-12-31, and entrusted the auditing company Meritum Audyt Sp. z o.o. seated in Kraków, reg. No. 2903 with this task.

The auditor selected by the Supervisory Board audited the Financial Statement of Skyline Investment S.A. for the fiscal year 2008 drawn up by the Company's Management Board and the auditor gave its opinion in which it was stated as follows:

„(...) the audited Financial Statement of Skyline Investment S.A. includes numerous data expressed in figures and explanations expressed in words:

- it presents reliably and clearly all the information being significant to evaluate the material and financial situation of the entity under investigation as of 2008-12-31 including the entity's financial result for the fiscal year from 2008-01-01 to 2008-12-31;
- it covers all the significant aspects, according to the accounting rules (policy), resulting from the International Accounting Standards, the International Financial Reporting Standards, and from the interpretations announced as the decrees of the European Commission, concerning the issues not provided for in the standards, according to the Accounting Act and the regulations issued on its basis, taking into account the regulations of the Ordinance of the Minister of Finances of 19th February 2009 on

current and periodical information provided by the issuers of securities as well as on the basis of correctly kept accounting books;

- The report of the entity's activities is complete as defined in the art. 49 sec. 2 of the Accounting Act and it is consistent with the guidelines of the Ordinance of the Minister of Finances of 19th February 2009 on current and periodical information provided by the issuers of securities (Journal of Laws No. 33, item 259) and the information coming from the audited financial statement it contains is consistent with the statement."

Moreover, the auditor audited the consolidated Financial Statement of the Capital Group Skyline Investment for the fiscal year 2008 drawn up by the Company's Management Board, and the auditor gave its opinion in which it was stated as follows:

„(...) the audited Financial Statement includes numerous data expressed in figures and explanations expressed in words:

- it presents reliably and clearly all the information being significant to evaluate the material and financial situation of the capital group under investigation as of 2008-12-31 including the group's financial result for the fiscal year from 2008-01-01 to 2008-12-31;
- it covers all the significant aspects, according to the accounting rules (policy), resulting from the International Accounting Standards, the International Financial Reporting Standards, and from the interpretations announced as the decrees of the European Commission, concerning the issues not provided for in the standards, according to the Accounting Act and the regulations issued on its basis, taking into account the regulations of the Ordinance of the Minister of Finances of 19th February 2009 on current and periodical information provided by the issuers of securities;
- it is consistent with the legal regulations applicable to a capital group to the extent in which they have influence on the content of the consolidated statement.
- the report of the Capital Group's activities is complete as defined in the art. 49 sec. 2 of the Accounting Act and it is consistent with the guidelines of the Ordinance of the Minister of Finances of 19th February 2009 on current and periodical information provided by the issuers of securities (Journal of Laws No. 33, item 259) and the information coming from the audited financial statement it contains is consistent with the statement."

The Supervisory Board on the basis of its own review and basing on the chartered auditor's opinion declares that the Management Board's Report for the reporting period from 2008-01-01 to 2008-12-31 is complete as defined in the art. 49 sec. 2 of the Accounting Act and the information coming from the audited Company's Financial Statement it contains is consistent with the statement.

The Supervisory Board declares that the Management Board's Report for the reporting period from 2008-01-01 to 2008-12-31 was drawn up according to the legal regulations and it contains reliable, comprehensive description of the Company's activities in the audited reporting period.

Taking into consideration the aforementioned facts, the Supervisory Board's opinion is that the Report submitted to the Board is complete and comprehensive and the Supervisory Board approves the Management Board's actions in 2008.

Conclusions for the General Meeting:

1. Due to the review of the financial documentation submitted by the Company's Management Board consisting of the Financial Statement, Introduction to the Financial Statement for the fiscal year 2008, after reading the opinion and the report of the chartered auditor, the Supervisory Board considers the aforementioned statement to be consistent with the books, documents and the actual state of affairs and it recommends that they should be approved by the General Meeting.
2. Due to the review of the Financial Statement for the fiscal year 2008 submitted by the Management Board of the dominant company, after reading the opinion and the report of the chartered auditor, the Supervisory Board considers the consolidated financial statement to be consistent with the books, documents and the actual state of affairs and it recommends that it should be approved by the General Meeting.
3. On the basis of the review of the Management Board' Report of the activities during the reporting period 2008 the Supervisory Board submits a motion to the General Shareholders' Meeting to acknowledge fulfilment of the duties of the following individuals due to their work in the Company's Management Board:
 - President of the Management Board – Mr. Jerzy Rey for the period from 2008-01-01 to 2008-12-31,
 - Member of the Management Board – Mr. Jarosław Tomczyk for the period from 2008-01-01 to 2008-12-31.

Consideration of the application of the Company's Management Board concerning the appropriation of the profit for the reporting period from 2008-01-01 to 2008-12-31.

The Supervisory Board, by performing its statutory duties, read and considered the motion of the Company's Management Board as to covering the loss generated during the reporting period from 2008-01-01 to 2008-12-31.

Conclusions:

The Supervisory Board gives positive opinion to the motion of the Company's Management Board to cover the loss for the reporting period from 2008-01-01 to 2008-12-31 amounting to PLN 25 400 137.74 (twenty five million four hundred thousand one hundred thirty seven zlotys and 74/100) using the statutory provision.

The motion of the Management Board constitutes an appendix to the resolution of the Supervisory Board concerning this matter.

At the same time the Board evaluated briefly the Company's situation and the Board's activities, the full version of the review may be found in a separate document.

Jacek Rodak

Chairman of the Supervisory Board

Warsaw, 2009-05-14.