



Fundacja Auschwitz - Birkenau

Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2011

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 9 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2011



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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the Council of Fundacja Auschwitz - Birkenau

We have audited the accompanying financial statements of Fundacja Auschwitz - Birkenau, seated in Warsaw, ul. Twarda 6 ("the Foundation"), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the supplementary information and explanations.

Management's Responsibility for the Financial Statements

Management of the Foundation is responsible for the correctness of the accounting records, the preparation and fair presentation of these financial statements and preparation of the Report on the Foundation's activities in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act") and related bylaws, and other applicable regulations. Management of the Foundation is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act, Management of the Foundation is required to ensure that the financial statements and the Report on the Foundation's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the accounting records from which they are derived are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements of Fundacja Auschwitz - Birkenau have been prepared and present fairly, in all material respects, the financial position of the Foundation as at 31 December 2011 and its financial performance for the year then ended in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act and related bylaws, are in compliance with the respective regulations and the provisions of the Foundation's articles of association that apply to the Foundation's financial statements and have been prepared from accounting records that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Foundation's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Sp. z o.o. registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

Signed on the Polish original

.....
Certified Auditor No. 11528
Magdalena Paulinek

.....
Certified Auditor No. 90060
Director
Wojciech Stopka

25 May 2012
Warsaw

FINANCIAL STATEMENTS

Financial Statements

Auschwitz-Birkenau Foundation

Period 01/01/2011- 31/12/2011

NIP 525-24-56-943

A. INTRODUCTION TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Auschwitz-Birkenau Foundation („Foundation”) was incorporated by Notarial Deed dated 15.01.2009 (rep. A nr 131/2009).

The Foundation was entered into the National Court Register kept by District Court for the city of Warsaw, XII Economic and Registry Department, Entry No. RHB 0000328383 on 23.04.2009.

The Foundation has been allocated NIP number: 525-24-56-943 and a statistical number REGON 141817074.

The Foundation's registered office is located at Twarda 6, Warsaw

The Foundation's period of operation is unlimited.

The goal of the Foundation is to look after the Memorial Site – the grounds and remnants of the former concentration camp KL Auschwitz I and Auschwitz II Birkenau concentration camp supervised by the Auschwitz-Birkenau State Museum in Oświęcim as well as to support the Museum's mission.

The Foundation achieves its statutory goals by:

- collecting funds for the preservation of the Memorial Site and its financing, including providing grants;
- supporting scientific, educational, publishing, exhibition as well as cultural activities connected with the Museum's mission;
- co-operating with natural and legal persons whose activities correspond to the Foundation's goals;
- co-operating with local and governmental authorities as well as non-governmental and academic and research organizations in Poland and world-wide in the scope mentioned in the goals of the Foundation's activity,
- initiating and financing its own projects, including projects in co-operation with the Museum as well as other organizations.

2. GOING CONCERN ASSUMPTION

The financial statements of the Foundation have been prepared on the basis that the Foundation is a going concern, for a period of 12 months from the balance sheet date 31.12.2011.

3. ACCOUNTING POLICIES INCLUDING METHODS OF ASSETS AND LIABILITIES VALUATION (INCLUDING DEPRECIATION), THE FINANCIAL RESULT MEASUREMENT AND PREPARATION OF FINANCIAL STATEMENTS.

3.1. Format and the basis of preparing the financial statements

The financial statements were prepared in accordance with the provisions of the Accounting Act of Poland dated 29 September 1994 (the uniform text Journal of Laws No 152 poz. 1233 dated 2009, with further amendments) [the "Act"] and the provisions of the Ministry of Finance regulation dated 15 November 2001 (Journal of Laws No 137, p. 1539 with further amendments).

3.2. Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are directly attributable to the asset will flow to the Foundation. Initially, intangible assets are recorded at acquisition cost or cost of production. Following initial recognition, intangible assets are valued at acquisition cost or cost of production less accumulated amortisation and impairment losses. Intangible assets are amortised using the straight-line method over their estimated useful lives.

