



BAKER TILLY
HUNGÁRIA

Independent Auditors' Report

H-1016 Budapest
Zsolt u. 4.
Hungary
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Fax: +36 1 225 34 91
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To the quotaholders of *Sarantis Hungary Kft.*

We have audited the accompanying annual report of *Sarantis Hungary Kft.* (hereinafter referred to as "the *Company*") as at December 31, 2008, which comprises the balance sheet as at December 31, 2008, which shows total assets of THUF 519.321 and retained loss for the year of THUF -223.146 and the income statement for the year then ended, and the supplementary notes including a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of the annual report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The auditor's responsibility is to express an opinion on the annual report based on the audit and to assess whether the business report is consistent with the annual report.

We conducted our audit in accordance with the Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual report 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 annual report. Our work with respect to the business report was limited to the aforementioned scope, and did not include a review of any information other than that drawn from the audited accounting records of the Company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, except for the matters detailed in the following paragraph.

This is an English translation of the Independent Auditors' Report on the Statutory Annual Report of Sarantis Hungary Kft. as at 31 December 2008 issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete Statutory Annual Report it refers to.

We have audited the *Company's* annual report, its components and elements and their accounting and documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence, that the annual report has been prepared in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. In our opinion, the annual report gives a true and fair view of the financial position of Sarantis Hungary Kft. as of December 31, 2008, and of its financial performance and of the result of its operations for the year then ended. The business report is consistent with the disclosures in the annual report.

Without qualifying our opinion, we draw attention that total equity of the Company is below 50 percent of share capital due to the recurring losses; therefore the quotaholders should make necessary arrangements on the settlement of the unsatisfactory capital status by the second paragraph of Section 143 of the Act IV of 2006 on Business Associations. The point 6. of the supplementary notes of the annual report presents the quotaholders' arrangements on the settlements of the capital status.

16 January 2009, Budapest



Kiss Lászlóné

Partner

Baker Tilly Hungária Kft.

4. Zsolt u. Budapest 1016

Identification number: 002455



Kiss Lászlóné

Registered Auditor

Identification number: 003895



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Statistical identification No.

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Registration identification No.

SARANTIS HUNGARY Kft.

Name of the enterprise

1107 Budapest, Fogadó u. 7.,

(+36) 1 886-4968

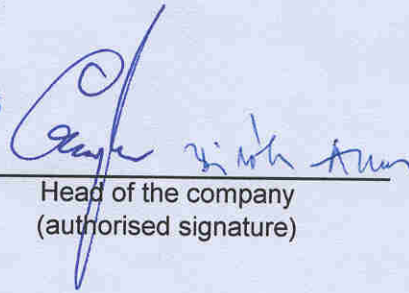
Address and telephone number

31st December 2008

Annual Report

Dated: Budapest, 15 January 2009

 2.
SARANTIS
Great brands for everyday
Sarantis Hungary Kft.
1107 Budapest, Fogadó u. 4.
Tel.: 886-4966 Fax: 886-4985
Adósz.: 13700597-2-42



Head of the company
(authorised signature)

Statistical identification No.: 13700597-5145-113-01

Registration identification No.: 01-09-868697

SARANTIS HUNGARY Kft.

