

Brief description of the economic situation of INTERSPORT Polska S.A.

**In the period from 1 January 2013 to 31 December 2013 submitted to the Supervisory Board,
General Assembly, and Shareholders**

In connection with Good Practices of WSE Listed Companies, the Supervisory Board has decided the following:

The Company's Supervisory Board assessed the Company's economic situation in 2013.

The assessment of the Supervisory Board is based on the review of the Company's affairs and discussions carried out with the Management Board and employees of the Company at quarterly meetings and on ongoing basis, in consideration of the internal control system and risk management system of the Company. The Supervisory Board additionally also took into account the assessment of the financial statements for the first half-year and the financial year 2013 made by the Audit Committee.

Having reviewed the financial statements of INTERSPORT Polska S.A. Company as of 31 December 2013, including:

- The balance sheet for 31 December 2013 which shows the total balance of assets, equity, and liabilities in the amount of PLN 149,798,229.28,
- Profit and loss statement for the period from 1 January 2013 to 31 December 2013 which shows net loss of PLN 1,872,972.03,
- Cash-flow statement which shows net cash flow in the financial year by the amount of PLN 134,160.92,
- Additional information,

complete with the opinion of the chartered auditor reviewing the financial statement on behalf of WL Finanse sp. z o.o. with the seat in Kraków – the entity authorized to review financial statements, the Supervisory Board accepts the above documents without any reservations due to the fact that they comply with the documents and books of the Company as well as the factual circumstances and therefore recommends the General Assembly of Shareholders the approval thereof.

In addition, the Supervisory Board positively assesses the request of the Management Board on covering the Company's loss and decides to recommends to the General Assembly of Shareholders that the Company's net loss for 2013 in the amount of PLN 1,872,972.03 is covered from the supplementary capital of the Company, as requested by the Board.

In 2013 the Company gained operating income of PLN 9,242.65 and EBITDA amounting to PLN 6,534,081.02. In 2013, the Company completed the process of optimizing external financing. Due to the initiated activities, the degree of coverage of the Company's assets with equity and long-term liabilities has improved significantly. Despite the greater number of stores compared to 2012 and the indexation of certain items on the cost side, in 2013 the Company decreased its operating expenses as a result of the on-going cost optimization process.

The Supervisory Board indicates that the Company maintains a clear policy with regard to financial reporting. The Supervisory Board positively assesses the Company's system of internal control and risk management system.

In the period from 1 January 2013 to 31 December 2013 the Management Board of INTERSPORT Polska S.A. acted in the following composition:

Artur Mikołajko – President of the Management Board

Sławomir Gil – Vice-President of the Management Board

In the period from 1 January 2013 to 31 December 2013 the Supervisory Board of INTERSPORT Polska S.A. supervised the Company's activity acting in the following composition:

1. Artur Olender – President of the Supervisory Board, at the same time a Member of the Audit Committee,
2. Beata Mikołajko – Deputy President of the Supervisory Board ,
3. Łukasz Gil – Member of the Supervisory Board and at the same time member of the Audit Committee,
4. Dorota Radwańska – Member of the Supervisory Board and at the same time member of the Remuneration and Nomination Committee;
5. Klaus Jost – Member of the Supervisory Board and at the same time member of the Remuneration and Nomination Committee;
6. Piotr Dygas – Member of the Supervisory Board and at the same time member of the Remuneration and Nomination Committee and Audit Committee.

Within the Supervisory Board act two committees – the Audit Committee and the Remuneration and Nomination Committee. In 2013 the committees had the following members:

Audit Committee: Łukasz Gil, Piotr Dygas, Artur Olender (President).

Remuneration and Nomination Committee: Klaus Jost, Dorota Radwańska, Piotr Dygas (President).

The Supervisory Board is of the opinion that its current composition has necessary competences to perform its responsibilities in a substantive and effective manner.

The Brief Description of the Company's economic situation was prepared by the Supervisory Board for the Shareholders and General Assembly in connection with closing the financial year 2013.

Artur Olender – President of the Supervisory Board