



Sarantis Polska S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2014**

**The opinion contains 2 pages
The supplementary report contains 9 pages
Opinion of the independent auditor
and supplementary report on the audit
of the financial statements
for the financial year ended
31 December 2014**



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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Sarantis Polska S.A.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Sarantis Polska S.A., with its registered office in Piaseczno, ul. Puławska 42C ("the Company"), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Company is responsible for the correctness of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and with other applicable regulations and preparation of the report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), Management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

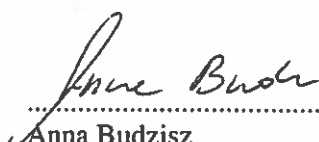
In our opinion, the accompanying financial statements of Sarantis Polska S.A. have been prepared and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

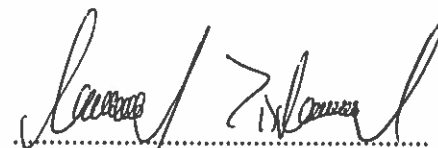
Specific Comments on Other legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the accompanying report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw


.....
Anna Budzisz
Key Certified Auditor
Registration No. 11120


.....
Andrzej Ziabrowski
Limited Liability Partner
with power of attorney

18 February 2015

Sarantis Polska S.A.

**Supplementary report
on the audit of the
financial statements
Financial Year ended
31 December 2014**

**The supplementary report contains 9 pages
The supplementary report on audit
of the financial statements
for the financial year ended
31 December 2014**

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Contents

1.	General	3
1.1.	General information about the Company	3
1.1.1.	Company name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the register of entrepreneurs of the National Court Register	3
1.1.4.	Management of the Company	3
1.2.	Key Certified Auditor and Audit Firm Information	3
1.2.1.	Key Certified Auditor information	3
1.2.2.	Audit Firm information	3
1.3.	Prior period financial statements	4
1.4.	Audit scope and responsibilities	4
2.	Financial analysis of the Company	6
2.1.	Summary analysis of the financial statements	6
2.1.1.	Statement of financial position	6
2.1.2.	Statement of comprehensive income	7
2.2.	Selected financial ratios	8
3.	Detailed report	9
3.1.	Accounting system	9
3.2.	Notes to the financial statements	9
3.3.	Report on the Company's activities	9

1. General

1.1. General information about the Company

1.1.1. Company name

Sarantis Polska S.A.

1.1.2. Registered office

ul. Puławska 42C
05-500 Piaseczno

1.1.3. Registration in the register of entrepreneurs of the National Court Register

Registration court: District Court for the Capital City of Warsaw in Warsaw,
XIV Commercial Department of the National Court
Register
Date: 24 April 2003
Registration number: KRS 0000158603
Share capital as at
the end of reporting period: PLN 34,400,000.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2014, the Management Board of the Company was comprised of the following members:

- Kyriakos Sarantis – President of the Management Board,
- Konstantinos Rozakeas – Vice president of the Management Board,
- Nikos Evangelou – Vice president of the Management Board.

1.2. Key Certified Auditor and Audit Firm Information

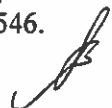
1.2.1. Key Certified Auditor information

Name and surname: Anna Budzisz
Registration number: 11120

1.2.2. Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City of Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.



1.3. Prior period financial statements

The financial statements for the financial year ended 31 December 2013 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The financial statements were approved at the General Meeting on 12 May 2014 where it was resolved to allocate the net profit for the prior financial year of PLN 16,356.7 thousand to reserve capital, with the stipulation that it can be used for payment of dividend to Shareholder.

The financial statements were submitted to the Registry Court on 13 June 2014.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of Sarantis Polska S.A. with its registered office in Piaseczno, ul. Puławska 42C and relates to the financial statements comprising: the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The audited Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the Extraordinary General Meeting dated 1 January 2007.

The financial statements were audited in accordance with the contract dated 23 September 2014, concluded on the basis of the resolution of the Supervisory Board dated 3 September 2014 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the financial statements at the Company during the period from 17 November 2014 to 19 November 2014 and from 2 February 2015 to 9 February 2015.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated as at the same date as this report as to the true and fair presentation of the accompanying financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.



All required statements, explanations and information were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).