An assessment is made at each balance sheet date to determine whether the carrying amounts of the Foundation's assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the Foundation's assets are written down to their net realisable values. The resulting impairment losses are recognised under other operating expenses.

3.3. Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, cost of production or re-valued amount, less accumulated depreciation and impairment losses.

Costs incurred on an asset already in use, such as repairs, overhauls or operating fees, are expensed in the reporting period in which they were incurred. If, however, it is possible to prove that such costs increase the expected future economic benefits to be derived from a given asset beyond the originally expected benefits, they are capitalised to the initial cost of the asset.

Tangible fixed assets, except for land, are depreciated using the straight-line method over their estimated useful lives, or over the shorter of their useful life and the term of the right to use the asset.

Tangible fixed assets with a low initial cost i.e. less than PLN 1 627 are expensed immediately.

An assessment is made at each balance sheet date to determine whether the carrying amounts of the Foundation's assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the Foundation's assets are written down to their net realisable values. The resulting impairment losses are recognised under other operating expenses.

3.4. Financial assets

Financial assets are initially valued at cost, being the fair value of the consideration given. After initial recognition, financial assets (financial assets held to maturity) are measured at amortised cost calculated using the effective interest rate.

3.5. Receivables and liabilities

Trade receivables and liabilities are stated at the amount due.

3.6. Foreign currency transactions

Transactions denominated in currencies other than Polish zloty are translated into Polish zloty at the rate of exchange actually applied or NBP rate prevailing on the date preceding the transaction date.

As at the balance sheet date, assets and liabilities expressed in currencies other than Polish zloty are translated into Polish zloty using the average NBP rate prevailing for the given currency at the year-end. Exchange differences resulting from translation are recorded under financial revenue or expenses, or – in cases defined in regulations – are capitalised in the cost of the assets.

The following exchange rates were used for valuation purposes:

| | 31 December 2011 | 31 December 2011 |
|-----|------------------|------------------|
| EUR | 4,4168 | 3,9603 |
| USD | 3,4174 | 2,9641 |

3.7. Cash and cash equivalents

Cash in hand and at bank is stated at nominal value.

3.8. Prepaid and accrued expenses

The Foundation recognizes prepayments if the costs incurred relate to future reporting periods. Accruals are recognized at the amount of probable liabilities relating to the current reporting period.

3.9. The Statutory Fund

Income of the Foundation consists of the investment capital (Perpetual Capital), unless the donor's declaration or the grant agreement clearly show different purpose of donation.

After the year end the donations paid into the Perpetual Fund in a year are transferred to the Statutory Fund - this methodology of creating the Statutory Fund will be used until € 120 million is collected.

3.10. Provisions

Provisions are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, such that an outflow of resources embodying economic benefits is certain or highly probable to be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.11. Revenues

The Foundation revenues are cash received and other financial assets from sources specified in the Statutes including membership fees.

The Foundation revenues derive from:

- domestic and foreign endowments
- income from the Foundation's assets
- interests on bank deposits


3.12. Interest

Interest revenue is recognized as the interest accrues (using the effective interest rate method), unless collectability is in doubt.

3.13. Taxation

The Foundation is exempted from corporate income tax pursuant to Article 17 of the Corporate Income Tax Act in the part of the income reserved for the statutory activities. The Foundation is not a taxpayer of the value added tax.

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Auschwitz-Birkenau Foundation
Financial statements for the year ended 31 December 2011

