



**Financial Statement of Sarantis Polska S.A.
for the period
from 01.01.2011 to 31.12.2011**

INTRODUCTION TO THE FINANCIAL STATEMENT THE GENERAL INFORMATION

1. Name , address, the basic object of the activity of the Company

The subject of the Company's activity is mainly the sales activity in the scope of household articles made of artificial materials and skin care cosmetics.

The Company was registered on 24.01.1991 by the District Court in Warsaw under the number RHB 25872.

The Company was entered in the National Court Register of Entrepreneurships on 16.11.2001 under the number 0000050586.

On 24.04.2003 the Company was transformed to Joint Stock Company – entered in the National Court Register of Entrepreneurships under the number 0000158603.

On 24.10.2004 the Company changed it's name to Sarantis Polska S.A.

Company address

ul. Puławska 42 c
05-500 Piaseczno

Main Warehouse address

Moszna Parcela
05-840 Brwinów

2. Management Board of the Company

On 31 December 2011 the Management Board is composed of :

Kyriakos Sarantis – President of the Board
Konstantinos Rozakeas – Vice President of the Board
Nikos Evangelou - Vice President of the Board

President of the Board acting independently or two Vice-Presidents acting jointly are authorized to represent a company.

3. Supervisory Board

The composition of the Supervisory Board as at 31 December 2011 was as following:

Grigórios Sarantis
Konstantinos Stamatou
Pantazis Sarantis
Vasileios Meintanis



4. Statutory auditor

KPMG Audyty Sp. z o. o. sp. k.
ul. Chłodna 51
00-867 Warszawa

5. Name of the parent company

GR Sarantis Cyprus Ltd. , Cyprus

6. Name of the ultimate parent company

GR Sarantis SA, Greece

7. Principles of presentation

Information on principles adopted for preparation of financial statement for 2011

From 1 January 2007, Sarantis Polska S.A., acting under Resolution No. 1 of the Extraordinary General Shareholders' Meeting of Sarantis Polska S.A. of 16 November 2007 (adopted in compliance with Art. 45 1c of the Accounting Act), has prepared its statutory unconsolidated financial statements in accordance with IFRS approved by the European Commission.

The financial statements have been prepared in accordance with accounting principles contained in the International Financial Reporting Standards adopted by the European Union. The financial statements cover the period from 1 January to 31 December 2011 and the comparative period from 1 January to 31 December 2010.

The financial statements are compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as at 31 December 2011 and 31 December 2010, results of its activity and cash flows for the year ended 31 December 2011 and 31 December 2010.

8. Statement of the Management Board

1) The Management Board of Sarantis Polska S.A. hereby honestly and sincerely declares that to the best of its knowledge the foregoing financial statements and comparative data were prepared in compliance with International Financial Reporting Standards adopted by the European Union (IFRS). The statements reflect true and fair view on financial position and its financial result of Sarantis Polska S.A. and that the Management Board Commentary on the Company's Operations presents true overview of Company's development, achievement and business situation of Company, including basic risks and exposures.

2) The Management Board of Sarantis Polska S.A. declares that the entity, authorized to audit and conducting the audit of financial statements, was selected in compliance with the law and that entity and auditors conducting the audit met the conditions to issue an independent opinion in compliance with relevant regulations of the domestic law.

Piaseczno, 10th February 2012.

The Management Board:

President of the Board

Kyriakos Sarantis

Vice President of the Board

Nikos Evangelou

Vice President of the Board

Konstantinos Rozakeas

9. Significant accounting principles

Basic of the financial statement

Financial statement of Sarantis Polska S. A. is prepared in accordance with International Accounting Standards adopted by European Union. The statement was prepared with assuming that company will be continue its activity in the nearest future. On the day in which this statement was accepted there is no circumstances indicate danger for continue of business activity of Company.

Functional currency and presentation currency of financial statements

The finance statement is presented in polish zlotys after the round to full sums. The polish zloty is a functional and reporting currency of the Company.

Judgments and evaluations

Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required from the Management Board. Evaluations and assumptions based on the historical experiences and other factors rationally justified, their results allow to estimate balance sheet value of assets and liabilities. Real value can be different from estimated value. Evaluations and assumptions are currently verifying. Change in accounting estimations is included in the period in which the accounting estimations were changed or in the current and future periods.

Fixed assets

Fixed assets, excluding land and investment property, are estimatated at cost which consists acquisition cost and direct costs related to bringing the fixed asset into use. Fixed assets are depreciated and subject to impairment allowances. The cost of current maintenance of property, plant and equipment is recorded in the financial result during the period when they are incurred. The cost of significant repairs and regular maintenance programs is recognized as property, plant and equipment and depreciated in accordance with their economic useful lives. Depreciation of property, plant and equipment starts sins it is available for use that means is it in the location and condition necessary for it to be capable of operating. The beginning of the depreciation starts not later than one month after acquisition date and follows in the manner intended by the management, over the period reflecting their estimated economic useful life. The correctness of applied periods , depreciation rmethods and residual value of fixed assets is verified on each balance sheet day and respective adjustments are made if it is necessary.

The following types of useful life are used for fixed assets:

Buildings and constructions 10 - 40 years

Machinery and equipment 2 - 10 years

Vehicles and other 2 - 5 years

If there have been events or changes which indicate that the carrying amount of fixed assets may not be recoverable, the assets are analyzed. If there are indications of impairment, the company makes estimation of recoverable amounts of particular assets. Loss is included if accounting value of asset is higher than estimated recoverable value.

The recoverable amount of property, plant and equipment reflects the higher of the following values: net selling price and value in use. Impairment allowances are recognized as other operating costs in the profit and loss.

Profit and loss resulting from the removal tangible fixed asset from the balance sheet, are calculated on the basis of difference between net incomes from disposal, and balance sheet value and shown like income or cost in the profit and loss account.

Finance lease

A lease contract, under IAS 17, is regarded as a finance lease if it transfers substantially all risks and rewards incidental to ownership of the leased asset.

Assets used under lease, tenancy, rental or similar contracts which meet the criteria defined in IAS 17, "Leases, are regarded as non-current assets and recognized at the lower of fair value of the leased asset at the commencement of the lease term and the present value of the minimum lease payments.

Depreciation methods for leased assets being depreciated are consistent with normal depreciation policies applied for similar Company owned assets and depreciation is calculated in accordance with IAS 16 and IAS 38. If it is not certain that the lessee will obtain title to the asset before the end of the lease term, the asset is depreciated over the shorter of the lease term and the asset's economic useful life.

Intangible assets

Intangible assets are recognized if it is probable that expected future economic benefits, which are directly attributable to the assets, will cause increasing of entity. Initially intangible assets are stated at acquisition or construction cost. After initial recognition, intangible assets are measured at acquisition or construction cost less amortization and impairment allowances. Intangible assets with a definite useful life are amortized when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management over their estimated economic useful life. The correctness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods. Intangibles with indefinited useful life are not subjected to depreciation. Their value is reduced by potential impairment allowances.

The standard economic useful lives for amortization of intangible assets are following:

Acquired licenses, patents, and similar intangible assets 2 - 50 years

Acquired computer software 2 - 25 years

Other intangible assets are verified in terms of impairment allowances at the end of each reporting period. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or the related cash-generating units is decreased to the recoverable amount. The recoverable amount of those assets is the higher of the following values net selling price and their value in use.

Financial instruments

Financial instruments different than derivatives

Receivables and deposits are included in date of origin. All other financial assets (with assets valued at fair value by financial results) are included in transaction date, which is a day, when the Company starting to be a part in mutual obligations regarding particular financial instruments.

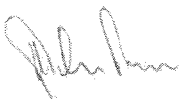
At the moment of the expiry of rights resulted from the resolution about cash flows from this asset or starting from the moment in which the rights to cash flows from the financial asset are transferred in transaction transferring generally all important risks and benefits resulted from its ownership. Each share in transferring financial assets which is created or is in the Company's ownership is treated as a component of assets or as a liability.

Financial assets and liabilities are compensated and presented in financial statement in net amount only, when the Company has valid title to compensation of particular financial assets and liabilities or is going to settle given transaction of compensating financial assets and liabilities in net amount or is going to settle financial liabilities and at the same time realize financial assets.

