

Sarantis Polska Group

ASSETS IN €			Acquisition Value	Accumulated Depreciation	Net Value	LIABILITIES IN €			Net Value
A Capital Due						A Owners Equity			
B Installation Expenses						A I Capital			
B 1	First Installation Expenses					A I 1	Paid-In Capital		7,466,400.00
B 2	Foreign Exchange Differences of Loans to Acquire Assets					A I 2	Capital Due		
B 3	Interest Expenses of Loans of Installation Period					A I 3	Depreciated		7,466,400.00
B 4	Other Installation Expenses					A II Paid In Capital in Excess of Par			
B	Installation Expenses					46,064.69			
C Fixed Assets						A III Revaluations & Grants			
C I Intangible Assets						A III 1 Revaluations of Participations & Securities			
C I 1	Research & Development Costs					A III 2 Revaluations of Other Assets			
C I 2	Property Rights					A III 3 Investment Grants			
C I 3	Company Goodwill					A IV Reserves			
C I 4	Advances for Intangible Assets					A IV 1	Legal Reserves		2,551.36
C I 5	Other Intangible Assets	608,732.02	499,307.22	109,424.80		A IV 2	Statutory Reserves		
C I 5a	Consolidation Differences	777,427.16	414,627.82	362,799.34		A IV 3	Special Reserves		
		1,386,159.18	913,935.04	472,224.14		A IV 4	Extraordinary Reserves		
C II Tangible Assets						A IV 5 Tax Free Reserves			
C II 1	Land	358,137.50		358,137.50		A IV 6	Reserves for Own Shares		2,820,323.03
C II 2	Mines					A IV 7	Consolidation Differences		
C II 3	Buildings - Technical Works	1,282,042.63	499,915.76	782,126.87		A IV 8	Depreciation of Goodwill in Affiliated Companies		
C II 4	Equipment	122,624.18	87,452.72	35,171.47		A V Carried Forward Results			
C II 5	Means of Transportation	1,282,829.39	426,303.50	856,525.89		A V 1a	Results of Previous Periods		-3,044,776.65
C II 6	Furniture	221,145.90	149,976.06	71,169.84		A V 1b	Results of Current Period		474,512.92
C II 7	Assets Under Construction	910.66		910.66		A V 2	Plus / (Less) Consolidation Recalculation		
		3,267,690.27	1,163,648.04	2,104,042.23		A V 3	Recalculation of Previous Periods' Results		
Tangible & Intangible Assets (C I + C II)						A V 4 Recalculation of Current Periods' Results			
		4,653,849.45	2,077,583.08	2,576,266.37		A V 5	Tax Penalties for Previous Periods		-2,570,263.73
C III Participations & Other Long Term Claims						A VI Amounts for Capital Increase			
C III 1	Participation in Affiliated Companies					A VI 1	Shareholders' Deposits		819,100.80
C III 2	Participation in Other Companies					A VI 2	Available Dividends		819,100.80
C III 2a	Less: Installments Due					A VII FX Difference from Translation of International Affiliates			
C III 3	Long Term Claims from Affiliated Companies					A VIII Consolidation Differences			
C III 4	Long Term Claims from Other Participating Companies					A VIII 1 Less: Transfer to Consolidated Results			
C III 5	Long Term Notes Receivables					A Total Owner's Equity			
C III 5a	Less: Non-earned Interest					8,584,176			
C III 6	Other Titles of Assets' Nature					B Provisions			
C III 7	Other Long Term Claims					B 1	Provision for Identification of Personnel		