BALANCE SHEET

EQUITY AND LIABILITIES

| PLN | As at 31.12.2011 | As at 31.12.2010 |
|--|----------------------|---------------------|
| A. Equity | 69 248 717,62 | 3 767 667,45 |
| I. Statutory fund | 3 703 922,11 | - |
| II. Revaluation reserve | - | - |
| III. Net financial result for the period | 65 544 795,51 | 3 767 667,45 |
| 1. Excess of income over expenses (plus) | 65 544 795,51 | 3 767 667,45 |
| 2. Excess of expenses over income (minus) | - | - |
| B. Liabilities and provisions for liabilities | 17 733,31 | 495 659,34 |
| I. The long-term liabilities from loans | - | - |
| II. Short-term liabilities and special funds | 17 733,31 | 95 659,34 |
| 1. Loans | - | - |
| 2. Other liabilities | 17 733,31 | 95 659,34 |
| 3. Special funds | - | - |
| III. Provisions for liabilities | - | - |
| IV. Accruals and deferred income | - | 400 000,00 |
| 1. Deferred income | - | 400 000,00 |
| 2. Other accruals | - | - |
| Total equity and liabilities | 69 266 450,93 | 4 263 326,79 |

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Auschwitz-Birkenau Foundation
Financial statements for the year ended 31 December 2011

| PROFIT AND LOSS ACCOUNT | | |
|--|--------------------------|--------------------------|
| PLN | Year ended 31.12.2011 | Year ended 31.12.2010 |
| A. Revenues from statutory activities | 57 860 451,02 | 4 476 551,95 |
| 1. Gross premiums defined by statute | - | - |
| 2. Other revenues defined by statute | 57 860 451,02 | 4 476 551,95 |
| B. Costs of statutory activities | - | 235 334,96 |
| C. Financial result on statutory activities (A-B) | 57 860 451,02 | 4 241 216,99 |
| D. Administrative costs | 658 661,95 | 466 423,49 |
| 1. Depreciation | 14 437,22 | 8 151,28 |
| 2. Materials and energy | 17 669,49 | 12 448,47 |
| 3. External services | 201 738,32 | 90 907,65 |
| 4. Taxes and charges | 510,00 | 210,00 |
| 5. Remuneration, social security and others | 274 107,17 | 217 603,61 |
| 6. Other costs by type | 150 199,75 | 137 102,48 |
| E. Other revenues (other than in A i G) | - | - |
| F. Other costs (other than in B, D i H) | 2 904,66 | - |
| G. Financial income | 8 373 420,87 | 28 509,17 |
| H. Financial costs | 27 509,77 | 35 635,22 |
| I. Gross financial result (C-D+E-F+G-H) | 65 544 795,51 | 3 767 667,45 |
| J. Result on extraordinary items | - | - |
| I. Extraordinary gains (plus) | - | - |
| II. Extraordinary losses (minus) | - | - |
| K. Net financial result (I+/-J) | 65 544 795,51 | 3 767 667,45 |
| I. Difference increasing costs of the next year (negative figure) | - | - |
| II. Difference increasing revenues of the next year (positive figure) | 8 227 387,05 | 63 745,34 |
| III. Difference increasing the Statutory Fund of the next year (positive figure) | 57 317 408,46 | 3 703 922,11 |

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B. ADDITIONAL INFORMATION AND EXPLANATION

1. SIGNIFICANT PRIOR YEAR EVENTS RECOGNISED IN CURRENT YEAR FINANCIAL STATEMENTS

Up to the date of the preparation of these financial statements, there were no prior year events that were not, but should have been, disclosed in the financial statements.

2. SIGNIFICANT POST BALANCE SHEET EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENTS

Between the balance sheet date and the date of the preparation of these financial statements, there were no events that were not, but should have been, disclosed in the financial statements for the financial year.

3. COMPARABILITY OF PRIOR YEAR FINANCIAL STATEMENTS WITH CURRENT YEAR FINANCIAL STATEMENTS

The financial statements for the current and previous reporting periods were prepared using the same accounting policies and data presentation methods.