Investments are classified by the Company in following categories: financial instruments estimated by financial results at fair value, investments retained until the maturity term, receivables and loans and financial assets available to sale.

Financial instruments estimated by financial results at fair value

Financial assets are classified as the investment valued at fair value by the financial results, when they are designated to turnover or are designated to valuation at fair value in the initial moment of presentation. Financial assets are classified to assets valued at fair value by financial results when the Company manages such investments actively and decides about sale and buy of them based on their fair value. These transactional costs are allocated directly to profit or loss of current period at the moment in which they has been incurred. Financial assets valuated at fair value by financial results are valuated as fair value. All profits and loss are included in profit and loss of current period. Financial assets valued at fair value by the financial results included capital securities, which in other case will be classified as designated to sale.



Investments retained until the maturity term

In case when the company has possibility and intention to hold debt securities are hold to maturity term, they are classified as a financial assets held to maturity term. At the beginning all financial assets held to maturity term are presented in fair value increased by direct costs. Evaluation of financial assets is realized in accordance to amortized cost with effective interest rate method, after the decreasing by the potential impairment losses. Sale or reclassification significant amount of financial assets held to maturity term in other term causes reclassification of all investments held to maturity term to investments available to sale and prohibition on presenting acquired investments as financial assets held to maturity term until the end of financial year and for the next two years. Financial assets held to maturity term included bonds.

Receivables and loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Except the assets with the maturity date above 12 months after the balance sheet date, receivables and loans are designate as current assets. Trade receivables and other receivables are evaluated in amount of the amortized costs with using effective interest rate decreased by allowances for bad debts

Financial assets not available to sale

Derivates are initially included at fair value, belonging costs are included at the moment of incurring in profits or losses of current period. After the initial presentation, the Company values the derivatives at fair value, profits and losses resulted from the changes of fair value are included in the mentioned below manner.

When the derivative is not designated as the security instrument, all changes of its fair value are immediately included in profit and loss of current period.

Inventories

Inventories are measured at the lower of cost and net realizable value, considering any inventory allowances. The net realizable value is the selling price estimated in the ordinary course of business activity less the estimated costs of completion and the estimated selling costs.

Cost of usage is determined based on the weighted average costs formula.

Receivables

Trade receivables and other receivables are presented when the determined amounts become due to Company. Trade receivables and other receivables evaluated in payment date with consideration of allowances for bad debts. Non-collectible receivables are deducted into the profit and loss account at the time of declaring that they are non-collectible.

Cash and pecuniary equivalent

Cash contained cash in hand and at the bank. Pecuniary equivalent are short-term investments which are fluid, convertible on known amounts of cash and exposed to small risk of change the value. Cash is evaluated in the nominal value which is accordance with the fair value.

Trade Incomes

Probability of derived economic benefits and possibility to determine the amount of income let the Company recognize the incomes. Trade incomes are evaluated in net value after the reduction by tax on goods and services and discounts. The amount of incomes is evaluated in the fair value. Particular items of Company's costs are decreased by the reinvoiced amounts which are not an income.

Equity capital

Equity capital is divided by the types accordance with law rights and resolutions of Company Statute. Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Declared but no made contributions are included by due contributions to the initial capital. Own founds of the Company are decreased by due contributions to the share capital. The capital from issuance of shares above their nominal value is created from the surplus of the issue price of shares above their nominal value less costs to this issue. Non-divided profits for the previous years and the current results (profits) are presented in the financial statement as the detained profits.

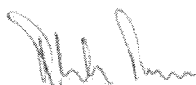
Loans and credits

Loans and credits are presented in the fair value of received inflows decreased by the costs of transactions. Loans and credits are valued at the amortized acquisition price in accordance with effective interest rate.

Transactions in foreign currency

Transactions in foreign currency are carried out in accordance with exchange rate :

- 1) used in fact in this day, resulted from character of operation, in case sale or purchase of currencies and incoming and outgoing payments,
- 2) average, published for particular currency by National Bank of Poland from the previous day from the day of outgoing or incoming payments, if the using of the exchange rate from the point 1 is not possible and for the other operations.



Sarantis Polska S.A Financial Statement for the year 2011

Exchange rate differences and evaluations of financial assets and liabilities on the balance sheet date, in accordance with National Bank of Poland exchange rate on this day are presented as financial costs or incomes in the profit and loss account.

Assets and liabilities non-cash, included in accordance with historical cost expressed in foreign currency are presented with historical exchange rate from the transaction day. Assets and liabilities non-cash included in accordance with fair value, expressed in foreign currency are calculated by exchange rate from the valuation day.

Exchange rate differences came as a result of clearance of transactions in foreign currencies and valuation of assets and liabilities in cash at the balance sheet day are presented as financial costs or incomes in profit and loss account in net amount.

For the balance valuation the following exchange rates were adopted:

<i>Exchange rate at the day</i>	<i>31.12.2011</i>	<i>31.12.2010</i>
USD	3,4174	2,9641
EURO	4,4168	3,9603
CHF	3,6333	3,1639

Income tax

The income tax includes current part and deferred part. Current and deferred income tax is included in profit or loss of current period, except the case, when it regards merger of companies and items included immediately in equity or as a other total incomes.

Current tax is a expecting amount of liabilities or receivables from income tax which have to be taxed for particular year, calculated with the use of tax rates, legally or actually binding as of the reporting day and corrections of tax liability regarding previous years.

Deferred tax is included in connection with temporary differences between balance sheet value of assets and liabilities and their value calculated for tax purposes. Deferred tax is not included in following cases:

- temporary differences resulted from with initial presentation of assets or liabilities come from the transaction which is not a merger of companies and not has any influence for profit and loss of current period and for the income to tax,
- temporary differences resulted from the investments in affiliated companies to the extent in which there is no possibility to sell it in the foreseeable future,
- temporary differences resulted from the initial presentation of goodwill.

Deferred tax is valued with the use of tax rates, which in accordance with expectations are going to be used when the temporary differences will be reversed - legally or actually tax rules binding up to reporting day are the base of this.

Assets and provisions for deferred tax are compensated when the company has possible to execution legal title to conduct the compensation of current tax assets and provisions, subject to the assets and provisions for deferred tax regarding to the income tax, imposed by this same tax authority on this same tax payer or different tax payers, which are going to settle assets and provisions for deferred tax in net amount or at the same time realize assets and settle the provisions.

Component of assets from deferred tax for the purpose of transfer not settled amount tax loss and not used income tax relief and negative temporary differences is included to the extent in which there is possibility to have future income to tax, which allows for deduction of them.

Assets for deferred tax are reviewed as of the reporting day and they are reduced according to the possibility of generation profits in income tax, connected with them.

Fixed assets available to sale

Fixed assets available to sale satisfied a following criteria:

- The Management of the Board declared cooperation with a view to sale
- Assets are available to instantaneous sale in present condition
- Potential buyer is looked for
- Transaction of buying is highly probable and the transaction will be settle during the 12 months
- The trade price is rational and accordance with the current fair value
- Probability of introduction of changes into disposal plan is inconsiderable

If the criteria are met after the balance sheet date, the assets are not reclassified at the end of the reporting year prior to the designation for sale. The reclassification is reflected in the reporting period when the criteria are met. Depreciation is discontinued for the asset when it is designated for sale.

Assets held for sale are measured at the lower of the following values: net carrying value and the fair value decrease by selling costs.

Provisions

The Company shall recognize a provision when it has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimate may be made of the amount of the obligation. The provisions are reviewed at balance sheet date and adjusted to reflect the best current estimation.



Liabilities

Trade and other liabilities are measured at the due amount.

Contingent liabilities

Contingent liabilities are defined as obligations that arise from past events and which are dependent on occurrence or non-occurrence of some uncertain future events. Contingent liabilities are not recognized in the balance sheet however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote.

Application of the accounting principles

The above principles are applicable for comparative data.

Standards, Interpretations and amendments to published Standards that are not yet effective:

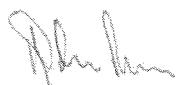
Amendments to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets

The company does not expect the amendments to IFRS 7 to have material impact on the financial statements - effective from 1st July 2011.