C Fixed Assets (C I + C II + C III)						B 2 Other Provisions			
		4,653,849.45	2,077,583.08	2,576,266.37		B 3	Provisions for Tax (art 105, par 5, L.2190/20)		
D Working Capital						B Provisions			
D I Stock						C Liabilities			
D I 1	Merchandise			3,781,009.31		C I	Long Term Liabilities		
D I 2	Ready and Partly-made Products					C I 1	Bonds		
D I 3	Work in Progress					C I 2	Bank Loans		
D I 4	Auxiliary Material					C I 3	Depository Institute Loans		
D I 5	Advances to Suppliers					C I 4	Long Term Liabilities to Affiliated Companies		
				3,781,009.31		C I 5	Long Term Liabilities to Other Companies		
D II Claims						C I 6 Banks, Long Term Credit			
D II 1	Customers		10,326,625.06			C I 7	Long Term Notes Payable		
D II 1a	Less: Bad Debt Provisions		5,704.08			C I 7a	Less: Non-earned Interest		14,840.63
D II 2	Notes Receivable			10,320,920.98		C I 8	Other Long Term Liabilities		14,840.63
D II 2a	In Portfolio					C II Short Term Liabilities			
D II 2b	In Banks to Collect					C II 1a	Suppliers (Gr. Sarantis SA)		1,945,742.51
D II 2c	In Banks as Pledge					C II 1b	Suppliers (Other Sarantis Group Companies)		
D II 3	Notes Receivable Delayed					C II 1c	Suppliers (Tridentstar)		
D II 3a	Checks Receivable					C II 1d	Suppliers (Other)		4,309,162.30
D II 3b	Checks Delayed					C II 2	Notes Payable		
D II 4	Capital Receivable at Next Financial Period					C II 2a	Checks Payable		
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					C II 3a	Banks, Short Term Liabilities in Foreign Currency		
D II 7	Claims against Management					C II 4	Customer Advances		
D II 8	Blocked Bank Accounts					C II 5	Tax Liabilities		184,360.56
D II 9	Long Term Claims Receivable at Next Financial Period					C II 5a	Tax from Affiliates Dividends		
D II 10	Doubtful Debts		723,639.54	1,804.61		C II 6	Social Security		86,027.39
D II 10a	Less: Provisions		721,834.93	106,945.12		C II 7	Short Term Liabilities Payable at Next Financial Period		
D II 11	Sundry Debtors			106,945.12		C II 8	Short Term Liabilities to Affiliated Companies		
D II 12	Advances			10,459,825.53		C II 9	Short Term Liabilities to Other Companies		16,018.49
D III Securities						C II 10 Dividends Payable			
D III 1	Shares			6,793.20		C II 11	Sundry Creditors		94,755.88
D III 2	Bonds					C Liabilities (C I + C II)			
D III 3	Other Securities					8,648,530.77			
D III 4	Own Shares					D Liabilities Transitional Accounts			
D III 4a	Less: Installments Due			6,793.20		D 1	Deferred Income		82,545.34
D IV Cash & Banks						D 2 Accrued Expenses			
D IV 1	Cash			7,882.92		224,210.09			
D IV 2	Share Coupons Receivable					D 3 Other Transitional Accounts			
D IV 3	Banks			505,496.01		15,429.75			
				513,378.94		D Transitional Accounts			
D Working Capital (D I + D II + D III + D IV)						322,185.18			
E Assets Transitional Accounts						E			
E 1	Deferred Expenses			70,011.24		217,618.77			
E 2	Accrued Income			51,587.04		TOTAL ASSETS (A + B + C + D + E)			
E 3	Other Transitional Accounts			96,020.49		17,554,892.11			
E	Transitional Accounts			217,618.77		Total Liabilities (A + B + C + D)			
						17,554,892.11			