4. TANGIBLE FIXED ASSETS

| 2011 | | | |
|---------------------------------|---------------------|-----------------------------|------------------|
| PLN | Plant and machinery | Other tangible fixed assets | Total |
| <u>Gross book value</u> | | | |
| Opening balance | 43 599,08 | - | 43 599,08 |
| Increases, including: | | | |
| Purchases | 6 409,03 | 19 000,00 | 25 409,03 |
| Decreases, including | | | |
| Liquidation and sale | - | - | - |
| Closing balance | 50 008,11 | 19 000,00 | 69 008,11 |
| <u>Accumulated depreciation</u> | | | |
| Opening balance | 8 151,28 | - | 8 151,28 |
| Increases, including: | | | |
| Charge for the year | 11 587,22 | 2 850,00 | 14 437,22 |
| Decreases, including | | | |
| Liquidation and sale | - | - | - |
| Closing balance, including: | 19 738,50 | 2 850,00 | 22 588,50 |
| Impairment write-downs | - | - | - |
| <u>Net book value</u> | | | |
| Opening balance | 35 447,80 | - | 35 447,80 |
| Closing balance | 30 269,61 | 16 150,00 | 46 419,61 |

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5. LONG-TERM INVESTMENTS

Long-term investments as at the balance sheet are bonds in EUR and PLN classified as investments held to maturity.

2011

| PLN | Securities held to maturity |
|----------------------------|-----------------------------|
| Opening balance, of which: | 1 967 349,18 |
| Gross book value | 1 967 349,18 |
| Impairment write-downs | - |
| Increases: | |
| Purchases | 60 977 780,77 |
| Revaluation | 4 162 736,19 |
| Decreases: | |
| Disposals | (5 027 411,52) |
| Other | - |
| Closing balance, of which: | 62 080 454,62 |
| Gross book value | 62 080 454,62 |
| Impairment write-downs | - |

6. SHORT-TERM RECEIVABLES

As at the balance sheet date the Foundation did not have any short-term receivables.

7. CASH AND CASH EQUIVALENTS

| PLN | 31 December 2011 | 31 December 2010 |
|---|---------------------|---------------------|
| - current bank account PLN | 775 132,22 | 199 113,11 |
| - current bank account EUR | 871 766,30 | 81,70 |
| - current bank account USD | 2 103,27 | 102,88 |
| - short-term deposits PLN | 5 481 000,00 | 2 052 000,00 |
| - accrued interests – short-term deposits | 8 792,44 | 2 205,90 |
| Total cash | 7 138 794,23 | 2 253 503,59 |

8. PREPAYMENTS

| PLN | 31 December 2011 | 31 December 2010 |
|------------------------------|------------------|------------------|
| - insurance of property | 737,47 | 1 763,00 |
| - telecommunication services | - | 4 063,22 |
| - travel insurance | 45,00 | - |
| Total prepayments | 782,47 | 5 826,22 |



Auschwitz-Birkenau Foundation
Financial statements for the year ended 31 December 2011

9. SHORT TERM LIABILITIES

| PLN | 31 December 2011 | 31 December 2010 |
|---|------------------|------------------|
| Liabilities towards Tax Office and Social Security Office (personal income) | 7 389,12 | 12 654,84 |
| Liabilities arising from the settlements of employees advances and credit cards | 10 344,19 | 18 847,50 |
| Other liabilities from the reimbursement of the donation | - | 64 157,00 |
| Short term liabilities, total | 17 733,31 | 95 659,34 |

10. LIABILITIES SECURED ON THE COMPANY'S ASSETS

As at the balance sheet date the Foundation did not have any liabilities secured on its assets.

11. CONTINGENT LIABILITIES, INCLUDING GUARANTEES AND SURETYSHIPS GRANTED BY THE COMPANY (INCLUDING BILLS OF EXCHANGE)

As at the balance sheet date the Foundation did not have any material contingent liabilities, including granted guarantees or suretyships (including bills of exchange).

12. OFF BALANCE SHEET LIABILITIES

As at balance sheet date the Foundation did not have any material off balance sheet liabilities.