Impact of new standards and interpretations on the Company's unconsolidated financial Statements

The following new standards, changes and interpretations to International Financial Reporting Standards are waiting for acceptance of UE:

- IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First – time Adopters, this change will have not any influence on company's financial statements -effective from 1st July 2011;
- Amendments to IFRS 7 *Financial Instruments: Disclosures* - Offsetting Financial Assets and Financial Liabilities; the entity does not expect the Amendments to have any impact on the financial statements- effective from 1st January 2013;
- IFRS 9 –*Financial Instruments (2009)*, this change will have not any influence on company's financial statements - effective from 1st January 2013;
- Amendments to IFRS 9 *Financial Instruments (2010)* The company does not expect additions to IFRS 9 (2010) to have material impact on the financial statements - effective from 1st January 2015;
- IFRS 10 *Consolidated Financial Statements* and IAS 27 (2011) *Separate Financial Statements* - , this change will have not any influence on company's financial statements - effective from 1st January 2013;
- IFRS 11 – *Joint agreements* - this change will have not any influence on company's financial statements - effective from 1st January 2013;



Sarantis Polska S.A Financial Statement for the year 2011

- IFRS 12 – *Disclosure of investments in other entities* - this change will have not any influence on company's financial statements - effective from 1st January 2013;
- IFRS 13 – *Fair Value Measurement* - this change will have not any influence on company's financial statements - effective from 1st January 2013;
- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* - this change will have not any influence on company's financial statements - effective from 1st July 2012;
- Amendments to IAS 12 – *Income taxes - Deferred Tax: Recovery of Underlying Assets*- this change will have not any influence on company's financial statements- effective from 1st January 2012;
- IAS 19 – *Employee benefits* - this change will have not any influence on company's financial statements - effective from 1st January 2013;
- IAS 27 – *Separate financial statements* - this change will have not any influence on company's financial statements - effective from 1st January 2013;
- IAS 28 – *Investments in Associates and Joint Venutres*, this change will have not any influence on company's financial statements - effective from 1st January 2013;
- Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*, this change will have not any influence on company's financial statements - effective from 1st January 2013;

The Company evaluated effects of application of interpretations and changes in standards and identified that they had not the influence on the consolidated financial statement presented previously and value of equity capital.

Piaseczno, 10th February 2012.

The Management Board:

President of the Board

Kyrakos Sarantis



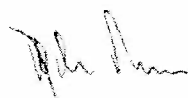
Vice President of the Board

Nikos Evangelou



Vice President of the Board

Konstantinos Rozakeas



Sarantis Polska S.A Financial Statement for the year 2011

BALANCE SHEET FOR THE PERIOD FINISHED ON 31.12.2011

ASSETS	Note	31 December 2011	31 December 2010
Fixed assets			
Property, plant and equipment	1	7 921 792	9 610 200
Intangible assets	2	14 762 819	14 944 246
Investments in affiliated entities		-	-
Perpetual usufruct of land	3	1 462 980	1 462 980
Deferred tax assets	4	1 418 883	2 319 968
Total fixed assets		25 566 474	28 337 394
Current assets			
Inventory	5	33 250 565	30 509 540
Trade and other receivables	6	85 253 913	86 738 021
Income tax receivable	7	1 991 124	-
Short-term prepayments	9	2 506 923	1 991 666
Cash and cash equivalents	10	4 206 520	4 628 495
Other financial assets	15	122 160	-
Total current assets		127 331 205	123 867 722
TOTAL ASSETS		152 897 679	152 205 116

The Management Board:

President of the Board

Kyriakos Sarantis



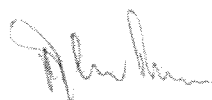
Vice President of the Board

Nikos Evangelou



Vice President of the Board

Konstantinos Rozakeas

Sarantis Polska S.A Financial Statement for the year 2011

LIABILITIES

Equity

Nominal share capital	11	34 400 000	34 400 000
Nominal share premium	11	1 055 603	1 055 603
Retained profits	12	52 156 941	36 401 181
Total equity		87 612 544	71 856 784

Long-term liabilities

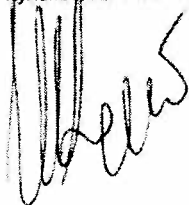
Deferred tax provision	4	440 412	76 760
Other long-term liabilities	14	2 028 890	3 117 661
Total long-term liabilities		2 469 302	3 194 421

Short-term liabilities

Trade and other liabilities	16	56 381 769	53 690 971
Interest-bearing loans and borrowings	14	382 257	11 897 969
Income tax payable		-	872 300
Other financial liabilities	15	-	17 017
Accruals and deferrals	9	6 051 807	10 675 654
Total short-term liabilities		62 815 833	77 153 911
Total liabilities		152 897 679	152 205 116

The Management Board:

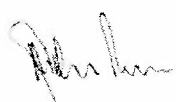
President of the Board
Myrtekos Sarantis



Vice President of the Board
Nikos Evangelou



Vice President of the Board
Konstantinos Rezakeas

Statement of completely incomes for the period finished on 31.12.2011

	Note	31 December 2011	31 December 2010
Continuing of activity			
Sales incomes	17	300 916 184	276 219 202
Other income	18	2 460 540	2 288 802
Change of the inventory balance		(561 215)	2 572 940
Cost of work performed by the entity for its own needs		1 279 274	714 032
Depreciation		(3 011 676)	(2 654 025)
Consumption of materials and power		(60 361 049)	(55 582 073)
External services		(75 541 629)	(73 249 311)
Taxes and fees		(370 781)	(343 029)
Salaries		(17 497 026)	(16 385 898)
Social insurance and other benefits		(2 915 068)	(2 562 695)
Other cost by nature		(570 359)	(617 307)
Value of sales of trade goods and materials		(121 618 361)	(108 209 760)
Other costs	19	(1 918 023)	(1 378 353)
Total cost on operating activity		(283 085 913)	(257 695 479)
Profit from operating activities		20 290 811	20 812 525
Financial revenues	20	205 254	433 414
Financial expenses	20	(1 679 526)	(1 089 206)
Net financial revenues and expenses		(1 474 272)	(655 792)
Profit before tax		18 816 539	20 156 733
Income tax expense	21	(3 060 779)	(4 222 138)
Net profit		15 755 760	15 934 595
Exchange rate differences from converting of foreign companies		-	-
Results of assets classified as held for sale evaluation		-	-
Accounting of securities		-	-
Results of update of fixed assets		-	-
Actuarial profits and losses		-	-
Share in other completely incomes of affiliated companies		-	-
Income tax regarding other completely incomes		-	-
Net other incomes		-	-
Total incomes		15 755 760	15 934 595
Net profit assigned			
Shareholders of parent company		15 755 760	15 934 595
Minority shareholders		-	-
Total completely income assigned:			
Shareholders of parent company		15 755 760	15 934 595
Minority shareholders		-	-

The Management Board:

President of the Board
Kyrakos Sarantis

Vice President of the Board
Nikos Evangelou

Vice President of the Board
Konstantinos Rozakeas

Sarantis Polska S.A Financial Statement for the year 2011

Cash flow statement for the period finished on 31.12.2011

	Note	01.01.2011- -31.12.2011	01.01.2010- -31.12.2010
Operational activity			
Gross profit from the business activity		18 816 539	20 156 733
Adjustments for:		(7 684 187)	(16 576 270)
<i>Non- cash:</i>			
Depreciation and impairment of property, plant and equipment		3 011 676	2 654 853
(Profit)/loss on account of foreign exchange differences		(138 999)	47 253
Profit from the sale of property, plant and equipment		(95)	(173 219)
Incomes from interest and shares in profits			(94 141)
Interest expenses		579 957	655 369
Other net items		-	-
Changes of working capital			
Increase/decrease in inventories		(2 741 025)	(9 705 904)
Increase in trade and other receivables	28	(1 697 867)	(20 143 101)
Increase in trade and other payables	28	3 100 737	8 055 316
Change in the value of accrued assets and transitional accounts		(5 139 105)	4 579 082
Income tax paid		(4 859 466)	(2 451 778)
Net cash flows from operating activities		11 132 352	3 580 463
Cash flows - investment activities			
Revenues generated from sale of fixed assets	28	68 183	287 132
Acquisition of tangible fixed assets and intangible assets	28	(1 079 112)	(12 590 228)
Inflows from repayment of granted loans by affiliated companies		3 168 240	
Loans granted to affiliated companies			
Received interest			
Net cash used in investing activities		2 157 311	(12 303 096)
Cash flow - financial activities			
Revenues due to credit and loans			9 340 980
Repayment of credit and loans		(11 515 712)	
Settlement of liabilities due to finance lease		(1 615 791)	(1 584 145)
Interest paid		(579 957)	(655 369)
Dividends paid			
Other net items			
Net cash provided by / (used in) financial activities		(13 711 460)	7 101 468
Net change in cash and cash equivalents		(421 797)	(1 621 167)
Effect of exchange rate changes		(178)	(13 843)
Balance sheet change in the cash value		(421 975)	(1 635 010)
Cash and cash equivalents on 1 January 2011		4 628 495	6 263 505
Cash and cash equivalents on 31 December 2011		4 206 520	4 628 495

