

**CAPITAL GROUP
POLIMEX-MOSTOSTAL**

**LONG-FORM AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

I. GENERAL NOTES

1. Background

The holding company of the Polimex-Mostostal Group (hereinafter 'the Group' or 'the Capital Group') is Polimex-Mostostal S.A. ('the holding company', 'the Company').

The holding company was incorporated on the basis of a Notarial Deed dated 18 May 1993. The Company's registered office is located in Warsaw at Czackiego 15/17.

The holding company is an issuer of securities as referred to in art. 4 of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002 on the application of international accounting standards (EC Official Journal L243 dated 11 September 2002, page 1, polish special edition chapter 13, title 29 page 609) and, based on the article 55.5 of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'), prepares consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

The holding company was entered in the Register of Entrepreneurs of the National Court Register under no. KRS 0000022460 on 26 June 2001.

The Company was issued with tax identification number (NIP) PL 821-001-45-09 on 3 August 1993 and statistical number (REGON) 710252031 on 27 July 1993.

The principal activities of the holding company are as follows:

- execution of building and civil engineering works
- assembly of equipment, machinery and plant
- production of ironware

The Group operates in four primary segments:

- Chemistry
- Power engineering
- General construction
- Production
- Roads and railways
- Other

The scope of activities of the Group's subsidiaries, jointly controlled entities and associates are similar to this of the holding company.

As at 31 December 2011, the Company's issued share capital amounted to 20,846 thousand zlotys. Equity as at that date amounted to 1,545,969 thousand zlotys.

According to the notifications issued by shareholders owning more than 5% of share capital of the Company, acting pursuant to Article 69 (1) (1) of the Act on Public Offer and Conditions of Organised Trade in Financial Instruments, and on Public Companies, the ownership structure of share capital as at 16 March 2012 was as follows:

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	Number of shares	Number of votes	Par value of shares	% of issued share capital
ING Nationale- Nederlanden Polska OFE	64,587	64,587	2,584	12.39%
Pioneer Pekao Investment Management S.A.	51,859	51,859	2,074	9.95%
Polimex-Cekop Development Sp. z o.o.*	13,152	13,152	526	2.52%
Other	391,556	391,556	15,662	75.14%
Total	521,154	521,154	20,846	100%

According to the notifications issued by shareholders owning more than 5% of share capital of the Company, acting pursuant to Article 69 (1) (1) of the Act on Public Offer and Conditions of Organised Trade in Financial Instruments, and on Public Companies, the following changes in the ownership structure were registered:

- increase in number of shares of Polimex-Mostostal S.A. owned by ING Nationale-Nederlanden Polska OFE to 64,587 thousand from 40,406 thousand, as a result of a purchase of shares during the year ended 31 December 2011;
- decrease in number of shares of Polimex-Mostostal S.A. owned by Pioneer Pekao Investment Management S.A. to 51,859 thousand from 52,139 thousand, as a result of a sales of shares during the year ended 31 December 2011;
- decrease of share percentage in the share capital of Polimex Mostostal S.A. owned by AVIVA BZ WBK below the level of 5%, as a result of sales of shares during the year ended 31 December 2011.

Movements in the issued share capital of the holding company in the financial year were as follows:

	Number of shares	Par value of shares
Opening balance	520,918,203	20,836,728.12
Issue of series G shares	235,873	9,434.92
Closing balance	521,154,076	20,846,163.04

As at 20 March 2012, the Company's Management Board was composed of:

Konrad Jaskóła	- President
Aleksander Jonek	- Vice-President
Grzegorz Szkopek	- Vice-President
Zygmunt Artwik	- Vice-President

There were no changes in the holding company's Management Board during the reporting period as well as from the balance sheet date to the date of the opinion

2. Group Structure

As at 31 December 2011, the Polimex – Mostostal Group consisted of the following subsidiaries (direct or indirect):

Entity name	Consolidation method	Type of opinion	Name of authorized entity that audited financial statements	Balance sheet date
Depolma GmbH	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Polimex-Cekop Development Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Grupa Kapitałowa Fabryka Kotłów „Sefako” S.A.	Full consolidation	Unqualified	Ernst & Young Audit Sp. z o.o.	31 December 2011
Naf Industriemontage GmbH	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Grupa Kapitałowa Polimex-Development-Kraków Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Sinopol Trade Center Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Moduł System Serwis Sp. z o.o.	Full consolidation	No requirement to audit	Not applicable	31 December 2011