Marta Szczepkowska
Finance Manager

Adam Pucacz
General Manager

The Opinion of an independent chartered auditor expressed after audit of the consolidated financial statements of the Group of SARANTIS POLSKA S.A. for the period from 1ST January 2004 to 31ST December 2004

For the Shareholders and for the Supervisory Board of SARANTIS POLSKA S.A. seated in Piaseczno, at 42C Puławska street.

We have audited the group consolidated financial statements of Sarantis Polska S.A. seated in Piaseczno, at 42C Puławska Street, where Sarantis Polska S.A. seated in Piaseczno, at 42C Puławska Street, is a parent company. Those financial statements are composed of the following instruments:

- The Preamble for the financial statements;
- Consolidated Balance Sheet as of 31st December 2004, in which on both assets and liabilities sides the amount of PLN 72,364,268.28 is declared;
- Consolidated Profit & Loss Account for the financial year from 1st January 2004 to 31st December 2004, in which the net profit of PLN 2,529,908.84 is declared;
- The Statement of Changes in Consolidated Equity Capital for the financial year from 1st January 2004 to 31st December 2004, in which increase of equity capital by the amount of PLN 2,717,551.32 is declared;
- Consolidated Cash Flow Statement in which increase in net cash for the period from 1st January 2004 to 31st December 2004, by the amount of PLN 512,450.77, is declared;
- Notes (Additional Information Sheet and Explanations).

The Management Board of the parent company is responsible for execution of those consolidated financial statements.

Our task was to audit and to express an opinion about truthfulness, fairness, correctness and transparency of the financial statements.

We have carried out audit proceedings in accordance with:

- 1) the Chapter 7 of the Accountancy Act dated 29th 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 consolidated financial statements.

In particular, this audit was intended to check whether accounting rules adopted by correlated companies (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 consolidated financial statements – mostly with the use of a “check at random” method. The scope of our audit included also the overall appraisal of the consolidated financial statements having been presented.

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

In a result of auditing, we have found that the consolidated financial statements include the financial statements of a subsidiary company, when such financial statement are not subjected to audit proceedings. Balance Sheet total declared in those statements constitutes 4% of Balance Sheet total declared in the consolidated financial statements, whereas the financial result declared in those

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André Helin, Krystof Zorde
Anna Bernaziuk, Leszek Kramarczuk,
Krystyna Sakson, Hanna Sztuczyńska,
Krzysztof G. Szymański
KRS: 0000058463
Kapitał zakładowy: 741.950 zł

financial statements constitutes 16% of the financial result declared in the group financial statements. Therefore, our opinion does not concern the part of the consolidated financial statements related to a subsidiary company, the financial statements of which have been excluded from the process of auditing.

Except the above reservation, we believe that the consolidated 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 the Group as of 31st December 2004 as well as its financial results for the financial year from 1st January 2004 to 31st December 2004;
- have been prepared, in all material aspects, in accordance with accounting rules specified in the abovementioned Act (accountancy policy), in particular, in accordance with Chapter 6 thereof, and in accordance with the Regulation on detail rules for preparation of group financial statements by companies other than banks and insurance companies, released by the Minister of Finance, on 12th December 2001, on the ground of the abovementioned Act (Journal of Acts no. 152 of 2001, item 1729);
- are compliant with relevant regulations applicable to groups of companies when such regulations affect the content of the consolidated financial statements concerned.

We do not report any other qualifications and we would like to draw attention to the fact that the consolidated financial statements for 2003 have not been filed with the Registration Court.

The opinion on the financial statements of Netwest Poland S.A. (a subsidiary company) has been expressed and the following note has been included: "We would like to draw attention to the fact that, as it has been mentioned in Directors' Report, despite of financial standing of the Company suggesting that the scope of its business operations has been limited remarkably (as of the date of auditing), the Company is going to continue distribution in particular segments of the market of cosmetics. According to the Management Board, some new lines of products might be launched or a business profile of the Company might be changed. A final decisions is up to the owner of the Company.

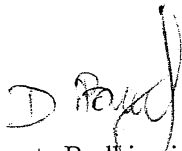
In the progress of auditing, we have found that in the category of outstanding receivables uncovered by write-down allowances, there are receivables payable to the parent company and the amount of them is quite remarkable.

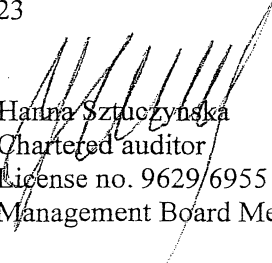
Despite of outstanding receivables, the Management Board of the Company, that is familiar with financial standing of the entire Group of Companies, decided that payment of the abovementioned receivables is not threatened."

Directors' Report for the Group 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 consolidated financial statements – are consistent with figures and data declared in the consolidated financial statements having been audited.

Warsaw, 11th February 2005

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