The Management Board:

President of the Board
Kyriakos Sarantis



Vice President of the Board
Nikola Evangelou



Vice President of the Board
Konstantinos Rozakeas




STATEMENT OF CHANGES IN EQUITY

	Nominal share capital	Nominal share premium	Retained earnings	Total equity
Equity as at 1 January 2010	<u>34 400 000</u>	<u>1 055 603</u>	<u>20 486 586</u>	<u>55 922 189</u>
Net profit	-	-	15 934 595	15 934 595
Dividends paid	-	-	-	-
Equity as at 31 December 2010	<u>34 400 000</u>	<u>1 055 603</u>	<u>36 401 181</u>	<u>71 856 784</u>
Net profit	-	-	15 755 760	15 755 760
Dividends paid	-	-	-	-
Equity as at 31 December 2011	<u>34 400 000</u>	<u>1 055 603</u>	<u>52 156 941</u>	<u>87 612 544</u>

The Management Board:

President of the Board
Kyriakos Sarantis



Vice President of the Board
Nikos Evangelou



Vice President of the Board
Konstantinos Rozakias




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ADDITIONAL INFORMATION AND EXPLANATIONS

1. Tangible fixed assets

	31.12.2011	31.12.2010
Land		
Buildings, premises and structures of land and water engineering	1 385 037	1 439 392
Machinery and technical equipment	1 797 695	2 173 590
Transportation means	3 848 780	4 930 135
Other fixed assets	890 280	1 067 083
Fixed assets under constructions	-	-
Total tangible fixed assets	<u>7 921 792</u>	<u>9 610 200</u>

There are no tangible assets which are security for liabilities of the company at 31st December 2011 and at 31st December 2010.

Balance sheet value of tangible fixed assets which are using based on financial leasing agreement as at:

- 31 December 2010 – 5 177 124 zł
- 31 December 2011 – 3 853 760 zł

Financial leasing agreements are connecting with cars, which are use to Company's activity. Except tangible fixed assets included financial leasing agreements a rights to dispose of Company's tangible fixed assets are unlimited.

Changes in tangible fixed assets according to the category criterion:

Gross value of tangible fixed assets	Buildings, premises and structures of land and water engineering	Machinery and technical equipment	Transportation means	Other fixed assets	Fixed assets under construction	Total
Gross value as at 1st January 2010	1 829 539	5 898 748	7 577 543	1 468 180	-	16 774 010
Increases:	16 578	545 012	1 751 205	360 998	-	2 673 793
acquisition	16 578	456 112	1 751 205	360 998	-	2 673 793
transfer	-	88 900	-	-	-	-
Decreases::	88 900	148 408	1 312 342	513	-	1 550 163
sales	-	12 147	1 262 618	-	-	1 274 765
liquidation	-	136 261	49 724	513	-	186 498
transfer	88 900	-	-	-	-	88 900
Gross value as at 31st December 2010	1 757 217	6 295 352	8 016 406	1 828 665	-	17 897 640
Increases:	4 299	419 999	363 079	31 415	-	818 792
acquisition	4 299	419 999	363 079	31 415	-	818 792
transfer	-	-	-	-	-	-
Decreases::	-	440 446	288 783	6 057	-	735 286
sales	-	121 063	211 470	-	-	332 533
liquidation	-	295 161	77 313	6 057	-	378 531
transfer	-	24 222	-	-	-	24 222
Gross value as at 31st December 2011	1 761 516	6 274 905	8 090 702	1 854 023	-	17 981 146

Changes in tangible fixed assets according to the category criterion:

	Buildings, premises and structures of land and water engineering	Machinery and technical equipment	Transportation means	Other fixed assets	Fixed assets under construction	Total
Accumulated depreciation and impairment loss as at 31st January 2010	274 341	3 448 768	2 940 152	611 405	-	7 274 666
Increase::						
Depreciation for the year:	58 547	820 178	1 332 035	150 690	-	2 361 450
reclassifications	58 547	805 115	1 332 035	150 690	-	2 346 387
Decreases::						
sales	15 063	15 063	-	-	-	15 063
liquidation	-	147 184	1 185 917	513	-	1 348 677
reclassifications	15 063	12 147	1 166 027	513	-	1 178 174
		135 037	19 890			155 440
						15 063
Accumulated depreciation and impairment loss as at 31st December 2010	317 825	4 121 762	3 086 270	761 582	-	8 287 440
Increase::						
Depreciation for the year:	58 655	783 867	1 395 547	208 218	-	2 446 286
reclassifications	58 655	783 867	1 395 547	208 218	-	2 446 286
Decreases::						
sales	-	428 420	239 894	6 057	-	674 371
liquidation	-	119 719	189 245	-	-	308 964
reclassifications	-	291 041	50 649	6 057	-	347 747
		17 660				17 660
Accumulated depreciation and impairment loss as at 31st December 2011	376 480	4 477 209	4 241 922	963 743	-	10 059 354
Net accounting value:						
as at 1st January 2010	1 555 198	2 449 980	4 637 390	866 775	-	9 499 343
as at 31st December 2010	1 439 392	2 173 590	4 930 135	1 067 083	-	9 610 200
as at 31st December 2011	1 385 036	1 797 696	3 848 780	890 280	-	7 921 792

2. Intangible fixed assets

	31. 12.2011	31. 12.2010
Computer software	5 734 257	5 659 552
Trademarks, licenses	9 028 562	9 207 768
Advances for intangible fixed assets	-	76 926
Total intangible fixed assets	14 762 819	14 944 246

Changes of intangible fixe assets were following:

	Trademarks, licenses	Computer software	Expenditure for intangible fixed assets	Total
Gross value of intangible fixed assets				
Gross value as at 1st January 2010	322 300	1 986 962	3 411 154	5 720 416
Increases:	9 237 033	5 613 550	76 926	14 927 509
acquisition	9 237 033	2 202 395	76 926	11 516 354
reclassifications	-	3 411 154	-	3 411 154
Transfer:	-	-	3 411 154	3 411 154
sales	-	-	-	-
liquidation	-	-	-	-
reclassifications	-	-	3 411 154	3 411 154
Gross value as at 31st December 2010	9 559 333	7 600 511	76 926	17 236 770
Increases:	29 978	448 570	-	478 549
acquisition	29 978	424 349	-	454 327
reclassifications	-	24 222	-	24 222
Transfer:	-	-	76 926	76 926
sales	-	-	-	-
liquidation	-	-	-	-
reclassifications	-	-	76 926	76 926
Gross value as at 31st December 2011	9 589 311	8 049 082	-	17 638 393

	Trademarks, licenses	Computer software	Advances for intangible fixed assets	Total
Accumulated depreciation and impairment loss as at 31st January 2010	322 300	1 661 757	-	1 984 057
Increases:	29 265	279 202	-	308 467
acquisition	29 265	279 202	-	308 467
reclassifications	-	-	-	-
Transfer:	-	-	-	-
sales	-	-	-	-
liquidation	-	-	-	-
reclassifications	-	-	-	-
Accumulated depreciation and impairment loss as at 31st December 2010	351 565	1 940 959	-	2 292 524

Increases:	209 184	373 866	-	583 050
acquisition	209 184	356 206	-	565 390
reclassifications	-	17 660	-	17 660

Sarantis Polska S.A Financial Statement for the year 2011

Transfer:	-	-	-	-
sales	-	-	-	-
liquidation	-	-	-	-
reclassifications	-	-	-	-
Accumulated depreciation and impairment loss as at 31st December 2011	560 749	2 314 825	-	2 875 574
Net accounting value:				
as at 1st January 2010	-	325 205	3 411 154	3 736 359
as at 31st December 2010	9 207 768	5 659 552	76 926	14 944 246
as at 31st December 2011	9 028 562	5 734 257	-	14 762 819

In 2010 company bought the Kolastyna trademarks in amount 9,2 mln zł. Kolastyna brand is very recognizable mark on the Polish market. It gives a lot of possibilities for development of assortment. Sarantis Polska see a very optimistic and perspective way of Kolastyna brand development in its business plan. It also plans to start its resources to extend the assortment and strengthen power of this brand in the next years.