2. Financial analysis of the Company

2.1. Summary analysis of the financial statements

2.1.1. Statement of financial position

ASSETS	31.12.2014 PLN '000	% of total	31.12.2013 PLN '000	% of total
Non-current assets				
Property, plant and equipment	5,073.1	3.6	6,563.8	4.3
Intangible assets	13,171.5	9.4	13,725.9	9.0
Perpetual usufruct right	1,463.0	1.0	1,463.0	1.0
Deferred tax assets	1,502.1	1.1	2,726.9	1.8
Total non-current assets	21,209.7	15.1	24,479.6	16.1
Current assets				
Inventories	39,982.0	28.5	36,045.6	23.7
Trade and other receivables	70,739.2	50.3	74,893.6	49.3
Other assets	2,785.7	2.0	2,550.4	1.7
Cash and cash equivalents	5,728.7	4.1	14,042.5	9.2
Total current assets	119,235.6	84.9	127,532.1	83.9
TOTAL ASSETS	140,445.3	100.0	152,011.7	100.0
EQUITY AND LIABILITIES				
	31.12.2014 PLN '000	% of total	31.12.2013 PLN '000	% of total
Equity				
Share capital	34,400.0	24.5	34,400.0	22.6
Share premium	1,055.6	0.8	1,055.6	0.7
Retained earnings	44,553.6	31.7	46,135.9	30.4
Total equity	80,009.2	57.0	81,591.5	53.7
Liabilities				
Deferred tax liabilities	1,404.3	1.0	1,065.3	0.7
Other non-current liabilities	352.5	0.2	1,079.6	0.7
Total non-current liabilities	1,756.8	1.2	2,144.9	1.4
Trade and other payables	52,340.9	37.3	55,590.1	36.6
Income tax payable	108.8	0.1	2,148.8	1.4
Accruals and deferred income	6,229.6	4.4	10,536.4	6.9
Total current liabilities	58,679.3	41.8	68,275.3	44.9
Total liabilities	60,436.1	43.0	70,420.2	46.3
TOTAL EQUITY AND LIABILITIES	140,445.3	100.0	152,011.7	100.0

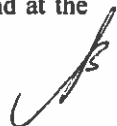
2.1.2. Statement of comprehensive income

	1.01.2014 - 31.12.2014 zł '000	% of total sales	1.01.2013- 31.12.2013 zł '000	% of total sales
CONTINUING OPERATIONS				
Revenue	297,490.0	100.0	315,915.5	100.0
Other revenues	1,086.9	0.4	1,558.0	0.4
Operating expenses				
Change in inventory position	298.2	0.1	311.8	0.1
Cost of products produced for internal use	3,105.5	1.0	1,711.5	0.5
Depreciation	(2,354.5)	0.8	(2,631.4)	0.8
Materials and energy	(61,254.5)	20.6	(63,950.1)	20.2
External services	(67,328.2)	22.6	(84,974.4)	26.9
Taxes and charges	(284.1)	0.1	(356.3)	0.1
Payroll	(16,939.5)	5.7	(16,758.3)	5.3
Social security and other benefits	(2,980.6)	1.0	(2,925.7)	0.9
Other expenses by kind	(889.6)	0.3	(592.2)	0.2
Cost of merchandise and raw materials sold	(126,394.4)	42.5	(124,654.8)	39.5
Other expenses	(717.7)	0.2	(1,537.0)	0.5
	(279,143.1)	92.7	(298,380.2)	93.8
Results from operating activities	22,837.5	7.7	21,116.6	6.7
Finance income	265.4	0.1	296.1	-
Finance expense	(1,086.0)	0.4	(802.3)	0.2
Net finance income/expense	(820.6)	0.3	(506.2)	0.2
Profit before tax	22,016.9	7.4	20,610.4	6.5
Income tax expense	(4,231.1)	1.4	(4,253.7)	1.3
Profit for the period	17,785.8	6.0	16,356.7	5.2
Total comprehensive income for the period	17,785.8	6.0	16,356.7	5.2
Profit attributable to:				
Owners of the Company	17,785.8	6.0	16,356.7	5.2
Total comprehensive income attributable to:				
Owners of the Company	17,785.8	6.0	16,356.7	5.2

2.2. Selected financial ratios

	2014	2013	2012
1. Return on sales			
<u>profit for the period x 100%</u> revenue	6.0%	5.2%	4.0%
2. Return on equity			
<u>profit for the period x 100%</u> equity - profit for the period	28.6%	25.1%	16.6%
3. Debtors' days			
<u>average trade receivables (gross) x 365 days</u> revenue	87 days	88 days	94 days
4. Debt ratio			
<u>liabilities x 100%</u> equity and liabilities	43.0%	46.3%	40.6%
5. Current ratio			
<u>current assets</u> current liabilities	2.0	1.9	2.1

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.



3. Detailed report

3.1. Accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system which have not been corrected and that could have a material effect on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

3.2. Notes to the financial statements

All information included in the notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the financial statements.

3.3. Report on the Company's activities

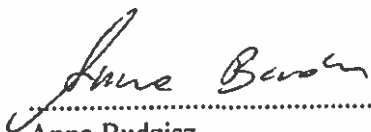
The report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

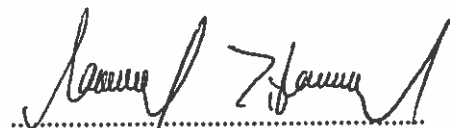
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Andrzej Ziabrowski
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18 February 2015