

ASSETS IN €			Acquisition Value	Accumulated Depreciation	Net Value	LIABILITIES IN €			Net Value
<b>A</b>	<b>Capital Due</b>				0,00	<b>A</b>	<b>Owners Equity</b>		
<b>B</b>	<b>Installation Expenses</b>					<b>A I</b>	<b>Capital</b>		
B	1	First Installation Expenses	0,00	0,00	0,00	A I 1	Paid-In Capital	7,466,400.00	
B	2	Foreign Exchange Differences of Loans to Acquire Assets	0,00	0,00	0,00	A I 2	Capital Due	0,00	
B	3	Interest Expenses of Loans of Installation Period	0,00	0,00	0,00	A I 3	Depreciated	0,00	
B	4	Other Installation Expenses	0,00	0,00	0,00			7,466,400.00	
B		<b>Installation Expenses</b>	0,00	0,00	0,00	<b>A II</b>	<b>Paid In Capital in Excess of Par</b>		0,00
<b>C</b>	<b>Fixed Assets</b>					<b>A III</b>	<b>Revaluations &amp; Grants</b>		
C I	<b>Intangible Assets</b>					A III 1	Revaluations of Participations & Securities		0,00
C I 1	1	Research & Development Costs	0,00	0,00	0,00	A III 2	Revaluations of Other Assets		0,00
C I 1 2	Property Rights		0,00	0,00	0,00	A III 3	Investment Grants		0,00
C I 1 3	Company Goodwill		0,00	0,00	0,00			0,00	
C I 1 4	Advances for Intangible Assets		0,00	0,00	0,00	<b>A IV</b>	<b>Reserves</b>		
C I 1 5	Other Intangible Assets		476,494.28	377,251.38	99,242.90	A IV 1	Legal Reserves		0,00
C I 1 5a	Consolidation Differences		0,00	0,00	0,00	A IV 2	Statutory Reserves		0,00
			476,494.28	377,251.38	99,242.90	A IV 3	Special Reserves		0,00
<b>C II</b>	<b>Tangible Assets</b>					A IV 4	Extraordinary Reserves		0,00
C II 1	Land		358,137.50	0,00	358,137.50	A IV 5	Tax Free Reserves		0,00
C II 2	Mines		0,00	0,00	0,00	A IV 6	Reserves for Own Shares		2,820,323.03
C II 3	Buildings - Technical Works		1,245,035.22	465,320.28	779,714.93	A IV 7	Consolidation Differences		0,00
C II 4	Equipment		72,211.84	44,254.74	27,957.10	A IV 8	Depreciation of Goodwill in Affiliated Companies		0,00
C II 5	Means of Transportation		1,224,944.81	378,190.88	846,753.93			2,820,323.03	
C II 6	Furniture		100,476.61	59,571.39	40,905.22	<b>A V</b>	<b>Carried Forward Results</b>		
C II 7	Assets Under Construction		0,00	0,00	0,00	A V 1a	Results of Previous Periods		-2,374,857.95
			3,000,805.98	947,337.29	2,053,468.69	A V 1b	Results of Current Period		-176,739.86
			3,477,300.26	1,324,588.67	2,152,711.59	A V 2	Plus - (Less) Consolidation Recalculation		0,00
						A V 3	Recalculation of Previous Periods' Results		0,00
						A V 4	Recalculation of Current Periods' Results		0,00
						A V 5	Tax Penalties for Previous Periods		0,00
								-2,551,597.81	
<b>C III</b>	<b>Participations &amp; Other Long Term Claims</b>					<b>A VI</b>	<b>Amounts for Capital Increase</b>		
C III 1	Participation in Affiliated Companies				2,548,858.07	A VI 1	Shareholders' Deposits		819,100.80
C III 2	Participation in Other Companies				0,00	A VI 2	Available Dividends		0,00
C III 2a	Less: Installments Due		0,00	0,00	0,00			819,100.80	
C III 3	Long Term Claims from Affiliated Companies				0,00	<b>A VII</b>	<b>FX Difference from Translation of International Affiliates</b>		0,00
C III 4	Long Term Claims from Other Participating Companies				0,00	<b>A VIII</b>	<b>Consolidation Differences</b>		
C III 5	Long Term Notes Receivables				0,00	A VIII 1	Less: Transfer to Consolidated Results		0,00
C III 5a	Less: Non-earned Interest		0,00	0,00	0,00			8,554,226.02	
C III 6	Other Titles of Assets' Nature				0,00	<b>A</b>	<b>Total Owner's Equity</b>		
C III 7	Other Long Term Claims				0,00			8,554,226.02	
					2,548,858.07	<b>B</b>	<b>Provisions</b>		
<b>C</b>	<b>Fixed Assets (CI + CII + CIII)</b>		3,477,300.26	1,324,588.67	4,701,569.67	B 1	Provision for Indemnification of Personnel		0,00
						B 2	Other Provisions		0,00