In accordance with strategic assumptions of Sarantis Polska S.A. is going to develop sales of products under the Kolastyna mark for at least 50 years.

The next important component of intangible fixed assets is SAP R3 software, which has been started to use in January 2010. Initial value of expenses for this software was 5,5 mln zł, accepted useful life – 22 years.

3. Perpetual usufruct

The Company use perpetual usufruct of land with 8 004 square meters which are property of the State Treasury and are located in Piaseczno, ul. Puławska 42C

4. Deferred tax

Deferred tax as at 31 December 2011 is resulting from:

Assets due to deferred tax	31.12.2011	31.12.2010
Accruals	1 147 683	2 025 783
Interest payables	-	36 098
Lease liabilities	200 915	213 806
Balance sheet evaluation in foreign currency	50 701	37 723
Assets for the temporary differences - assets	19 584	6 558
	1 418 883	2 319 968

Provision for deferred tax	31.12.2011	31.12.2010
Assets and liabilities valuation in foreign currency	76 690	26 717
Provision for the temporary differences - assets	363 722	50 043
	440 412	76 760

5. Inventories

	31.12.2011	31.12.2010
Trade goods	24 532 749	19 178 422
Finished products	4 234 308	4 795 523
Materials	4 483 508	6 535 595
	<u>33 250 565</u>	<u>30 509 540</u>

As at 31 December 2011 and 31 December 2010 has been not established any pledge on the inventories to secure the Company's liabilities. There was no write-down on inventories in the Company at the end of 2011 and 2010.

6. Trade receivables and other receivables

	31.12.2011	31.12.2010
Trade receivables from affiliated entities	7 072 947	4 539 609
Other receivables from the affiliated entities	-	3 168 240
Trade receivables from other entities	76 814 420	77 078 428
Other receivables	2 010 150	2 677 067
Allowances for bad debts	(643 604)	(725 323)
Short-term receivables:	<u>85 253 913</u>	<u>86 738 021</u>

Trade receivables are interest-free and their term of payment is 30-90 days. As at 31 December 2011 trade receivables in amount of 643 604 PLN have been considered as difficult to recover and constituted an allowance. Changes in allowances for bad debts were following:

	31.12.2011	31.12.2010
Change of state allowances for short-term bad debts		
Beginning of a period	725 323	913 692
Increases:	219 912	256 546
Usage	(161 584)	(224 888)
Decreases - termination	(140 047)	(220 027)
At the end of a period	<u>643 604</u>	<u>725 323</u>

Analysis of trade receivables overdue, but recoverable as at 31 December 2011 and as at 31 December 2010 is in the below table:

Year	Total	Not overdue	<i>Overdue, but recoverable</i>				
			< 30 days	30 - 60 days	60 - 90 days	90 -120 days	> 120 days
2010	80 922 318	76 610 668	3 565 078	464 695	122 374	51 903	107 600
2011	83 246 372	72 600 740	9 658 036	931 516	321	-	55 759

**Currency structure of short-term trade receivables
and other receivables**

	31.12.2011	31.12.2010
Receivables in the local currency	72 435 199	74 060 726
Receivables in the foreign currency	12 818 714	12 677 295
	<u>85 253 913</u>	<u>86 738 021</u>
	31.12.2011	31.12.2010
Receivables in EUR	10 931 360	10 551 226
Receivables in USD	1 627 579	1 290 774
Receivables in CHF	259 775	835 295
	<u>12 818 714</u>	<u>12 677 295</u>

Concentration of credit risk, connected with trade receivables is limited due to a lot of Company's clients and their dispersion, mainly in Poland.

7. Tax receivables

	31.12.2011	31.12.2010
Tax receivables	1 991 124	-
	<u>1 991 124</u>	<u>-</u>

8. Transactions with affiliated entities
Receivables from affiliated entities:

	31.12.2011	31.12.2010
Sarantis Czech Republic s.r.o.	492 826	312 027
Gr. Sarantis SA Greece	149 122	64 945
Sarantis Romania SA Romania	4 054 336	2 209 362
Sarantis D.O.O. Serbia	1 532 818	1 189 988
Sarantis Bulgaria Ltd. Bulgaria	587 202	465 354
Sarantis Hungary Kft. Hungary	256 643	297 933
Gr. Sarantis Cyprus Ltd.	-	3 168 240
	<u>7 072 947</u>	<u>7 707 849</u>

Liabilities towards affiliated entities:

	31.12.2011	31.12.2010
Sarantis Czech Republic s.r.o.	519 102	-
Gr. Sarantis SA Greece	3 397 290	10 438 102
Sarantis Romania SA Romania	597 420	-
Sarantis Hungary Kft. Hungary	12 507	244 627
	<u>4 526 319</u>	<u>10 682 729</u>

Income from the sales – affiliated entities

	31.12.2011	31.12.2010
Sarantis Czech Republic s.r.o.	2 368 816	1 329 849
Gr. Sarantis SA Greece	765 567	309 199
Sarantis Romania SA	8 287 009	4 777 861
Sarantis D.O.O. Serbia	6 544 813	3 680 641
Sarantis Bulgaria Ltd.	1 937 680	1 247 426
Sarantis Hungary Kft.	345 474	276 480
	20 249 359	11 621 456

Other revenues – affiliated companies.

	31.12.2011	31.12.2010
Sarantis Czech Republic s.r.o.	453 335	382 935
Sarantis Hungary Kft.	536 056	230 085
Gr. Sarantis S.A. Greece	181 446	-
GR Sarantis Cyprus Ltd	-	94 141
	1 170 837	707 161

Goods purchased from affiliated entities

	31.12.2011	31.12.2010
Sarantis Czech Republic s.r.o.	3 436 596	25 327
Gr. Sarantis SA Greece	17 680 405	19 542 494
Sarantis Romania SA	604 392	63 241
Sarantis Hungary Kft.	36 847	342 733
	21 758 240	19 973 795

9. Accruals and deferred income**Deferred charges - assets**

	31.12.2011	31.12.2010
Insurances	154 857	141 964
Subscriptions	90	2 768
Input Vat to deduction	2 146 025	1 363 994
Other	205 951	482 940
	2 506 923	1 991 666

Accrued revenues – liabilities

	31.12.2011	31.12.2010
Provisions for costs	6 040 440	10 662 015
Future periods incomes	11 367	13 639
	6 051 807	10 675 654

10. Cash and pecuniary equivalent

	31.12.2011	31.12.2010
In a hand	24 959	17 597
At the bank	3 032 019	1 889 471
In the Company Social Benefits Found account	72 025	49 614
Cash in transmit	1 077 517	2 671 813
	4 206 520	4 628 495
	31.12.2011	31.12.2010
In local currency	3 614 758	3 264 930
In foreign currency	591 762	1 363 565
	4 206 520	4 628 495
	31.12.2011	31.12.2010
Cash in EUR	422 557	825 679
Cash in USD	10 151	421 846
Cash in CHF	159 054	116 040
	591 762	1 363 565

Except the funds collected on the Company Social Benefits Found account, the right to dispose of other funds are unlimited. Concentration of credit risk connected with financial funds is limited because the Company investments funds in reputable financial institutions. According to the polish law, the Company manages funds from CSBF for its employees name . Premiums paid on the CSBF are deposited on the separate account.

