

Annual report with evaluation of Supervisory Board activity in year 2009.

This Report was made for General Meeting of Shareholders of PCC Intermodal S.A., in concert with following regulations:

- Art. 382 § 3 Code of Commercial Partnerships and Companies.
- Section III ust. 1 pkt. 1) and 2) "Corporate Governance" and appendix to resolution nr 12/1170/2007 - Exchange Council from 04.07.2009.
- § 16 ust. 2 pkt. a), b), c) and l) (i), (ii) Statutes of PCC Intermodal S.A

I. Evaluation of Supervisory Board's work in 2009.

Supervisory Board : Members and changes in 2009

From 1 January 2009 to 3 September 2009 members of the Supervisory Board were:

- Mieczysław Olender,
- Alfred Pelzer,
- Janusz Kwaśny,
- Andrzej Montwiłł
- Wojciech Paprocki.

On 3 September 2009 Mieczysław Olender, Janusz Kwaśny and Andrzej Montwiłł resigned.

On Extraordinary Shareholders Meeting of the Company in 12 October 2009, decision was made to add three new members:

- Piotr Juś,
- Mirosław Pawełko,
- Andreas Schulz

According with rule nr. III.2 "Corporate Governance" all members of Supervisory Board gave announcements about all kind of relationship with shareholders that represents at

least 5% of all votes on General Meeting of the Company. On this grounds only Mr. Wojciech Paprocki was found as independent members of Supervisory Board. Therefore, actually there is not implemented rule nr III.6, in concert with no less than two members of Supervisory Board should satisfy the criteria of independence from company or other significant affiliation. Despite that, members of the Supervisory Board represents possibly widest multiplicity starting from their achievements, knowledge and experience. Among them we can find science or business representative. All members of the Supervisory board posses proper qualifications, experience and they are still broadening their horizons.

Because of personal changes in the Supervisory Board, at the meeting on 12 November 2009, resolutions was taken to appoint a new Chairman and Vice-Chairmen. On the new Chairman of the Supervisory Board of PCC Intermodal S.A. was elected Alfred Pelzer (formerly Vice-Chairmen) and on the new Vice-Chairmen was elected Wojciech Paprocki (formerly member of the Supervisory Board). According to the resolution No. 27/2009 decision was made not to appoint the Secretary.

Report with evaluation of Supervisory Board's work

Supervisory Board acting under the regulation of the Code of Commercial Partnerships and Companies and provisions contained in the Statue of PCC Intermodal the Supervisory Bard was entitled, in particular:

- Assess the financial statements and reports of the Management Board concerning the Company operations for the 2009 financial year taking into account its conformity with the books, documentation and the factual state;
- Assess motions placed by the Management Board concerning distribution of profits or coverage of losses;
- Acknowledge the annual budgets for year 2010 and strategic plans of the Company approval of the terminal extension in Brzeg Dolny;
- Acknowledge buying new properties in Kutno for building new terminal;

- Acknowledge to extension (until 30 June 2009) by the Company period of the contract commitment that amount on PLN 3.000.000 (three millions);
- Choosing the chartered auditors to review financial statements for the first half of 2009 and the Financial Statement for 2009 year;
- Give a opinion on resolution concerning future existence of PCC Intermodal S.A determine the salaries of members of the Management Board;
- Acknowledge the Statutes of PCC Intermodal and regulations of the Board of Directors and Supervisory Board.

Specific actions taken by the Board are reflected in the reports of the meetings, which are located in the Company's headquarter.

In 2009 there were thirty-four resolutions enacted on four meetings of Supervisory Board. At that time all members were performing their obligations by presence on all sessions and staying in touch with Management Board. Only occasionally there was an absence of only one member, however quorum was always kept.

Supervisory Board consist of only five members that is why standing committee did not come to existence. All committees obligations were executing by Supervisory Board.