						B 3	Provisions for Tax (art 105, par 5, L.2190/20)		0,00
								0,00	
<b>D</b>	<b>Working Capital</b>					<b>C</b>	<b>Liabilities</b>		
D 1	<b>Stock</b>					C I	<b>Long Term Liabilities</b>		
D 1 1	Merchandise				3,625,956.52	C I 1	Bonds		0,00
D 1 2	Ready and Partly-made Products				0,00	C I 2	Bank Loans		0,00
D 1 3	Work in Progress				0,00	C I 3	Depository Institute Loans		0,00
D 1 4	Auxiliary Material				0,00	C I 4	Long Term Liabilities to Affiliated Companies		0,00
D 1 5	Advances to Suppliers				0,00	C I 5	Long Term Liabilities to Other Companies		0,00
					3,625,956.52	C I 6	Banks, Long Term Credit		0,00
<b>D II</b>	<b>Claims</b>					C I 7	Long Term Notes Payable		0,00
D II 1	Customers		9,677,478.33		9,677,478.33	C I 7a	Less: Non-earned Interest		0,00
D II 1a	Less: Bad Debt Provisions		0,00		9,677,478.33	C I 8	Other Long Term Liabilities		14,840.63
D II 2	Notes Receivable				0,00			14,840.63	
D II 2a	In Portfolio		0,00		0,00	<b>C II</b>	<b>Short Term Liabilities</b>		
D II 2b	In Banks to Collect		0,00		0,00	C II 1a	Suppliers (Gr. Sarantis SA)		1,603,580.50
D II 2c	In banks as Pledge		0,00		0,00	C II 1b	Suppliers (Other Sarantis Group Companies)		0,00
D II 3	Notes Receivable Delayed				0,00	C II 1c	Suppliers (Trendstar)		0,00
D II 3a	Checks Receivable				0,00	C II 1d	Suppliers (Other)		3,848,496.85
D II 3b	Checks Delayed				0,00	C II 2	Notes Payable		0,00
D II 4	Capital Receivable at Next Financial Period				738,720.19	C II 2a	Checks Payable		0,00
D II 5	Short Term Claims from Affiliated Companies				30,154.82	C II 3	Banks, Short Term Liabilities in Local Currency		1,997,623.02
D II 6	Short Term Claims from Other Participating Companies				0,00	C II 3a	Banks, Short Term Liabilities in Foreign Currency		0,00
D II 7	Claims against Management				0,00	C II 4	Customer Advances		0,00
D II 8	Blocked Bank Accounts				0,00	C II 5	Tax Liabilities		195,482.83
D II 9	Long Term Claims Receivable at Next Financial Period				0,00	C II 5a	Tax from Affiliates Dividends		0,00
D II 10	Doubtful Debts		670,477.24		1,885.82	C II 6	Social Security		62,109.66
D II 10a	Less: Provisions		668,591.42		50,352.47	C II 7	Short Term Liabilities Payable at Next Financial Period		0,00
D II 11	Sundry Debtors				0,00	C II 8	Short Term Liabilities to Affiliated Companies		2,755,153.03
D II 12	Advances				10,498,591.65	C II 9	Short Term Liabilities to Other Companies		0,00
						C II 10	Dividends Payable		0,00
<b>D III</b>	<b>Securities</b>					C II 11	Sundry Creditors		92,866.04
D III 1	Shares				6,793.20			10,555,313.94	
D III 2	Bonds				0,00	<b>C</b>	<b>Liabilities (CI+CII)</b>		10,570,154.57
D III 3	Other Securities				0,00	<b>D</b>	<b>Liabilities Transitional Accounts</b>		
D III 4	Own Shares				0,00	D 1	Deferred Income		43,610.58
D III 4a	Less: Installments Due				0,00	D 2	Accrued Expenses		281,603.37
					6,793.20	D 3	Other Transitional Accounts		7,844.23
<b>D IV</b>	<b>Cash &amp; Banks</b>							333,058.18	
D IV 1	Cash				3,927.39	<b>E</b>	<b>Assets Transitional Accounts</b>		
D IV 2	Share Coupons Receivable				0,00	E 1	Deferred Expenses		19,919.63
D IV 3	Banks				453,474.74	E 2	Accrued Income		49,873.44
					459,402.13	E 3	Other Transitional Accounts		95,332.53
<b>D</b>	<b>Working Capital (DI + DII + DIII + DIV)</b>				14,590,743.51			165,125.60	
<b>E</b>	<b>Assets Transitional Accounts</b>					<b>TOTAL ASSETS (A + B + C + D + E)</b>		<b>19,457,438.77</b>	
E 1	Deferred Expenses				19,919.63			<b>Total Liabilities (A + B + C + D)</b>	<b>19,457,438.77</b>
E 2	Accrued Income				49,873.44				
E 3	Other Transitional Accounts				95,332.53				
<b>E</b>	<b>Transitional Accounts</b>				165,125.60				