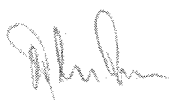
11. Share capital and supplementary capital from the issuance of shares above their nominal value

Share capital of Sarantis Polska S.A. is 34 400 000 PLN and includes:

- 1 915 000 registered, not preferential A series shares
- 1 135 000 registered, not preferential B series shares
- 390 000 registered, not preferential C series shares

Nominal value of share is 10 PLN. GR Sarantis Cyprus Ltd. is the sole owner. Share capital has been paid in whole amount.

Supplementary capital from the issuance of shares above their nominal value as at 31st December of 2011 is 1 055 603 PLN. It is a remained part of share premium (after the coverage of loss from the previous years), connected with the issuance of B series shares in 2003 (stock issue price was 20,12 PLN)



12. Retained profits and limitations connected with capital

	31.12.2011	31.12.2010
Profits retained from the previous years- supplementary capital	6 888 400	5 613 632
Profits retained from the previous years	29 512 781	14 852 954
Net profit in current period	15 755 760	15 934 595
Total retained profits	52 156 941	36 401 181

Based on § 396 of Code of Commercial Companies the Company is obligated to keep retained profits in 1/3 value of share capital. It can be use only for covering potential losses. The Company has to intend for this aim minimum 8% of current profit until it collects required equivalent 1/3 of share capital. In 2011 company established a reserve capital from the profit division for the 2010 year which will be used for dividend payment. Reserve capital value as of 31 December 2011 was 29 512 781 zł.

13. Suggested division of profit for 2011

Board Management proposes to allocate profit for 2011 in amount 15 755 760 zł for:

- supplementary capital (obligatory write-off 8%)	1 260 461 zł
- one-off dividend	14 495 299 zł

14. Credits, loans and other liabilities

Credit liabilities

	31.12.2011	31.12.2010
Credit on current account	382 257	11 897 969
	382 257	11 897 969

At the end of the reporting period the Company has available credit lines in amount 26,8 mln zł and additional credit limits for the opening of letters of credit in amount 14,5 mln zł.

Corporate guarantees issued by Gr. Sarantis S.A. are a security for credits in current accounts in amount 9,2 mln USD. There is variable rate of interest for credit and it is based on reference rate of WIBOR1M plus bank margin.

Financial leasing

The Company cars are used basing on leasing agreement of financial nature with purchase option. Future minimal leasing charges under this leasing agreements and net present value of minimal leasing charges are following:

	31.12.2011	31.12.2010
Future minimal leasing charges, which constituted commitment on the Company		
<i>Liabilities:</i>		
Liabilities falling due within one year	1 558 880	1 851 730
Liabilities falling due after more than one year and less than five	2 165 281	3 389 528
	3 724 161	5 241 258

Net present value:

Liabilities falling due within one year	1 374 349	1 581 164
Liabilities falling due after more than one year and less than five	2 028 890	3 117 661
Liabilities falling due after more than five years	-	-
	3 403 239	4 698 825

Operational leasing

Based on the lease agreement, a Company use a real estate in Moszna Parcela, commune Brwinów which consists warehouses and offices with a joint area of 12 127 square meters. The agreement includes indexation prices clause in accordance with current market terms.

Future minimum fees under the agreement are following:

During the year	2 600 000
More than one year and less than five years	5 900 000
	8 500 000

15. Financial instruments

Financial instruments in accordance with category:	31.12.2011	31.12.2010
Financial assets valued to the fair value by financial result		
Financial assets available to sale		
Granted loans and own receivables:		
- granted loans	83 246 372	80 922 318
- trade receivables	-	-
Cash	83 246 372	80 922 318
Derrivatives evaluation	4 206 520	4 628 495
	122 160	-
	87 575 052	85 550 813

Financial liabilities valued to the fair value by financial result

Trade liabilities	52 686 318	50 008 150
Credit and loans	382 257	11 897 969
Lease liabilities	3 403 239	4 698 825
Derrivatives liabilities	-	17 017
	56 471 814	66 621 961

16. Short-term trade payables and other liabilities

	31.12.2011	31.12.2010
Trade payables to affiliated entities	4 526 319	10 682 729
Trade payables to other entities	48 159 999	39 325 421
Liabilities towards to the State Budget	2 176 807	1 742 983
Salary payables	19 929	11 388
Lease liabilities falling due within one year	1 374 349	1 581 164
Other liabilities	49 090	297 802
Special funds	75 276	49 484
Total short-term liabilities	56 381 769	53 690 971

Trade payables are interest-free and usually settled within 60-90 days. Interests are usually paid on a quarterly during the year.

01.01.2010 - 31.12.2010		Not overdue liabilities	Overdue liabilities			
			up to 30 days	31 - 60 days	61 - 90 days	91 - 360 day
Ageing structure	Total					
Trade liabilities	50 008 150	36 151 675	9 116 878	2 109 221	2 606 498	23 878
Total	50 008 150	36 151 675	9 116 878	2 109 221	2 606 498	23 878

01.01.2011 - 31.12.2011		Not overdue liabilities	Overdue liabilities			
			up to 30 days	31 - 60 days	61 - 90 days	91 - 360 day
Ageing structure	Total					
Trade liabilities	52 686 318	33 029 452	16 391 605	3 027 426	237 835	-
Total	52 686 318	33 029 452	16 391 605	3 027 426	237 835	-

Currency structure of short-term liabilities

	31.12.2011	31.12.2010
Liabilities in local currency	45 230 138	33 024 216
Liabilities in foreign currency	11 151 631	20 666 755
	56 381 769	53 690 971

	31.12.2011	31.12.2010
Liabilities in EUR	9 762 089	19 353 158
Liabilities in USD	902 672	786 097
Liabilities in CHF	486 870	527 500
	11 151 631	20 666 755

17. Sales Revenues

	31.12.2011	31.12.2010
Revenues from goods sales	208 004 810	187 092 249
Revenues from products sales	90 543 831	88 060 072
Revenues from materials sales	2 367 543	1 066 881
	<u>300 916 184</u>	<u>276 219 202</u>

	31.12.2011	31.12.2010
Revenues from domestic sales	265 979 722	254 945 445
Revenues from export	34 936 462	21 273 757
	<u>300 916 184</u>	<u>276 219 202</u>

The Director's report includes detailed information about sales structure and basic factors affected on the sales value.

18. Other revenues

	31.12.2011	31.12.2010
Profits from disposal of services	1 668 143	1 392 514
Profits from disposal of assets	95	173 219
Received compensations	549 105	224 608
Termination of allowances for bad debts	140 047	220 027
Return of court fees	33 640	29 378
Due to stock-taking differences	8 535	31 594
Time-barred liabilities	1 629	5 217
Other	59 346	212 245
	<u>2 460 540</u>	<u>2 288 802</u>

19. Other operating costs

	31.12.2011	31.12.2010
Liquidation of fixed assets	950 798	658 545
Allowance for bad debts	219 912	256 546
Costs of litigious proceedings	48 793	45 856
Donations	7 516	59 455
Write-off bad debts	5 384	2 305
Insurance of receivables	98 765	-
Liquidation of property damages costs	227 695	246 198
Provisions for other operational costs	294 936	-
Others	64 224	109 448
	<u>1 918 023</u>	<u>1 378 353</u>

20. Financial costs and revenues

Financial revenues

	31.12.2011	31.12.2010
Profit from sales of shares in affiliated entities	-	94 141
Interest on receivables	46 399	75 023
Net exchange rate differences	-	248 620
Bank interest	19 678	15 630
Derivates valuation	139 177	-
	<u>205 254</u>	<u>433 414</u>

Financial costs

	31.12.2011	31.12.2010
Interest on liabilities	6 015	186 558
Bank interest	371 046	369 642
Interest under the leasing agreements	272 766	285 727
Commissions, charges	242 497	241 149
Derivates valuation	-	6 130
Net exchange rate differences	787 202	-
	<u>1 679 526</u>	<u>1 089 206</u>

21. Income tax

The main components of tax burdens for 2011 and 2010 are presented in below table:

	31.12.2011	31.12.2010
Current income tax	2 391 829	5 007 272
Occurrence/ inversion of interim differences	1 264 737	(785 134)
Corrections of currently tax from the previous years	(595 787)	-
Income tax shown in the profit and loss account	<u>3 060 779</u>	<u>4 222 138</u>

The difference between the amount of income tax shown in the profit and loss account and the amount calculated on the basis of tax rate is resulting from the following items:

	31.12.2011	31.12.2010
Gross financial results	18 816 539	20 156 733
The amount of the tax according to the tax rate 19%	3 575 142	3 829 779
- tax effects of costs which are not revenue-earning costs	81 424	392 359
- corrections of current income tax from the previous years	(595 787)	-
Current income tax	<u>3 060 779</u>	<u>4 222 138</u>
Effective tax rate	16,27%	20,95%

22. Net profit per share

	31.12.2011	31.12.2010
Net profit in period	15 755 760	15 934 595
Quantity of shares	3 440 000	3 440 000
Net profit per share	<u>4,6</u>	<u>4,6</u>

23. Dividend per share

In 2011 and 2010 the dividends weren't paid.