The conclusion is that the Supervisory Board fulfilled duties conscientiously, exercising control of management of the Company on behalf of its shareholders, watch over the company's situation, comment on current issues and planned actions. The Supervisory Board during the reporting period received information from the Board regarding the situation financial companies, the initiatives taken by the Company and about cooperation with contractors. The Supervisory Board Members have the professional experience of possessing the potential to analyze derived information from the Company and making key decisions for the Company. The Supervisory Board as she was also a group of experts to advise the Board, bringing its experience and knowledge by virtue of carrying positions, and other entities offering support the action taken.

Supervisory Board in the line of its duties proceeded in accord with generally binding law in particular with Code of Commercial Partnerships and Companies, Statue of the PCC Intermodal and Regulations of the Supervisory Board.

II. Evaluation of : financial statement, report about company activity in 2009 and Managing Board proposal to cover financial loss in 2009

Supervisory Board analyzed financial statement of the Company from 1 January 2009 to 31 December 2009 which includes :

- The balance sheet prepared as at 31 December 2009, that shows total assets and liabilities of PLN 62.462 thousands.
- Profit and loss account for the period from 1 January 2009 to 31 December 2009, that shows the net loss PLN 16.992 thousands.
- The statement of changes in equity for the accounting year from 1 January 2009 to 31 December 2009 that shows an increase in equity of PLN 1.875 thousands.
- The cash flow statement for the business year from 01 January 2009 to 31 December 2009 that shows a net cash increase of PLN 3.687 thousands.
- Introduction to the Financial Statement and additional information.

Supervisory Board made evaluation of financial statement for year 2009 based on companies accounting book and report of financial statement investigation with opinion from 30 March 2010 made by BDO Numerica International Auditors & Consultans Sp. z o.o - expert auditors Beata Wójcik and Member of the Board Expert Auditor Andre Helin.

Supervisory Board verified that companies financial statement for fiscal year 2009 is complete, consistent with actual state, documents, books and presents reliable all information's significant for evaluation of companies financial situation summary on 31 December 2009, as well as financial result for accounting year from 1 January 2009 to 31 December 2009.

Supervisory Board analyzed and verified Management Board report for fiscal year 2009

regarding companies activity. They stated that the report is complete, consistent with actual state, documents and books. Supervisory Board also claimed that information's included in report are consistent with information's included in financial report for year 2009.

Supervisory Board gives a positive opinion of Management Board motion to cover the loss for year 2009 amount PLN 16.992 thousands from future income.

III. General Condition of the Company

Economical Situation

In 2009 PCC Intermodal SA like all companies in the branch felt the negative effects of economic crisis and associated with it lower demand for transport services. Despite the opening new international rail connections (from January to Hamburg and from April to Bremerhaven) the number of container units decreased from 47,6 thousand (81.2 thousand TEU) in 2008 to 42 thousand units (65,8 thousand TEU), it means reduction by 11.9%. In 2009 the number of dispatched trains was reduced from 1 470 units in 2008 to 1 225 in 2009. Last year, the highest number of trains were running between Slavkov - Gdynia / Gdańsk (342 trains), Krzewie - Rotterdam (283 trains) and Brzeg Dolny - Gdynia / Gdańsk (200 trains).

Despite the current economic slowdown, the company managed to generate income amounting to 74,802 thousand PLN, which constitute an increase of 10,808 thousand PLN higher than in 2008, an increase of 16.9%. Nevertheless, the activity of PCC Intermodal SA in 2009 was still in deficit. Loss net for 2009 amounted to 16,992 thousand in 5, 370 thousand PLN for 2008.

Loss due to having to incur high fixed costs particularly in the initial period of starting up new rail connections (to Bremerhaven and to Hamburg). PCC Intermodal SA strives to flexibly respond to changes in demand for transport services nevertheless, in order to

maintain high quality services train journeys always provide in accordance with the timetable.

Despite the In 2009, the Company continued its investment activities. In November 2009, the modernization of the terminal in Brzeg Dolny was completed. That's why PCC's storage space has been increased and the line loading has been doubled. The cost of reconstruction is about 635 thousand PLN. Also all design and preparing work connected with the construction of the reloading terminal in Kutno was completed.

Expenditures incurred for this purpose in 2009 amounted to 1,237 thousand PLN approximately. In 2009 PCC Intermodal has started works on developing conceptual – design documentation for the terminal in Sosnowiec. In addition, the Company in 2009 purchased handling equipment for cargo terminals in Brzeg Dolny and Krzewie for 1,65 million PLN.