31st December 2008

BALANCE-SHEET

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Assets

figures in thousand HUF

Serial num-ber	Description of the individual items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
1.	A. Fixed assets (2.+10.+18.)	28 448	0	21 059
2.	I. INTANGIBLE ASSETS (3.-9.)	24 922	0	18 028
3.	Capitalised value of formation/reorganisation expenses	0	0	0
4.	Capitalised value of research and development	0	0	0
5.	Concessions, licenses and similar rights	24 922	0	18 028
6.	Trade-marks, patents and similar assets	0	0	0
7.	Goodwill	0	0	0
8.	Advances and prepayments on intangible assets	0	0	0
9.	Adjusted value of intangible assets	0	0	0
10.	II. TANGIBLE ASSETS (11.-17.)	3 526	0	3 031
11.	Land and buildings and rights to immovables	0	0	0
12.	Plant and machinery, vehicles	0	0	0
13.	Other equipment, fixture and fittings, vehicles	3 526	0	3 031
14.	Breeding stock	0	0	0
15.	Assets in course of construction	0	0	0
16.	Prepayment on assets in course of construction	0	0	0
17.	Adjusted value of tangible assets	0	0	0
18.	III. FINANCIAL INVESTMENTS (19.-26.)	0	0	0
19.	Long-term participations in affiliated undertakings	0	0	0
20.	Long-term credit to affiliated undertakings	0	0	0
21.	Other long-term participations	0	0	0
22.	Long-term loan to independent undertakings	0	0	0
23.	Other long-term loans	0	0	0
24.	Securities signifying a long-term creditor relationship	0	0	0
25.	Adjusted value of financial investments	0	0	0
26.	Evaluation difference of financial assets	0	0	0

Budapest, 15 January 2009


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SARANTIS HUNGARY Kft.

31st December 2008

BALANCE-SHEET

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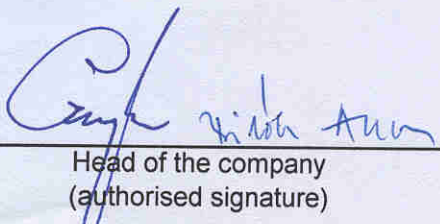
Assets

figures in thousand HUF

Serial num-ber	Description of the individual items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
27.	B. Current Assets (28.+35.+43.+49.)	397 299	0	496 172
28.	I. INVENTORIES (29.-34.)	121 706	0	168 203
29.	Raw materials and consumables	0	0	0
30.	Work in progress, intermediate and semi-finished products	0	0	0
31.	Animals for breeding and fattening and other livestock	0	0	0
32.	Finished products	0	0	0
33.	Goods	121 706	0	168 203
34.	Prepayments on inventories	0	0	0
35.	II. RECEIVABLES (36.-42.)	206 686	0	311 585
36.	Accounts receivables	191 691	0	288 688
37.	Receivables from affiliated undertakings	10 649	0	17 646
38.	Receivables from independent undertakings	0	0	0
39.	Bills receivable	0	0	0
40.	Other receivables	4 346	0	5 251
41.	Evaluation difference of debtors	0	0	0
42.	Positive evaluation difference of derivatives	0	0	0
43.	III. SECURITIES (44.-48.)	0	0	0
44.	Participations in affiliated undertakings	0	0	0
45.	Other participations	0	0	0
46.	Own shares and own partnership shares	0	0	0
47.	Securities signifying a creditor relationship for trading purposes	0	0	0
48.	Evaluation difference of investments	0	0	0
49.	IV. LIQUID ASSETS (50.-51.)	68 907	0	16 384
50.	Cash, checks	429	0	2 420
51.	Bank deposits	68 477	0	13 964
52.	C. Accrued and deferred assets (53-55.)	2 071	0	2 091
53.	Accrued income	1 684	0	390
54.	Accrued expenses	388	0	392
55.	Deferred expenses	0	0	1 309
56.	TOTAL ASSETS (1.+27.+52.)	427 818	0	519 321

Budapest, 15 January 2009

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SARANTIS HUNGARY Kft.