24. Credit risk management

Limitation of cash flows and potential economic losses is the main aim of the Company. The credit risk management includes process of identification, measurement and risk minimum system, based on exchange rate volatility and interest rate volatility.

Credit risk

Credit exposure is monitored currently according with the credit policy realized by the Company. Evaluation of credibility is conducted in relation with clients need lending over than determined amount. Blank promissory note from certain clients is a security for the Company. The part of the foreign receivables is insured in reputable insurance corporation. Additionally receivables are regularly monitored by financial department.

Sales is stopped and receivables collection is started in connection with overdue receivables according with procedures.

The company is exposed to risk, that the creditors do not pay for their liabilities and cause the Company's losses. The maximum exposition to risk is 85,30 mln zł at the balance sheet day and it was estimated as balance sheet value of receivables.

Year	Total	Not overdue	Overdue receivables, which do not lose their values				
			< 30 days	30 - 60 days	60- 90 days	90-120 days	> 120 days
2010	86 738 021	82 523 211	3 565 078	464 695	122 374	51 903	10 760
2011	85 253 913	74 608 281	9 658 036	931 516	321	-	55 759

As of 31 December of 2011 year 67% of all receivables was receivables from the hypermarkets, 20% from the clients of open market and 13% from the foreign customers. The Management of the Board considers that there is not significant concentration of credit risk, because the Company has not many customers. Allowances for bad debts was made for receivables difficult to collect.

Credit risk connected with bank deposits, derivatives and other investments is not significant because the Company concludes transactions with strengthen financial condition institutions.

Interest rate risk

Interest rate risk is connecting with bearing assets and liabilities. Interest rate fluctuations affected on the financial costs and incomes. Increase of interest rates affects on increase of the Company's financial cost , specially on costs of interest and on the increase of accrued interest.

Sensitivity of gross financial results to exchange rates fluctuations which are rational possible is in following table:

Interest rate risk

Financial statements item	Accounting value of financial instruments	Average interest rate in 2011	Influence on financial results (Increase by 100 pb)	Influence on equity capital (Increase by 100 pb)	Influence on financial results (Decrease by 100 pb)	Influence on equity capital (Decrease by 100 pb)
Variable rate of interest assets						
Cash at bank	4 206 520	0,50%	42 065	42 065	-42 065	-42065
Variable rate of interest liabilities						
Bank credits	382 257	5,70%	-3 823	-3 823	3 823	3 823
			38 242	38 242	-38 242	-38 242

Exchange rate risk

Transactions of purchase goods in foreign currency are the main sources of exchange rate risk. Significant part of trade payables is in foreign currency specially in EUR and USD. The sales is conducted in polish currency generally.

Sensitivity of financial results to USD and EUR exchange rates fluctuations which are rational possible is in following table:

Exchange rate risk

Financial statement item	Accounting value of financial instruments	Average exchange rate in 2011	Influence on financial results (Increase by 20%)	Influence on equity capital (Increase by 20%)	Influence on financial results (Decrease by 20%)	Influence on equity capital (Decrease by 20%)
Assets in currency of denomination						
Receivable debts in EUR	10 931 360	4,1190	2 186 272	2 186 272	-2 186 272	-2 186 272
Receivable debts in USD	1 627 579	2,9636	325 516	325 516	-325 516	-325 516
Receivable debts in CHF	259 775	3,3474	51 955	51 955	-51 955	-51 955
Cash in hand and at bank in EUR	422 557	4,1190	84 511	84 511	-84 511	-84 511
Cash in hand and at bank in USD	10 151	2,9636	2 030	2 030	-2 030	-2 030
Cash in hand and at bank in CHF	159 054	3,3474	31 811	31 811	-31 811	-31 811
Liabilities in currency of denomination						
Liabilities in EUR	9 762 089	4,1190	-1 952 418	-1 952 418	1 952 418	1 952 418
Liabilities in USD	902 672	2,9636	-180 534	-180 534	180 534	180 534
Liabilities in CHF	486 870	3,3474	-97 374	-97 374	97 374	97 374
Total			451 769	451 769	-451 769	-451 769

Liquidity risk

Operational activity is conducted with assuming that fixed surplus of liquid cash and open credit lines will be retain. In opinion of Management Board the balance sheet value of assets and financial liabilities reflects their fair value.

In opinion of Management Board high level of cash at hand at the balance sheet day, available credit lines and good financial condition of Company caused that liquidity risk is slightly.

01.01.2011 - 31.12.2011		Liabilities to pay up to 31.12.2011	Maturity periods				
Ageing of liabilities	Total		Up to 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days
Trade liabilities	52 686 318	19 427 411	18 007 385	10 535 809	4 539 647	164 138	11 928
Credits and loans	382 257	-	-	-	-	382 257	-
Lease liabilities	3 403 239	-	-	-	-	1 374 349	2 028 890
Other liabilities	-	-	-	-	-	-	-
Total	56 471 814	19 427 411	18 007 385	10 535 809	4 539 647	1 920 744	2 040 818

01.01.2010 - 31.12.2010		Liabilities to pay up to 31.12.2010	Maturity periods				
Ageing of liabilities	Total		Up to 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days
Trade liabilities	50 008 150	13 856 475	18 300 218	12 284 398	5 066 248	500 812	
Credits and loans	11 897 969					11 897 969	
Lease liabilities	4 698 825					1 581 164	3 117 661
Other liabilities	17 017			17 017			
Total	66 621 961	13 856 475	18 300 218	12 301 415	5 066 248	13 979 945	3 117 661

Price risk

Prices of materials is a component which have a major impact on the total profitability of company. Changes in prices of purchasing raw materials can be resulted from the international demand trends for the selected materials and from the exchange rates. In connection with big fluctuations of raw materials prices on the world markets and exchange rates, purchase department makes comparative analysis of purchases from different sources, it means measures profitability of domestic and foreign purchases. It is a one of main instruments of price risk minimize. A different way to minimize of price risk is using of derivates e.g. forwards to minimize fluctuations of exchange rates. The company on the current basis controls profitability of particular products and based on this data makes actions connected with the optimization of purchase price or products sales.

25. Capital management

The main purpose of company capital management is retaining a good credit rating and safe capital indexes, which will support operational activity of company and increase its goodwill for shareholders. The company manages of capital structure and resulting from the changes of economic conditions, enters a changes to it. For the purpose of retaining or correcting of capital structure, the company can change the dividend payment for shareholders, return the capital to shareholders or issue new shares.

As at the 31 December 2011 and 31 December 2010 no changes has been entered to purposes, rules and processes which are in force.