Marta Szczepkowska  
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**THE OPINION OF AN INDEPENDENT CHARTERED AUDITOR  
FOR THE SHAREHOLDERS AND FOR THE SUPERVISORY BOARD OF  
SARANTIS POLSKA S.A.**

We have audited the financial statements of Sarantis Polska S.A. seated in Piaseczno, at 42C Puławska Street. Those financial statements are composed of the following instruments:

- The Preamble for the financial statements;
- Balance Sheet as of 31<sup>st</sup> December 2004, in which on both assets and liabilities sides the amount of PLN 80,553,635.17 is declared;
- Profit & Loss Account for the financial year from 1<sup>st</sup> January 2004 to 31<sup>st</sup> December 2004, in which the loss of PLN 420,900.81 is declared;
- The Statement of Changes in Equity Capital in which reduction of equity capital by the amount of PLN 420,900.81 is declared;
- Cash Flow Statement in which increase in net cash for the period from 1<sup>st</sup> January 2004 to 31<sup>st</sup> December 2004, by the amount of PLN 1,321,458.35, is declared;
- Notes (Additional Information Sheet and Explanations).

The Management Board of the Company is responsible for execution of those financial statements.

Our task was to audit and to express an opinion about truthfulness, fairness, correctness and transparency of the financial statements and about accuracy of accounting books constituting the basis for preparation of the financial statements concerned.

We have carried out audit proceedings in accordance with:

- 1) the Chapter 7 of the Accountancy Act dated 29<sup>th</sup> September 1994 (Journal of Acts no. 76 of 2002, item 694);
- 2) Chartered Auditor's Profession Practice Standards issued by the National Association of Chartered Auditors.

We have planned and carried out this audit in such a way that we can have a sufficient basis for expressing a reasonable and objective expert opinion on those financial statements.

In particular, this audit was intended to check whether accounting rules adopted by the Company (accounting policy) have been applied properly and whether material estimations were right. We have also reviewed accounting documents and records supporting data and figures declared in the financial statements – mostly with the use of a “check at random” method. The scope of our audit included also the overall appraisal of the financial statements having been presented.

We believe that the audit has provided us with a basis sufficient to express a reliable opinion.

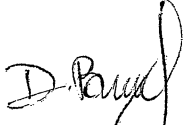
We believe that the financial statements containing figures and explanations in words:

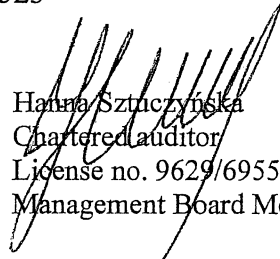
- present truly, fairly and clearly all pieces of information required to appraise the financial and estate standing of Sarantis Polska S.A. as of 31<sup>st</sup> December 2004 as well as its financial results for the financial year from 1<sup>st</sup> January 2004 to 31<sup>st</sup> December 2004;
- have been prepared, in all material aspects, in accordance with accounting rules specified in the abovementioned Accountancy Act (accountancy policy) and based on accounting books being kept properly;
- are compliant with regulations and with Company's Articles of Association affecting the content thereof.

Directors' Report is complete in the meaning of article 49, item 2 of the Accountancy Act and figures as well as data contained in that Report – derived from the financial statements – are consistent with figures and data declared in the financial statements having been audited.

Warsaw, 8<sup>th</sup> February 2005

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