31st December 2008

BALANCE-SHEET

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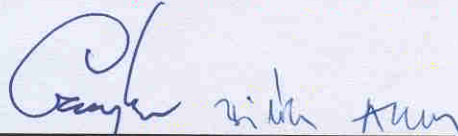
Equity and Liabilities

figures in thousand HUF

Serial num-ber	Description of the individual items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
57.	D. Owners' Equity (58.+60.+61.+62.+63.+64.+67.)	99 106	0	95 960
58.	I. SUBSCRIBED CAPITAL	318 690	0	538 690
59.	I/a of which: ownership shares repurchased at face value	0	0	0
60.	II. SUBSCRIBED CAPITAL UNPAID (-)	0	0	0
61.	III. CAPITAL RESERVE	0	0	0
62.	IV. ACCUMULATED PROFIT RESERVE	-95 827	0	-219 584
63.	V. TIED-UP RESERVE	0	0	0
64.	VI. REVALUATION RESERVE (65.-66.)	0	0	0
65.	Revaluation reserve	0	0	0
66.	Fair value reserve	0	0	0
67.	VII. PROFIT OR LOSS FOR THE YEAR	-123 757	0	-223 146
68.	E. Provisions (69.-71.)	0	0	0
69.	Provisions for forward liabilities	0	0	0
70.	Provisions for forward expenses	0	0	0
71.	Other provisions	0	0	0
72.	F. Liabilities (73.+77.+86.)	316 347	0	402 658
73.	I. SUBORDINATED LIABILITIES (74.-76.)	0	0	0
74.	Subordinated liabilities to affiliated undertakings	0	0	0
75.	Subordinated liabilities to independent undertakings	0	0	0
76.	Subordinated liabilities to other economic entities	0	0	0

Budapest, 15 January 2009


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31st December 2008

BALANCE-SHEET

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Equity and Liabilities

figures in thousand HUF

Serial num-ber	Description of the individual items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
77.	II. LONG-TERM LIABILITIES (78.-85.)	0	0	0
78.	Long-term loans	0	0	0
79.	Convertible bonds	0	0	0
80.	Debts on issue of bonds	0	0	0
81.	Investment and development credits	0	0	0
82.	Other long-term credits	0	0	0
83.	Long-term liabilities to affiliated undertakings	0	0	0
84.	Long-term liabilities to independent undertakings	0	0	0
85.	Other long-term liabilities	0	0	0
86.	III. CURRENT LIABILITIES (87. and 89.-97.)	316 347	0	402 658
87.	Short-term bank loans	0	0	0
88.	- of which: convertible bonds	0	0	0
89.	Other short-term loans	0	0	0
90.	Advances received from customers	0	0	0
91.	Accounts payable	92 376	0	123 606
92.	Bills payable	0	0	0
93.	Short-term liabilities to affiliated undertakings	217 020	0	270 437
94.	Short-term liabilities to independent undertakings	0	0	0
95.	Other short-term liabilities	6 951	0	8 615
96.	Evaluation difference of liabilities	0	0	0
97.	Negative evaluation difference of derivatives	0	0	0
98.	G. Accrued and deferred liabilities (99.-101.)	12 365	0	20 703
99.	Deferred income	0	0	0
100.	Deferred expenses	12 365	0	20 703
101.	Accrued income	0	0	0
102.	TOTAL OWNERS' EQUITY AND LIABILITIES (57.+68.+72.+98)	427 818	0	519 321

Budapest, 15 January 2009

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SARANTIS HUNGARY Kft.

31st December 2008

PROFIT AND LOSS ACCOUNTS

Version "A"

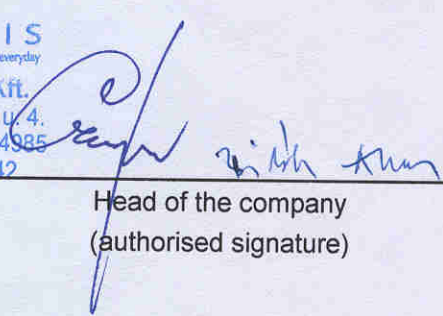
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figures in thousand HUF

