



BDO Polska Sp. z o.o.  
International Auditors & Consultants

ul. Postępu 12, 02-676 Warszawa  
Tel. +48-022 543 16 00  
Fax +48-022 543 16 01  
e-mail: office@bdo.pl  
www.bdo.pl

## Auditor's Opinion for the Shareholders and Management of Sarantis S.A.

We have audited the accompanying financial statements of Sarantis (Poland) S.A. having its registered office in Piaseczno, ul. Puławska 42C, consisting of:

- an introduction;
- the balance sheet prepared as at 31 December 2003, showing total assets and liabilities of **13,558,816.95 zł**;
- the profit and loss account for the period from 1 January 2003 to 31 December 2003, showing a net profit of **788,092.68 zł**;
- statement of changes in shareholders' equity showing an increase in shareholders' equity of **788,092.68 zł**;
- the cash flow statement for the period from 1 January 2003 to 31 December 2003, showing a net cash increase of **303,153.40 zł**;
- notes to the financial statements.

The Company's Management Board is responsible for the preparation of the financial statements. Our responsibility was to audit the financial statements and to express an opinion whether the financial statements are free of material misstatements.

We conducted our audit in accordance with:

- Chapter 7 of the Accounting Act dated 29 September 1994 (2002 Journal of Laws No. 76, item 694),
- professional auditing standards issued by the Polish National Chamber of Certified Auditors,

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the audited financial statements consisting of financial data and explanations:

- give a true and fair view of the Company's financial position as at 31.12.2003, as well as its financial result for the period from 01.01.2003 to 31.12.2003,

# **BDO**

- have been prepared in all material respects in accordance with the provisions of the above-mentioned Accounting Act, and on the basis of properly maintained books of account,
- are consistent with the laws and regulations binding in Poland and with the Company's Articles of Association, to the extent to which such regulations affect the content of the financial statements.

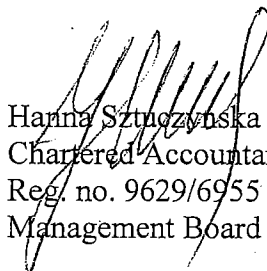
The Directors Report includes all information required by article 49 point 2 of the Accounting Act, and the financial data contained therein is consistent with the audited financial statements.

Warsaw, 3 February 2004

**BDO Polska Sp. z o.o.**  
**12 Postępu Street**  
**02-676 Warsaw**  
**Registration no. 523**



Donata Budkiewicz-Feluch  
Chartered Accountant  
Reg. no. 9939/7399



Hanna Sztuczynska  
Chartered Accountant  
Reg. no. 9629/6955  
Management Board Member

## II. FINANCIAL ANALYSIS OF THE COMPANY

The selected data from the profit and loss statement, balance sheet and the key financial indicators are presented below.

### 1.1 Balance sheet

(in PLN)

#### ASSETS

	31.12.03	% of balance amount	31.12.02	% of balance amount	31.12.01	% of balance amount
<b>Fixed assets</b>						
Intangible assets	525.00	0.01	13,566.96	0.05	28,261.32	0.14
Tangible fixed assets			280,851.48	1.11	1,171,019.84	5.75
Long-term receivables						
Long-term investments						
Long-term deferred expenditure	143,972.84	1.06	416,505.28	1.65		
	<u>144,497.84</u>	1.07	<u>710,923.72</u>		<u>1,199,281.16</u>	5.88
<b>Current assets</b>						
Reserves	45,820.02	0.34	5,137,149.43	20.31	4,420,099.40	21.69
Short-term receivables, including having maturity of over 12 months	13,205,899.18	97.40	18,892,363.68	74.70	12,688,738.01	62.25
Short-term investments	161,179.68	1.19	464,333.08	1.84	1,701,645.02	8.35
Short-term deferred expenditure	1,420.23	0.01	85,538.96	0.34	372,555.19	1.83
	<u>13,414,319.11</u>	98.93	<u>24,579,385.15</u>	97.19	<u>19,183,037.62</u>	94.12
<b>TOTAL ASSETS</b>	<u><b>13,558,816.95</b></u>	100.00	<u><b>25,290,308.87</b></u>	100.00	<u><b>20,382,318.78</b></u>	100.00

