

### **Resolution of the Supervisory Board of LPP SA**

on the comprehensive assessment of the Company's situation in 2009, in particular including: (i) assessment of the financial reporting process, (ii) assessment of the internal audit system and risk management system, (iii) assessment of the examination of financial statements (financial audit activities), (iv) verification of the independence of the certified auditor examining the financial statements of the Company and of LPP SA Capital Group and (v) self-assessment of the Supervisory Board performance.

"In 2009, the Company recorded good performance both in terms of the revenues and profits. The Company opened new retail stores under Reserved, CroppTown and Esotiq brands, significantly increasing (approximately 64,000 sq. m., the highest ever single-year growth in retail sales area of the LPP SA Capital Group) the total area of the retail stores managed by LPP SA..

LPP Group subsidiaries opened new Reserved, CroppTown and Esotiq retail stores in the countries in which they operate, growing the available retail sales space.

The Company continued the process of strengthening the design and merchandising functions, as the areas which contribute the highest value added to the products offered by LPP SA.

The Company merged with Artman SA and completed successful restructuring of its operations in order to increase operational effectiveness.

The Company successfully issued convertible bonds for shares with a total issue and nominal value of PLN 129m, as a result of which the Company's debt was significantly reduced.

The Company has considerably improved the turnover of its merchandise and managed to reduce the stock levels.

The Supervisory Board is of the opinion that the Company's overall standing in 2009 was good.

In the opinion of the Supervisory Board there are no realistic threats to the continuity of the Company's business operations.

The Supervisory Board has reviewed the financial reporting process in place in LPP SA. According to the Supervisory Board, the financial reporting process of LPP SA conforms with the requirements of law and meets the functional needs of the Company.

The Supervisory Board has also reviewed the internal audit and risk management system of LPP SA. In the opinion of the Supervisory Board, both the internal audit and the risk management systems of LPP SA meet the functional needs of the company.

Furthermore, the Supervisory Board has reviewed the process of examining the financial statements (financial audit activities) of LPP SA. In the Supervisory Board's opinion, the financial statements auditing process executed in LPP SA conforms with the requirements of law and meets the functional needs of the Company.

The Supervisory Board has verified the independence of the certified auditor examining the financial statements of the Company and of the LPP SA Group. According to the Supervisory Board, the certified auditor examining the financial statements of the Company and of the LPP SA Capital Group meets the independence criteria set forth in the applicable legal regulations, in particular including Art. 56 of the Act of 7 May 2009 on certified auditors and their self-government, entities entitled to audit financial statements and on public supervision.

The Supervisory Board has conducted self-assessment of its own performance. On the basis of the completed self-assessment the Supervisory Board confirms that it has fulfilled all its statutory and legal obligations. Additionally, during its meetings the Supervisory Board conducted ongoing analysis of the Company's current situation and supported the Management Board in running the Company. Therefore, the Supervisory Board is of a positive opinion about its performance in 2009.