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		financial statements		
Stalfa Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Zakład Transportu Grupa Kapitałowa Polimex-Mostostal Sp. z o.o.	Full consolidation	Qualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Polimex-Mostostal ZUT Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Polimex-Mostostal Ukraina SAZ	Full consolidation	Unqualified	Studio Audyt	31 December 2011
Czerwonograd ZKM-Ukraina	Full consolidation	Unqualified	Galtex-Audit Sp. z o.o.	31 December 2011
Polimex-Hotele Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Polimex-Mostostal Development Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Grupa Kapitałowa Torpol Sp. z o.o.	Full consolidation	Audit in progress	Ernst & Young Audit Sp. z o.o.	31 December 2011
Energomontaż-Nieruchomości Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Energomontaż-Magyarország Sp. z o.o.	Full consolidation	Unqualified, with an emphasis of matter,	Jeszmás Tiborné Biegły rewident nr 003493	31 December 2011
Energomontaż-Północ-Gdynia Sp. z o.o.	Full consolidation	Audit in progress	Ernst & Young Audit Sp. z o.o.	31 December 2011
Energop Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Energomontaż-Północ-Technika Spawalnicza i Laboratorium” Sp. z	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011

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o.o.

Centrum Projektowe Polimex-Mostostal Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Zakład Budowlano- Instalacyjny Turbud Sp. z o.o.	Full consolidation	Audit in progress	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Zarząd Majątkiem Górczewska Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Przedsiębiorstwo Produkcyjno- Usługowe Elektra Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
PxM Projekt Południe Sp. z o.o.	Full consolidation	Audit in progress	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
S.C. Coifer Impex SRL	Full consolidation	Audit in progress	Ernst & Young Romania	31 December 2011
WBP Zabrze Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
PRInż – 1 Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Pracownia Wodno Chemiczna Ekonomia Sp. z o.o.	Full consolidation	Unqualified	Moore Stephens Central Audit Sp. z o.o.	31 December 2011
Polimex-Mostostal Wschód Sp. z o.o.	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Grande Meccanica SpA	Full consolidation	No requirement to audit financial statements	Not applicable	31 December 2011
Centralne Biuro Konstrukcji Kotłów S.A.	Full consolidation	Unqualified, with an emphasis of matter,	Moore Stephens Central Audit Sp. z o.o.	31 December 2011

This is a translation of a document originally issued in the Polish language.

As at 31 December 2011 shares in the following associates (direct and indirect) were recognised in the Group's consolidated financial statements using the equity method:

Name and registered office	Type of activity
Polimex-Sices Sp. z o.o.	execution of civil engineering works
Energomontaż-Północ Bełchatów Sp. z o.o.	execution of customized building and civil engineering works

Details of the type and impact of changes in entities included in the consolidation as compared to the prior year may be found in Note 16 of the summary of significant accounting policies and other explanatory notes ("the additional notes and explanations") to the consolidated financial statements of the Group for the year ended 31 December 2011.

3. Consolidated Financial Statements

3.1 Auditors' opinion and audit of consolidated financial statements

Ernst & Young Audit sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, is registered on the list of entities authorised to audit financial statements under no. 130.

Ernst & Young Audit sp. z o.o. was appointed by Supervisory Board on 19 May 2011 to audit the Group's financial statements.

Ernst & Young Audit sp. z o.o. and the key certified auditor in charge of the audit meet the conditions required to express an impartial and independent opinion on the financial statements, as defined in Art. 56.3 and 56.4 of the Act on statutory auditors and their self-governance, audit firms authorized to audit financial statements and public oversight, dated 7 May 2009 (Journal of Laws 2009, No. 77, item 649 with subsequent amendments).

Under the contract executed on 30 June 2011 with the holding company's Management Board, we have audited the consolidated financial statements for the year ended 31 December 2011.

Our responsibility was to express an opinion on the consolidated financial statements based on our audit. The auditing procedures applied to the consolidated financial statements were designed to enable us to express an opinion on the consolidated financial statements taken as a whole. Our procedures did not extend to supplementary information that does not have an impact on the consolidated financial statements taken as a whole.

