

Supervisory Board Report

Dear Shareholders,

The Supervisory Board has dealt with the situation and the prospects for the company, as well as special topics extensively over the course of the last fiscal year. Likewise, the Supervisory Board monitored and provided advice on the work of the Management Board in fiscal year 2009. The basis for this was extensive reports made by the Management Board in written and oral form. In addition, the Chairman of the Supervisory Board regularly exchanged information with the Chairman of the Management Board. The Supervisory Board was involved in all decisions of major significance.

For example, the Supervisory Board was always informed concerning the intended business policy, corporate planning, the profitability of the company and course of business, as well as the situation of the company and the group as a whole.

A reduction in the number of members of the Supervisory Board from six to three was resolved at the 2009 Annual General Meeting. The reason for this decision was the desire to streamline structures. It was possible for the work to be continued well by two prior Supervisory Board members and a new member. The Supervisory Board would like to thank the departing Supervisory Board members for their constructive and knowledgeable contributions, in addition to the many years of trusted cooperation.

The Supervisory Board met for five regular meetings in 2009. In addition, several resolutions were passed in writing and within the context of telephone conferences. In all of the Supervisory Board meetings, the Management Board informed the Supervisory Board about the commercial and financial development of the company, including the risk situation. No member of the Supervisory Board participated in less than half of the meetings.

Emphasis of the Consultations in the Supervisory Board

Apart from the overarching topics, the board dealt with specific topics in individual areas and, when necessary, passed necessary resolutions. Clear points of emphasis in the work of the Supervisory Board in the reporting year were questions in the area of Marketing and Sales. An additional focus was in the expansion of international activities. A personnel change in the Management Board took place in the autumn, which the Supervisory Board attended to.

Committee Work

The Supervisory Board has formed three committees, the Audit Committee, the Personnel Committee and the Nominating Committee, which performed the activities envisioned in the first half year of 2009. The Audit Committee met three times in the reporting year. In particular, it reviewed questions regarding accounting and conducted the preliminary audit of the annual and consolidated financial statements, the management report and the group management report. The auditor reported in detail on his audit activities. The Nominating Committee met for two meetings. The requirement profile of candidates for new election to the Supervisory Board was dealt with at the 2009 Annual General Meeting. The Personnel Committee did not meet in the reporting year. The committees have not existed since the reduction in the number of members of the Supervisory Board. The duties delegated to the committees were assumed by all three members.

Corporate Governance

The Supervisory Board dealt with the further development of Corporate Governance principles in the company, thereby taking the changes to the German Corporate Governance Code dated June 18 into consideration. In February 2010, the Management Board and the Supervisory Board issued a new Declaration of Compliance, which is printed on page 19 of the annual report, in the "Corporate Governance" chapter, and has also been published on the homepage of the company.

Annual and Group Financial Statements, Audit

The auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH Leipzig, audited the annual financial statements of VITA 34 International AG, the consolidated financial statements, the management report and the group management report. As a result it should be noted, that VITA 34 observed the rules of the German Commercial Code and the International Financial Reporting Standards. The annual financial statements and consolidated statements received an unqualified certification. The financial statement documents were thoroughly discussed in the Review Committee and in the Balance Sheet Meeting of the Supervisory Board, in the presence of and following a report from the auditor.

The Supervisory Board reviewed the annual financial statements, the management report as well as the consolidated annual financial statements and the consolidated management report. There were no objections. The Supervisory Board approved the results of the audit after its own review, accepted the annual financial statements and acknowledged the consolidated financial statements. Thus, the annual financial statements prepared by the Management Board have been accepted. We agree with the management report and, in particular, the evaluation of the further development of the company.

The Supervisory Board would like to thank the Management Board as well as the ladies and gentlemen of the staff for their work, which contributed to a successful fiscal year.

For the Supervisory Board

Richard J. Neeson
Chairman