

REPORT

of the Supervisory Board of "STALPROFIL" S.A. on the evaluation of the following documents presented by the Management Board:

- consolidated financial statement of Stalprofil S.A. Group for 2008;
- Management Board's report on the activity of Stalprofil S.A. Group in 2008.

The Supervisory Board evaluated the financial statement of Stalprofil S.A. Group, comprising among others consolidated balance sheet, consolidated profit and loss account and consolidated cash flow statement of the Group for 2008 and read the report and the opinion of the chartered auditor (Kancelaria Porad Finansowo – Księgowych dr Piotr Rojek sp. z o.o.) auditing the consolidated financial statement of Stalprofil S.A. Group for this period.

On the basis of the above, the Supervisory Board states that:

- consolidated balance sheet (closed on 31.12.2008 with the balance sheet amount of PLN 316,735,901.78),
- consolidated profit and loss account (showing a net profit for 2008 in the amount of PLN 11,792,866.44),
- and consolidated cash flow statement (showing an increase in cash by the amount of PLN 8,149,546.26),

comply with the books and documents and present clearly and reliably all the information relevant for the evaluation of the business and financial standing of the Group as on 31.12.2008, and its financial result for the business year from 01.01.2008 to 31.12.2008.

The Supervisory Board confirms that the financial statement of Stalprofil S.A. was prepared in line with the International Accounting Standards, International Financial Reporting Standards and related rulings published in the form of European Commission directives, with said principles applied in the Group, and as for the scope beyond these standards, in line with the Accounting Law.

Moreover, according to the evaluation by the Board, the financial statement of Stalprofil S.A. Group complies with the legal regulations binding for the capital group and influencing the content of the statement.

Moreover, the Supervisory Board made a thorough analysis of the Management Board's report on the activity of Stalprofil S.A. Group in 2008, and stated that the figures and facts

shown therein reflected the actual condition and presented a reliable and clear reflection of the situation in the Group and its market surroundings in the business year 2008.

The Supervisory Board hereby expresses a positive opinion regarding another year of the operations of Stalprofil S.A. Group and considers the results obtained in the dynamically changeable market situation in 2008 satisfactory in comparison with other entities from the sector.

In 2008 Stalprofil S.A. Group reported total sales revenues of PLN 641,057 thousand, i.e. by 9% more than in the corresponding period in 2007. Despite serious recession in the steel market in the second half-year of 2008, the realized sales income in the steel sector reached the level of PLN 508,199 thousand for entire 2008, which makes a 5% increase against the previous year.

The sales income in the segment of transmission networks infrastructure in 2008 amounted to PLN 132,858 thousand, which makes a significant 28% increase against the corresponding period in 2007.

Thanks to the favorable and stable market situation in the market of transmission networks infrastructure, and thanks to the clever use of the steel boom in the first half-year of 2008 Stalprofil S.A. Group managed (to some extent) to compensate for the results of the sudden and unprecedented collapse in steel prices and demand, which was observed mainly in Q4 2008. Eventually, despite higher sales income against 2007, the net profit for the shareholders of the parent entity was at the level of PLN 11,175 thousand.

In 2008, STALPROFIL S.A. Group was involved in a wide range of investment activities. In 2008, Group entities spent a record amount of PLN 45,574 thousand in total on investments.

The Supervisory Board approves of the implemented investment program, both in the steel sector, where the main investment was a capital investment with the take over of the company from the steel structures sector, Kolb Sp. z o.o., and in the transmission networks infrastructure, with a flagship project involving the construction of the modern Center for Anti-Corrosion Insulation of Steel Pipes by Izostal S.A.

These investments should considerably increase the production capacity of the Group and bring about measurable results in the nearest future including an increase in the value of the entire Group.

The Supervisory Board, following the results of the carried out analyzes requests the Annual General Shareholders' Meeting to approve the following: consolidated financial statement of Stalprofil S.A. Group for 2008 and Management Board's report on the activity of Stalprofil S.A. Group in the business year 2008.

Dąbrowa Górnicza 27.05.2009

Signatures of Supervisory Board Members

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|--------------------|-----------------------------------|-------|
| 1. Jerzy Podsiadło | - Supervisory Board Chairman | _____ |
| 2. Jacek Zub | - Supervisory Board Vice-Chairman | _____ |
| 3. Marcin Gamrot | - Supervisory Board Member | _____ |
| 4. Jerzy Goinski | - Supervisory Board Member | _____ |
| 5. Jarosław Kuna | - Supervisory Board Member | _____ |
| 4. Gaetan Stiers | - Supervisory Board Member | _____ |
| 5. Tomasz Ślęzak | - Supervisory Board Member | _____ |