Based on our audit, we issued an auditors' qualified opinion dated 20 March 2012, stating the following:

“To the Supervisory Board of Polimex–Mostostal Group

1. We have audited the attached consolidated financial statements of Polimex–Mostostal Group (‘the Group’), for which the holding company is Polimex–Mostostal S.A. (‘the Company’) located in Warsaw at Czackiego 15/17, for the year ended 31 December 2011 containing the consolidated balance sheet as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the period from 1 January 2011 to 31 December 2011 and the summary of significant accounting policies and other explanatory notes (‘the attached consolidated financial statements’).
2. The truth and fairness¹ of the attached consolidated financial statements, the preparation of the attached consolidated financial statements in accordance with the required applicable accounting policies and the proper maintenance of the consolidation documentation are the responsibility of the Company’s Management Board. In addition, the Company’s Management Board and Members of the Supervisory Board are required to ensure that the attached consolidated financial statements and the Directors’ Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – ‘the Accounting Act’). Our responsibility was to audit the attached consolidated financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required applicable accounting policies and whether they truly and fairly² reflect, in all material respects, the financial position and results of the operations of the Group.
3. We conducted our audit of the attached consolidated financial statements in accordance with:
 - chapter 7 of the Accounting Act,
 - national auditing standards issued by the National Council of Statutory Auditors,in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached consolidated financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached consolidated financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached consolidated financial statements treated as a whole.
4. “The Group applies International accounting standard 11 (“IAS 11”) for the purpose of the long-term contract revenue recognition, which requires an estimation of a contract completion percentage as well as contract cost and revenue budgets at each balance sheet date. As it was described in the note 14.1 of the summary of significant accounting policies and other explanatory notes to the consolidated financial statements, the Company, basing on the estimates of the Company’s Management Board, included a claim in the budgeted

¹ Translation of the following expression in Polish: ‘*rzetelność i jasność*’

² Translation of the following expression in Polish: ‘*rzetelne i jasne*’

revenue of one of its long-term infrastructure contracts and, as a result, has recognized an additional net profit in the amount of PLN 21 million. As at the date of this opinion, the Group has agreed with the investor the scope of works being subject to the claim. However due to the ongoing proceedings and negotiations regarding the amount of the claim. Its value cannot be reliably estimated. Accordingly, the recognition of the claim amount in the contract revenue budget and in the sales revenue for the year ended 31 December 2011 does not meet all of the requirements of IAS 11.”

5. In our opinion, except for the matter described in the point 4 above, the attached consolidated financial statements, in all material respects:
- present truly and fairly all information material for the assessment of the results of the Group’s operations for the period from 1 January 2011 to 31 December 2011, as well as its financial position³ as at 31 December 2011;
 - have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and based on properly maintained accounting records;
 - are in respect of the form and content, in accordance with legal regulations governing the preparation of financial statements and the Company’s Articles of Association.
6. We have read the ‘Directors’ Report for the period from 1 January 2011 to 31 December 2011 and the rules of preparation of annual statements’ (‘the Directors’ Report’) and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors’ Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).”

We conducted the audit of the consolidated financial statements during the period from 3 October 2011 to 20 March 2011. We were present at the holding company’s head office from 3 October 2011 to 14 October 2011 and from 13 February 2012 to 20 March 2012.

3.2 Representations provided and data availability

The Management Board of the holding company confirmed its responsibility for the truth and fairness⁴ of the consolidated financial statements and the preparation of the financial statements in accordance with the required applicable accounting policies, and the correctness of consolidation documentation. The Board stated that it provided us with all financial statements of the Group companies included in the consolidated financial statements, consolidation documentation and other required documents as well as all necessary explanations. We also obtained a written representation dated 20 March 2012, from the Management Board of the holding company confirming that:

- the information included in the consolidation documentation was complete,
- all contingent liabilities had been disclosed in the consolidated financial statements, and

³ Translation of the following expression in Polish: ‘*sytuacja majątkowa i finansowa*’

⁴ Translation of the following expression in Polish: “*rzetelność i jasność*”

- all material events from the balance sheet date to the date of the representation letter had been disclosed in the consolidated financial statements,

and confirmed that the information provided to us was true and fair to the best of the holding company Management Board's knowledge and belief, and included all events that could have had an effect on the consolidated financial statements.