PCC Intermodal SA on 18 December 2009 debuted on the Warsaw Stock Exchange by issuing 6 756 665 ordinary shares of series C. The tranche allocated to institutional investors amounted to 4 999 978, and for individual investors – 1 756 578 shares (the reduction rate was 22.95%). The value of the subscription was 20 269 668 PLN. In addition, the Company introduced to trading on the Stock Exchange in Warsaw on the main market 28 269 668 ordinary shares of series B, which are held by existing shareholders and are subject to lock –up agreements – those shares can not be traded during the 12 months from the date of the first quotations. Founding obtained from the issue will be devoted to the construction of a modern cargo terminal in Kutno.

Internal Control and Risk Management System

a) Internal Control System

Management Board is responsible for proper functioning internal control system along with detection and prevention all irregularity. Supervisory Board during the companies assessment of situation from the period to 31 December 2009 took to the consideration all internal control procedures significant for evaluation companies condition.

Substantive supervision under the preparing process of financial statement execute companies financial director. All companies expenditure documents are verified at least two times and after the acceptance payments are qualified to settlement. Applied system enables to control and monitor all companies obligations. After closing the books of accounting for a given month all members of Management Board receive reports including essential information's for the company condition. Financial data that are basis of the financial statements or interim report come from financial and accounting system in which documents are registered according with companies accounting policy, based on polish accounting act (Dz. U. 2002, no 76.694 with changes). Board Office employees currently follow all changes in regulations to meet the requirements for stock reporting and are preparing company to bring them in. Supervisory Board claim that in PCC Intermodal S.A properly works internal control system.

b) Risk Management System

The most important risks were defined in annual report for 2009 r. For effective management of them responsible is Management Board of PCC Intermodal S.A .

Upon the performance of analyses of achieved results, general financial condition of the company and taking financial plan to consideration, Supervisory Board of the PCC Intermodal took the view that PCC Intermodal S.A is managed professionally. Situation of the company is stable and there are no risks connected with its future activity. All decisions made by the company are guarantee for future development.

IV. Supervisory Board opinion concerning passing the resolution on approving the performance of duties by a members of the Managing Board.

Upon the determination that in year 2009 there was negative profitability, Supervision Board states that Management Board led financial policy properly, in spite of loss that was caused by huge extension of company activity and costs related with launching new rail connections. Comparing revenues generated in each quarter of 2009 one may notice gradual increase in sales value, and the fourth quarter of 2009 in this respect was the

best in the history of the Company (20,7million PLN). The increase in quarterly revenues from the sale was consistently accompanied by (Annex to the resolution of the Supervisory Board no 7/2010 dated on 20 May 2010) growth in profitability. Comparing the ROS ratios (Return on Sales) in each quarter of 2009 one will see a marked improvement in this area. Lack of profitability of sales decreased from 31.5% in the first quarter of 2009 to 19.9% in the third quarter and 14.9% in the fourth quarter of 2009 r. . Therefore Supervisory Board request to General Meeting of PCC Intermodal to approve the performance of duties by President of the Managing Board – Mr. Dariusz Stefański and Vice President of the Managing Board – Mr. Adam Adamek

V. Motions and Opinions for General Meeting

1. Supervisory Board express positive opinion of financial statement and annual report of companies activity for year 2009 conforming it with the books, documentation and the factual state. Therefore Supervisory Board request to General Meeting of PCC Intermodal to approve enumerated above motions.

2. Supervisory Board express positive opinion of Managing Board motion to cover financial loss amount PLN 16.992 (netto) for fiscal year 2009 from future incom.

3. Supervisory Board express positive opinion of Management Board report of companies activity for accounting year 2009. In reporting period company was managed professionally, all strategic and investments plans were realized, besides company was controlled properly. Supervisory Board also recommend to approve the performance of duties by President of the Managing Board – Mr. Dariusz Stefański and Vice President of the Managing Board – Mr. Adam Adamek during 2009 year.