13. STRUCTURE OF INCOME

| PLN | 31 December 2011 | 31 December 2010 |
|---|----------------------|---------------------|
| Endowments – Perpetual Fund | 57 317 408,46 | 1 959 355,73 |
| Other endowments received | 479 297,22 | 465 153,17 |
| Income from previous year included in current year revenues | 63 745,34 | 2 052 043,05 |
| Total donations | 57 860 451,02 | 4 476 551,95 |
| Bank interests received – from the Perpetual Fund | 176 649,37 | 6 634,44 |
| Bank interests received – other | - | 682,18 |
| Bank interests accrued – from the Perpetual Fund | 6 586,54 | 1 883,40 |
| Bank interests accrued – other | - | 322,50 |
| Interests – treasury bonds | 1 580 502,27 | 18 986,65 |
| Exchange gains | 6 609 682,69 | - |
| Total income, of which: | 66 233 871,89 | 4 505 061,12 |
| income from Perpetual Fund | 8 373 420,87 | 27 504,49 |

The means constituting the Perpetual Fund obtained in 2010-2011 were invested in bank deposits and the acquisition of Treasury bonds.

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14. USE OF REVENUES

OTHER DONATIONS

| PLN | 2011 | 2010 |
|----------------------------------|-----------------------|-----------------------|
| Revenues: | 479 297,07 | 466 157,85 |
| Donations | 479 297,07 | 465 153 17 |
| Bank interests received | - | 682,18 |
| Bank interests accrued | - | 322,50 |
| Usage: | 661 664,86 | 737 393,67 |
| Administrative expenses | 661 566,61 | 466 423,49 |
| Expenses of statutory activities | - | 235 334,96 |
| Other financial expenses | 98,25 | 35 635,22 |

Administrative and other expenses were financed by other donations and in part by profit on the Fund.

15. COSTS OF STATUTORY ACTIVITIES

| PLN | 31 December 2011 | 31 December 2010 |
|--|------------------|------------------|
| Conservation of the Memorial Site's collection | - | 235 334,96 |

16. STATUTORY FUND

In 2011 the Statutory Fund was established from donations paid into the Perpetual Fund:

| YEAR | PLN |
|--|---------------------|
| 2009 | 1 744 566,38 |
| 2010 | 1 959 355,73 |
| Total Statutory Fund as at 31.12.2011 | 3 703 922,11 |

17. TENDENCIES OF CHANGES IN REVENUES AND COSTS, ASSETS AND SOURCES OF FINANCING

In 2011 the Foundation increased substantially income from donations for the Perpetual Fund – the received amount of PLN 57 317 408,46 is more than fifteen times higher than amount received in 2009-2010.

According to the declarations, the predicted contributions to the Perpetual Fund will amount to EUR 92 million by 2016.

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18. INFORMATION ON AVERAGE EMPLOYMENT

As at the balance sheet date the Foundation employed 3 people.

19. INFORMATION ON REMUNERATION, INCLUDING PROFIT BASED BONUSES, PAID OR PAYABLE TO MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES

During the year ended 31 December 2011 the Foundation paid the remuneration to members of the Management Board in amount of PLN 72 061,60.

20. INFORMATION ON LOANS AND OTHER SIMILAR BENEFITS GRANTED TO MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES





During the year ended 31 December 2011 the Foundation did not grant any loans or other similar benefits to members of the management and supervisory bodies.

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The Management Board of Foundation Auschwitz-Birkenau


Piotr Cywiński

Rafał Pióro

Łukasz Rozdeiczer -Kryszkowski

Jacek Kastelaniec

25 May 2012

REPORT OF THE INDEPENDENT AUDITOR

Fundacja Auschwitz - Birkenau

Report supplementing
the auditor's opinion
on the financial statements
Financial Year ended
31 December 2011

The report supplementing the auditor's opinion
contains 9 pages

Report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2011

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

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1. General

1.1. General information about the Foundation

1.1.1. Foundation name

Fundacja Auschwitz - Birkenau

1.1.2. Registered office

ul. Twarda 6
00-104 Warszawa

1.1.3. Registration in the National Court Register

Registration court: District Court for the Capital City of Warsaw in Warsaw,
XII Commercial Department of the National Court Register
Date: 23 April 2009
Registration number: KRS 0000328383

1.1.4. Management of the Foundation

The Management Board is responsible for management of the Foundation.