3.3 Consolidated financial statements for prior financial year

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by Sebastian Łyczba, key certified auditor no. 9946, acting on behalf of Ernst & Young Audit Sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, registered on the list of entities authorised to audit financial statements under no. 130. The key certified auditor issued an unqualified opinion on the consolidated financial statements for the year ended 31 December 2010. The consolidated financial statements for the year ended 31 December 2010 were approved by the General Shareholders' Meeting on 29 June 2011.

The consolidated financial statements of the Group for the financial year ended 31 December 2010, together with the auditors' opinion, a copy of the resolution approving the consolidated financial statements and the Directors' Report, were filed on 6 July 2011 with the National Court Register.

The consolidated balance sheet as at 31 December 2010, the consolidated profit and loss account, the statement of changes in consolidated equity and the consolidated cash flow statement for the year ended 31 December 2010 together with the auditors' opinion and a copy of the resolution approving the financial statements were published in Monitor Polski B No. 2247 on 17 November 2011.

4. Analytical Review

4.1 Basic data and financial ratios

Presented below are selected financial ratios indicating the economic or financial performance of the Company for the years 2009-2011. The ratios were calculated on the basis of financial information included in the financial statements for the years ended 31 December 2010 and 31 December 2011

	2011	2010	2009
Total assets	4,511,465	3,923,518	3,807,342
Shareholders' equity	1,545,969	1,458,698	1,363,079
Net profit/ loss	102,886	119,301	175,287
Return on assets (%)	2.3%	3.0%	4.6%
$\frac{\text{Net profit} \times 100}{\text{Total assets}}$			
Return on equity (%)	7.1%	8.8%	15.5%
$\frac{\text{Net profit} \times 100}{\text{Shareholders' equity at the beginning of the period}}$			
Profit margin (%)	2.1%	2.9%	4.0%
$\frac{\text{Net profit} \times 100}{\text{Sales revenue}}$			
Liquidity I	1.1	1.3	1.3
$\frac{\text{Current assets}}{\text{Short-term creditors}}$			
Liquidity III	0.1	0.2	0.3
$\frac{\text{Cash and cash equivalents}}{\text{Short-term creditors}}$			
Debtors days	147 days	118 days	104 days
$\frac{\text{Trade debtors} \times 365}{\text{Sales revenue}}$			

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	2011	2010	2009
Creditors days	125 days	105 days	101 days
$\frac{\text{Trade creditors} \times 365}{\text{Costs of goods sold}}$			
Inventory days	36 days	42 days	33 days
$\frac{\text{Inventory} \times 365}{\text{Costs of goods sold}}$			
Stability of financing (%)	42.7%	56.5%	57.3%
$\frac{(\text{Equity} + \text{long-term provisions and liabilities}) \times 100}{\text{Total liabilities, provisions and equity}}$			
Debt ratio (%)	65.7%	62.8%	64.2%
$\frac{(\text{Total liabilities and provisions}) \times 100}{\text{Total assets}}$			
Rate of inflation:	4.3%	2.6%	3.5%
Yearly average	4.6%	3.2%	3.5%
December to December			

4.2 Comments

The following trends may be observed based on the above financial ratios:

- The return on assets ratio decreased from 4.6% in 2009 to 3% in 2010 and to 2.3% in 2011.
- The return on equity ratio decreased from 15.5% in 2009 to 8.8% in 2010 and to 7.1% in 2011.
- The profit margin ratio decreased from 4% in 2009 to 2.9% in 2010 and to 2.1% in 2011.
- The liquidity I ratio was equal to 1.3 at the end of 2009 and 2010. The ratio decreased to 1.1 in 2011.
- The liquidity III ratio was equal to 0.3 at the end of 2009, it decreased to 0.2 at the end of 2010 and to 0.1 at the end of 2011.
- The debtors days ratio was equal to 104 days in 2009 and increased to 118 days in 2010 and 147 in 2011.
- The creditors days ratio was equal to 101 days in 2009, it increased to 105 days in 2010 and 125 days in 2011.

- The inventory days ratio was equal to 33 days in 2009. It increased to 42 days in 2010 and decreased to 36 days in 2011.
- The stability of financing ratio decreased from 57.3% at the end of 2009 to 56.5% at the end of 2010 and to 42.7% at the end of 2011.
- The debt ratio was 64.2% at the end of 2009 and decreased to 62.8% at the end of 2010 than increased to 65.7% at the end of 2011.