Serial number	Description of the items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
1.	Net domestic sales	555 767	0	601 488
2.	Net external sales	18 864	0	55 314
I.	TOTAL SALES (REVENUES) (1.+2.)	574 631	0	656 802
3.	Variations in self-manufactured stoks	0	0	0
4.	Own work capitalised	0	0	0
II.	OWN PERFORMANCE CAPITALISED (3.±4.)	0	0	0
III.	OTHER INCOME	12 705	0	20 662
III/a.	including: loss in value marked back	0	0	0
5.	Raw materials and consumables	24 857	0	41 483
6.	Contracted services	229 067	0	311 115
7.	Other service activities	1 484	0	2 018
8.	Original cost of goods sold	294 110	0	327 969
9.	Value of services sold (intermediated)	0	0	0
IV.	MATERIAL COSTS (5.+6.+7.+8.+9.)	549 518	0	682 585
10.	Wages and salaries	52 846	0	44 244
11.	Other employee benefits	9 885	0	16 806
12.	Contributions on wages and salaries	18 272	0	15 299
V.	STAFF COSTS (10.+11.+12.)	81 003	0	76 349
VI.	DEPRECIATION	8 103	0	9 245
VII.	OTHER OPERATING CHARGES	74 670	0	108 976
VII/a.	including: loss in value	0	0	0
A.	INCOME FROM OPERATIONS (±II+III-IV-V-VI-VII)	-125 958	0	-199 691

Budapest, 15 January 2009

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SARANTIS HUNGARY Kft.

31st December 2008

PROFIT AND LOSS ACCOUNTS

(total cost method)

Version "A"

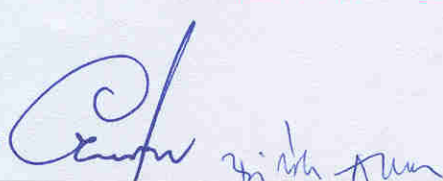
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figures in thousand HUF

Serial number	Description of the items	Prior year	Modifications related to prior year	Current year
a	b	c	d	e
13.	Dividends and profit-sharing (receive or due)	0	0	0
13/a.	including: from affiliated undertakings	0	0	0
14.	Capital gains on investments	0	0	0
14/a.	including: from affiliated undertakings	0	0	0
15.	Interest and capital gains on financial investments	0	0	0
15/a.	including: from affiliated undertakings	0	0	0
16.	Other interest and similar income (received or due)	241	0	0
16/a.	including: from affiliated undertakings	0	0	0
17.	Other income from financial transactions	3 416	0	7 944
17/a.	including: evaluation difference	0	0	0
VIII.	INCOME FROM FINANCIAL TRANSACTIONS (13.+14.+15.+16.+17.)	3 657	0	7 944
18.	Losses on financial investments	0	0	0
18/a.	including: to affiliated undertakings	0	0	0
19.	Interest payable and similar charges	0	0	0
19/a.	including: to affiliated undertakings	0	0	0
20.	Losses on shares, securities and bank deposits	0	0	0
21.	Other expenses on financial transactions	984	0	37 120
21/a.	including: evaluation difference	0	0	0
IX.	EXPENSES ON FINANCIAL TRANSACTIONS (18.+19.+20.+21.)	984	0	37 120
B.	PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS (V-IX.)	2 673	0	-29 177
C.	PROFIT OR LOSS OF ORDINARY ACTIVITIES (±A.±B.)	-123 286	0	-228 868
X.	EXTRAORDINARY INCOME	976	0	6 888
XI.	EXTRAORDINARY EXPENSES	968	0	0
D.	EXTRAORDINARY PROFIT OR LOSS (X.-XI.)	9	0	6 888
E.	INCOME BEFORE TAXES (±C±D)	-123 277	0	-221 981
XII.	Tax payable	480	0	1 166
F.	PROFIT AFTER TAXES (±E-XII)	-123 757	0	-223 147
22.	Profit reserves used for dividends and profit-sharing	0	0	0
23.	Dividends and profit-sharing paid (payable)	0	0	0
G.	PROFIT OR LOSS FOR THE YEAR (±F.+22.-23.)	-123 757	0	-223 147

Budapest, 15 January 2009

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