At 31 December 2011, the Management Board of the Foundation was comprised of the following members:

- Piotr Mateusz Cywiński – President of the Management Board,
- Rafał Pióro – Vice-President of the Management Board,
- Łukasz Rozdeiczer - Kryszkowski – Vice-President of the Management Board,
- Jacek Kastelaniec – Member of the Management Board – General Director.

1.2. Auditor information

1.2.1. Key certified auditor information

Name and surname: Wojciech Stopka
Registration number: 90060

Name and surname: Magdalena Paulinek
Registration number: 11528

1.2.2. Audit firm information

Name: KPMG Audyt Sp. z o.o.
Registered office: Warsaw
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000104753
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
Share capital: PLN 125,000
NIP number: 526-10-24-841

KPMG Audyty Sp. z o.o. is entered in the register of audit firms under number 458.

1.3. Prior period financial statements

The financial statements as at and for the year ended 31 December 2010 were audited by KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The financial statements were approved by the Council of Fundacja Auschwitz – Birkenau on 31 May 2011.

The Foundation has not submitted the financial statements to the Registry Court. The financial statements were not required to be published in Monitor Polski B.

1.4. Audit scope and responsibilities

This report was prepared for the Council of Fundacja Auschwitz - Birkenau seated in Warsaw, ul. Twarda 6 and relates to the financial statements comprising: the introduction to the financial statements, the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the supplementary information and explanations.

The financial statements have been audited in accordance with the contract dated 9 April 2012, concluded on the basis of the resolution of Council of Fundacja Auschwitz - Birkenau dated 13 March 2012 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the financial statements in the Foundation's head office during the period from 16 to 19 April 2012.

Management of the Foundation is responsible for the correctness of the accounting records and the preparation and fair presentation of the financial statements and preparation of the Report on the Foundation's activities in accordance with the accounting principles as set out in the Accounting Act and in compliance with the respective bylaws and other applicable regulations.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements and whether the financial statements have been prepared from properly maintained accounting records based on our audit.

Management of the Foundation submitted a statement, dated the same date as this report, as to the true and fair presentation of the financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.



Fundacja Auschwitz - Birkenau
Report supplementing the opinion on the financial statements
for the financial year ended 31 December 2011
TRANSLATION

Key certified auditors and KPMG Audyt Sp. z o.o. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o.o.

2. Financial analysis of the Foundation

2.1. Summary of the financial statements

2.1.1. Balance sheet

| ASSETS | 31.12.2011 PLN '000 | % of total | 31.12.2010 PLN '000 | % of total |
|---|------------------------|------------|------------------------|------------|
| Non-current assets | | | | |
| Tangible fixed assets | 46.4 | 0.1 | 35.5 | 0.8 |
| Long term investments | 62,080.5 | 89.6 | 1,967.3 | 46.2 |
| | 62,126.9 | 89.7 | 2,002.8 | 47.0 |
| Current assets | | | | |
| Short term receivables | - | - | 1.2 | - |
| Short term investments | 7,138.8 | 10.3 | 2,253.5 | 52.9 |
| Short term prepayments and deferred expenses | 0.8 | - | 5.8 | 0.1 |
| | 7,139.6 | 10.3 | 2,260.5 | 53.0 |
| TOTAL ASSETS | 69,266.5 | 100.0 | 4,263.3 | 100.0 |
| EQUITY AND LIABILITIES | | | | |
| | 31.12.2011 PLN '000 | % of total | 31.12.2010 PLN '000 | % of total |
| Equity | | | | |
| Share capital | 3,703.9 | 5.4 | - | - |
| Net result for the financial year | 65,544.8 | 94.6 | 3,767.7 | 88.4 |
| | 69,248.7 | 100.0 | 3,767.7 | 88.4 |
| Liabilities and provisions for liabilities | | | | |
| Short term liabilities | 17.8 | - | 95.6 | 2.2 |
| Accruals and deferred income | - | - | 400.0 | 9.4 |
| | 17.8 | - | 495.6 | 11.6 |
| TOTAL EQUITY AND LIABILITIES | 69,266.5 | 100.0 | 4,263.3 | 100.0 |