4.3 Going concern

In Note 6 of the additional notes and explanations to the audited consolidated financial statements for the year ended 31 December 2011, the Management Board of the holding company has stated that the financial statements of the Group entities included in the consolidated financial statements were prepared on the assumption that these entities will continue as a going concern for a period of at least twelve months subsequent to 31 December 2011 and that there are no circumstances that would indicate a threat to its continued activity, excluding the following entities:

- PORTY S.A. w likwidacji;
- „Energomontaż-Północ – Sochaczew” w upadłości.

II. DETAILED REPORT

1. Completeness and accuracy of consolidation documentation

During the audit no material irregularities were noted in the consolidation documentation which could have a material effect on the audited consolidated financial statements, and which were not subsequently adjusted. These would include matters related to the requirements applicable to the consolidation documentation (and in particular eliminations relating to consolidation adjustments).

2. Accounting policies for the valuation of assets and liabilities

The Group's accounting policies and rules for the presentation of data are detailed in note 12 of the additional notes and explanations to the Group's consolidated financial statements for the year ended 31 December 2011.

3. Structure of assets, liabilities and equity

The structure of the Group's assets and equity and liabilities is presented in the audited consolidated financial statements for the year ended 31 December 2011.

The data disclosed in the consolidated financial statements reconcile with the consolidation documentation.

The qualification enclosed in point 4. of our Auditors' opinion relates to the valuation of the one of the building contracts, influencing the following positions of Group financial statements: sales, trade receivables, deferred tax assets, income tax in Income Statement.

3.1 Goodwill on consolidation and amortisation

The method of determining goodwill on consolidation, the method of determining impairment of goodwill, the impairment charged in the financial year and up to the balance sheet date were presented in notes 16 and 22 of the additional notes and explanations to the consolidated financial statements.

3.2 Shareholders' funds including non-controlling interest

The amount of shareholders' funds is consistent with the amount stated in the consolidation documentation and appropriate legal documentation. Non-controlling interest amounted to 12,149 thousand zlotys as at 31 December 2011. It was correctly calculated and is consistent with the consolidation documentation.

Information on shareholders' funds has been presented in note 30 of the additional notes and explanations to the consolidated financial statements.

3.3 Financial year

The financial statements of all Group entities forming the basis for the preparation of the consolidated financial statements were prepared as at 31 December 2011 and include the financial data for the period from 1 January 2011 to 31 December 2011.

4. Consolidation adjustments

4.1 Elimination of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of consolidated entities.

All eliminations of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of the consolidated companies reconcile with the consolidation documentation.

4.2 Elimination of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends

All eliminations of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends reconcile with the consolidation documentation.

5. Disposal of all or part of shares in a subordinated entity

During the financial year the Group did not sell any shares in subordinated entities.

6. Items which have an impact on the group's result for the year

Details of the items which have an impact on the Group's result for the year have been included in the audited consolidated financial statements for the year ended 31 December 2011.

The qualification enclosed in point 4 of our Auditors' opinion relates to the revenue recognition on one of the long-term contracts, affecting the following lines of the financial statements: sales, trade receivables, deferred tax assets, income tax charge.

7. The appropriateness of the departures from the consolidation methods and application of the equity accounting as defined in International Financial Reporting Standards as adopted by the EU

During the process of preparation of the consolidated financial statements there were no departures from the consolidation methods or application of the equity accounting

8. Additional Notes and Explanations to the Consolidated Financial Statements

The additional notes and explanations to the consolidated financial statements for the year ended 31 December 2011 were prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the EU.

9. Directors' Report

We have read the 'Directors' Report for the period from 1 January 2011 to 31 December 2011 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).

10. Conformity with Law and Regulations

We have obtained a letter of representations from the Management Board of the holding company confirming that no laws, regulations or provisions of the Group entities' Articles of Association were breached during the financial year.

11. Work of Experts

During our audit we have taken into account the results of the work of the following independent experts:

- An independent actuary for the purpose of an actuarial valuation of the provisions for the costs of retirement benefits, jubilee bonuses and the Social Fund liabilities for former employees of the Parent Company and its Subsidiaries;
- Independent appraisers for the purpose of Real estate valuation.

on behalf of
Ernst & Young Audit sp. z o.o.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130

Key Certified Auditor

Sebastian Łyczba
certified auditor
no. 9946

Warsaw, 20 March 2012