

Report

of E-Star Alternative Plc.'s ("cs.a")

Audit Committee and Supervisory Board

on the Company's Annual Financial Statements for the year 2012

The Audit and Supervisory Board of E-Star Alternative Plc („cs.a”) (Company) reporting as follows regarding the stand alone and consolidated financial statements for the year 2012:

During the preparation of the financial statements for 2012, the Company is under bankruptcy protection. Despite of the fact that the management has already arrived to a theoretical agreement regarding the repayment of the Company's obligations, as long as such arrangement is not final – fully accepted by both parties – the preparation of the financial statements faces serious difficulties and contains significant uncertainties.

Even if the auditors (Deloitte Kft) have performed the substantial part of the audit of the Company, they see major risks on some of the lines of the balance sheet and the profit and loss statement (mainly on valuation of assets and shares).

Regarding to all above, the Supervisory Board and Audit Committee cannot issue its report regarding the current status of the annual report, as long as it cannot be considered as final. Nevertheless the Audit Committee and Supervisory Board continuously follow the process of the audit.

As soon as the management provides the final financial statements, the Audit Committee and Supervisory Board will negotiate it, and will issue its report within a short deadline.

Budapest, March 29 2013.

Chairman of Supervisory Board

Chairman of Audit Committee

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