#### LIABILITIES

##### Equity

Initial capital	9,403,800.00	69.39	9,403,800.00	37.18	5,452,400.00	26.75
Reserve capital	125,125.34	0.92				
Capital from revaluation						
Other reserve capitals	10,422.24	0.08	10,422.24	0.04		
Result from previous years	-1,403,806.72	-10.35	-2,842,748.14	-11.24	-3,257,710.99	-15.98
Current year result	788,092.68	5.81	1,564,066.76	6.18	138,280.52	0.68
	<u>8,923,633.54</u>	65.81	<u>8,135,540.86</u>	32.17	<u>2,332,969.53</u>	11.45

##### Liabilities and provisions for liabilities

Provisions for liabilities	96,921.80	0.71			614,984.93	3.02
Long-term liabilities						
Short-term liabilities, including having maturity of over 12 months	4,538,261.61	33.47	17,154,768.01	67.83	17,029,836.02	83.55
Accrued liabilities					404,528.30	1.98
	<u>4,635,183.41</u>	34.19	<u>17,154,768.01</u>	67.83	<u>18,049,349.25</u>	88.55
<b>TOTAL LIABILITIES</b>	<u><b>13,558,816.95</b></u>	100.00	<u><b>25,290,308.87</b></u>	100.00	<u><b>20,382,318.78</b></u>	100.00

**1.2 Profit and loss account**

(in PLN)

	Year ending 31.12.03	Year ending 31.12.02	Year ending 31.12.01
<b>Income from sales</b>			
Income from sale of products	91,593.00	570,435.95	
Change of products' state	-165,871.53	448,649.29	304,038.09
Cost of products manufactured for own needs			
Income from sales of products and materials	9,987,230.01	27,005,815.38	24,459,598.81
	<u>9,912,951.48</u>	<u>28,024,900.62</u>	<u>24,763,636.90</u>
<b>Operational costs</b>			
Depreciation	77,718.49	291,770.80	422,225.93
Use of materials and energy	72,551.09	433,780.65	449,838.95
External services	1,023,004.22	2,920,211.43	3,522,550.90
Taxes and charges	30,141.11	60,463.96	65,672.16
Remuneration	252,497.00	989,760.36	2,354,502.08
Social security and other benefits	47,553.45	187,676.55	433,637.51
Remaining operational costs	333,556.86	6,417,094.67	5,124,239.83
Value of products and materials sold	5,423,011.36	14,408,816.64	12,252,962.60
	<u>7,260,033.58</u>	<u>25,709,575.06</u>	<u>24,625,629.96</u>
<b>Profit from sales</b>	2,652,917.90	2,315,325.56	138,006.94
<b>Remaining operational income</b>			
Profit from sale of fixed assets	20,390.35	54,107.77	783.78
Subsidies			
Other operational income	224,544.30	1,079,464.02	
	<u>244,934.65</u>	<u>1,133,571.79</u>	<u>783.78</u>
<b>Remaining operational costs</b>			
Loss on divestiture of fixed assets			
Revaluation of intangible assets			
Other operational costs	302,306.13	715,854.62	25,188.01
	<u>302,306.13</u>	<u>715,854.62</u>	<u>25,188.01</u>
<b>Profit from operational activity</b>	2,595,546.42	2,733,042.73	113,602.71
<b>Financial income</b>			
Dividends			
Interest	7,191.90	98,926.83	59,264.07
Profit from divestiture of investment			
Revaluation of investments			
Other		0.01	705,272.79
	<u>7,191.90</u>	<u>98,926.84</u>	<u>764,536.86</u>
<b>Financial costs</b>			
Interest	70,912.91	508,822.12	713,636.97
Loss on divestiture of investments			
Revaluation of investments			
Other	1,331,031.84	510,398.47	19,884.66
	<u>1,401,944.75</u>	<u>1,019,220.59</u>	<u>733,521.63</u>
<b>Result of extraordinary events</b>	0.00	-23,113.93	-6,337.42
<b>Gross profit</b>	1,200,793.57	1,789,635.05	138,280.52
Commercial income tax	412,700.89	225,568.29	
<b>Net profit</b>	<u><u>788,092.68</u></u>	<u><u>1,564,066.76</u></u>	<u><u>138,280.52</u></u>