2.1.2. Profit and loss account

| | 1.01.2011 - 31.12.2011 PLN '000 | % of financial result on statutory activities | 1.01.2010 - 31.12.2010 PLN '000 | % of financial result on statutory activities |
|--|---------------------------------------|--|---------------------------------------|--|
| Financial result on statutory activities | | | | |
| Net revenues from the statutory activities | 57,860.5 | 100.0 | 4,476.5 | 105.5 |
| Cost related to the realization of statutory tasks | - | - | (235.3) | 5.5 |
| | <u>57,860.5</u> | <u>100.0</u> | <u>4,241.2</u> | <u>100.0</u> |
| Administrative expenses | | | | |
| Depreciation | (14.4) | 0.0 | (8.2) | 0.2 |
| Materials and energy | (17.7) | 0.0 | (12.4) | 0.3 |
| External services | (201.8) | 0.3 | (90.9) | 2.2 |
| Taxes and charges | (0.5) | 0.0 | (0.2) | 0.0 |
| Payroll and social security and other benefits | (274.1) | 0.5 | (217.6) | 5.1 |
| Other | (150.2) | 0.3 | (137.1) | 3.2 |
| | <u>(658.7)</u> | <u>1.1</u> | <u>(466.4)</u> | <u>11.0</u> |
| Other expenses | | | | |
| Other expenses | (2.9) | 0.0 | - | - |
| | <u>(2.9)</u> | <u>0.0</u> | <u>-</u> | <u>-</u> |
| Financial income | | | | |
| Financial income | 8,373.4 | 14.5 | 28.5 | 0.7 |
| | <u>8,373.4</u> | <u>14.5</u> | <u>28.5</u> | <u>0.7</u> |
| Financial expenses | | | | |
| Financial expenses | (27.5) | 0.1 | (35.6) | 0.9 |
| | <u>(27.5)</u> | <u>0.1</u> | <u>(35.6)</u> | <u>0.9</u> |
| Gross result on overall activities | <u>65,544.8</u> | <u>113.3</u> | <u>3,767.7</u> | <u>88.8</u> |
| Net financial result | <u>65,544.8</u> | <u>113.3</u> | <u>3,767.7</u> | <u>88.8</u> |

2.2. Selected financial ratios

| | 2011 | 2010 | 2009 |
|--|-------|-------|------|
| 1. Debt ratio | | | |
| <u>liabilities and provisions for liabilities</u> x 100% | 0.0% | 11.6% | 3.0% |
| total equity and liabilities | | | |
| 2. Current ratio | | | |
| <u>current assets</u> | 401.1 | 4.6 | 32.4 |
| current liabilities | | | |

- Current assets exclude receivables due in more than 12 months.
- Current liabilities are comprised of short-term provisions for liabilities, short-term liabilities (excluding liabilities due in more than 12 months) and other short-term accruals.

3. Detailed report

3.1. Proper operation of the accounting system

The Foundation maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Foundation performed a physical verification of assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act.

3.2. Introduction and supplementary information and explanations to the financial statements

All information included in the introduction and the supplementary information and explanations to the financial statements is, in all material respects, presented correctly and completely. The introduction and supplementary information and explanations should be read in conjunction with the financial statements.

3.3. Report on the Foundation's activities

The Report on the Foundation's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

3.4. Information on the opinion of the independent auditor

Based on our audit of the financial statements of the Foundation as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Sp. z o.o. registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

Signed on the Polish original

.....
Certified Auditor No. 11528
Magdalena Paulinek

.....
Certified Auditor No. 90060
Director
Wojciech Stopka

25 May 2012
Warsaw