

Warsaw, 8 May 2008

Appendix 1
to Resolution No. 35/IV/2008
of 8 May 2008

**REPORT OF THE SUPERVISORY BOARD
OF NFI EMPIK MEDIA & FASHION S.A. ON ITS ACTIVITY
IN THE FINANCIAL YEAR 2007**

In the financial year 2007 the Supervisory Board held four meetings. In 2007 the Supervisory Board was composed of:

- Tomasz Chenczke – Chairman of the Supervisory Board
- Andrzej Szumański – Independent Member of the Supervisory Board
- Peter Kadletz, Mark Burch and William Brooksbank – Members

In 2007 the Supervisory Board carried out the following works:

- evaluating and accepting the report on the results of audit of the financial statement of the Company and NFI Empik Media & Fashion S.A. Capital Group for the financial year 2006, which report was presented to the General Meeting;
- evaluating and accepting the report on the results of examination of the Management Board's report on the activity of the Company and NFI Empik Media & Fashion S.A. Capital Group for the financial year 2006, which report was presented to the General Meeting;
- expressing opinion on the Management Board's proposal to cover the Company's loss for the financial year 2006 and presenting that opinion to the General Meeting;
- adopting the Code of Ethics and the Rules of Business for the Company;
- expressing opinion on the Management Board's proposal of adoption by the Company of the Public Companies Good Practices 2006 (except for the rules 2, 7, 9, 10, 20, 24, 28, 42 and 43) and recommending adoption of them to the General Meeting.

On 28 February 2007 the Supervisory Board listened to the Management Board's opinion and accepted the Management Board's proposal to execute annexes to contracts for lease of office space concluded in August 2006 between the Company and its subsidiaries as lessees and Prime Warsaw Properties Sp. z o.o. (entity controlled by Eastbridge B.V./S.a r.l.) as lessor. At that meeting, the Supervisory Board adopted a resolution on appointment of a new member to the Management Board, Jacek Bagiński.

On 4 October 2007 the Supervisory Board met to listen to the Management Board's information on the results achieved by the Company and its capital group for the first six months of 2007 and anticipated results of the capital group for the three quarters ending on 30 September 2007. At that meeting, the Supervisory Board appointed PricewaterhouseCoopers Sp. z o.o. to audit the financial statement of the Company, the consolidated financial statement of NFI Empik Media & Fashion S.A. Capital Group and the Management Board's report on the activity of the Company and its capital group in the financial year 2007.

Moreover, to implement the resolution no. 16 of the Ordinary Meeting of NFI Empik Media & Fashion S.A. of 13 July 2007, amended by the resolution no. 1 of the Extraordinary General Meeting of NFI Empik Media & Fashion S.A. of 26 October 2007, on 20 December 2007 the Supervisory Board adopted the Motivation Scheme Rules setting forth detailed rules for functioning of the Motivation Scheme, in particular terms and conditions of acquisition, exercise and loss by top management of NFI Empik Media & Fashion S.A. Capital Group of the right to acquire registered subscription warrants and terms and conditions of acquisition, exercise and loss by them of the right to acquire E Series Stocks in the Company.

Meetings of the Supervisory Board were recorded in minutes. All the minutes were prepared and all the resolutions were passed in accordance with provisions of the Company Statute and the Supervisory Board By-laws.

The Supervisory Board considers the number of its meetings held in the financial year 2007 as sufficient. The Supervisory Board was engaged in supervision of the Company's issues in 2007 to a sufficient degree. The Supervisory Board asked questions to the Management Board on any issues presented by the Management Board so as to examine any problems and avoid their consequences for the Company.

Tomasz Chenczke
Chairman of the Supervisory Board