26. Conditional liabilities

Title of liability	Guarantee amount as of 31. 12.2011	Term of expiry
Guarantee issued for MPL Pruszków for security of liabilities execution	192 000 EUR	31.12.2012
Guarantee of liabilities payments for GR. Sarantis S.A.	200 000 EUR	31.12.2013
Total amount of letters of credit in banks	2 761 425 USD	

27. Tax settlements

Regulations regarding goods and services tax, corporate and personal income tax, social insurance contributions are liable to frequent changes, as a result of it very often there is no references to recorded regulations or legal precedents. Regulations which are in the force includes also ambiguities, causing differences in opinions about legal interpretations of tax regulations between bodies of state administration and between bodies of state administration and companies. Tax settlements and other settlements (for example regarding customs and currency) can be a subject of control conducted by bodies of state administration, which are able to impose significant fines, and additional liabilities should to be paid with interest. These phenomena causing that the tax risk in Poland is higher than in other countries with more developed tax system. Tax settlements can be the subject of control for the five years starting from the end of the year in which tax has been paid. As a result of controls the current tax settlements of company can be increased by additional tax liabilities.

28. The reasons of differences between balance sheet changes of some items and changes resulting from cash flow statement

	01.01.2011 - 31.12.2011	01.01.2010 - 31.12.2010
Balance sheet change of trade receivables and other receivables	1 484 109	(23 325 077)
Receivables from shares sales	(3 168 240)	3 168 240
Change of investment receivables	(13 736)	13 736
Change of receivables in cash flow	(1 697 867)	(20 143 101)

Sarantis Polska S.A Financial Statement for the year 2011

	01.01.2011 - 31.12.2011	01.01.2010 - 31.12.2010
Balance sheet of long term liabilities	(1 088 771)	(148 995)
Balance sheet change of trade liabilities and other liabilities	(9 714 231)	18 350 596
Change of credit and loans	11 515 712	(9 340 980)
Lease liabilities change	1 295 586	(126 216)
Income tax liabilities change	872 300	(872 300)
Change of financial liabilities from evaluation of derivative financial instruments	17 017	(6 130)
Change of investment liabilities	203 124	199 341
Change of liabilities in cash flow	3 100 737	8 055 316
	01.01.2011 - 31.12.2011	01.01.2010 - 31.12.2010
Net accounting value of fixed assets, intangibles sale	54 352	127 649
Profit/Loss from fixed assets and intangibles sale	95	173 219
Change of investment receivables	13 736	(13 736)
Incomes from fixed assets and intangibles sale	68 183	287 132
	01.01.2011 - 31.12.2011	01.01.2010 - 31.12.2010
Accounting value of fixed assets and intangibles increasing	1 196 194	(14 101 247)
Purchase of fixed assets from leasing	(320 205)	1 710 360
Change of investment liabilities	203 123	(199 341)
Expenses for purchase of fixed assets and intangibles	1 079 112	(12 590 228)

29. Structure of employment

Average employment in Company amount (in persons):

	31.12.2011	31.12.2010
White-collar workers	186	184
Blue collar workers	91	86
	277	270

30. Salaries of fundamental employees

Total value of salaries paid in 2011 for fundamental employees was 2 954 785 zł. In 2010 total amount of salaries paid for fundamental employees was 2 829 694 zł. There was no payments in own shares form and long-term benefits for employees.

31. Salary of the statutory auditor or entity authorized to analysis of financial statements

The salary of the statutory auditor for the analysis of annual financial statement of Company was 60 000 zł.

32. Events after date of balance sheet day

There are no events after the balance sheet day which could have significant influence on assessment of presented financial statement and financial position of Company.

Piaseczno, 10th February 2012.

Management of the Board:

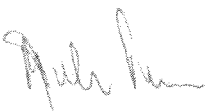
President of the
Management Board
Kyriakos Sarantis



Vice-President of the
Management Board
Nikos Evangelou



Vice-President of the
Management Board
Konstantinos Rozakeas





TRANSLATION

Sarantis Polska S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2011**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 9 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2011

OPINION OF THE INDEPENDENT AUDITOR



KPMG Audyt
Spółka z ograniczoną
odpowiedzialnością sp.k.
ul. Chłodna 51
00-867 Warszawa
Poland

Telefon +48 22 528 11 00
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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.

We have audited the accompanying financial statements of Sarantis Polska S.A., seated in Piaseczno, ul. Puławska 42 C ("the Company"), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, comprising of 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 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 2009, No. 152, item 1223 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, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish 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, 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.

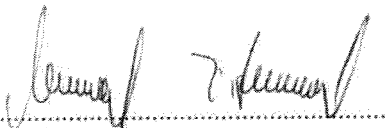
Opinion

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 2011 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.

Other Matters

As required under the Accounting Act, we also report that the 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 number 3546
ul. Chłodna 51, 00-867 Warsaw



.....
Certified Auditor No. 90068
Limited Liability Partner with power of attorney
Andrzej Ziąbrowski

10 February 2012
Warsaw

REPORT OF THE INDEPENDENT AUDITOR



TRANSLATION

Sarantis Polska S.A.

**Report supplementing
the auditor's opinion
on the financial statements
Financial Year ended
31 December 2011**

The report supplementing the auditor's opinion
contains 9 pages

Report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2011



*Sarantis Polska S.A.
Report supplementing the opinion on the financial statements
for the financial year ended 31 December 2011*

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

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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 42 C
05-500 Piaseczno

1.1.3. Registration in the National Court Register

Registration court: District Court for the Capital City Warsaw in Warsaw,
XIV Commercial Department of the National Court Register
Date: 24 April 2003
Registration number: KRS 0000158603
Share capital as at balance
sheet date: PLN 34,400,000

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

At 31 December 2011, the Management Board of the Company was comprised of the following members:

- Kyriakos Sarantis – President of the Management Board,
- Konstantinos Rozakeas – Vicepresident of the Management Board,
- Nikos Évangelou – Vicepresident of the Management Board.

1.2. Auditor information

1.2.1 Key certified auditor information

Name and surname: Andrzej Ziąbrowski
Registration number: 90068

1.2.2 Audit firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City 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 under number 3546.



1.3. Prior period financial statements

The financial statements for the period ended 31 December 2010 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The financial statements were approved at the General Meeting on 26 May 2011 where it was resolved to allocate the profit for the prior financial year of PLN 15,934.6 thousand as follows:

- PLN 1,274.8 thousand to allocate to reserve capital,
- PLN 14,659.8 thousand to allocate to reserve capital to be paid out in future as a dividend.

The financial statements were submitted to the Registry Court on 30 June 2011 and were published in Monitor Polski B No. 36 on 4 January 2012.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of Sarantis Polska S.A. seated in Piaseczno, ul. Puławska 42 C and relates to the financial statements comprising: the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, comprising of 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 Extraordinary General Meeting of Shareholders dated 1 January 2007.

The financial statements have been audited in accordance with the contract dated 25 October 2011, concluded on the basis of the resolution of the Supervisory Board dated 13 September 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the financial statements in the Company's head office during the period from 21 to 23 November 2011 and from 30 January to 3 February 2012.

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 supplementing report on 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 the same date as this report as to the true and fair presentation of the financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.



Sarantis Polska S.A.
Report supplementing the opinion on the financial statements
for the financial year ended 31 December 2011
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All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditor and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

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 KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.



2. Financial analysis of the Company

2.1. Summary of the financial statements

2.1.1. Statement of financial position

ASSETS	31.12.2011 PLN '000	% of total	31.12.2010 PLN '000	% of total
Non-current assets				
Property, plant and equipment	7,921.8	5.2	9,610.2	6.3
Intangible assets	14,762.8	9.7	14,944.2	9.8
Perpetual usufruct right	1,463.0	1.0	1,463.0	1.0
Deferred tax assets	1,418.9	1.0	2,320.0	1.5
Total non-current assets	25,566.5	16.8	28,337.4	18.6
Current assets				
Inventories	33,250.6	21.8	30,509.5	20.1
Trade and other receivables	85,253.9	55.8	86,738.0	57.0
Income tax receivable	1,991.1	1.3	-	-
Other assets	2,506.9	1.6	1,991.7	1.3
Cash and cash equivalents	4,206.5	2.8	4,628.5	3.0
Other finance assets	122.2	0.1	-	-
Total current assets	127,331.2	83.2	123,867.7	81.4
TOTAL ASSETS	152,897.7	100.0	152,205.1	100.0
EQUITY AND LIABILITIES				
	31.12.2011 PLN '000	% of total	31.12.2010 PLN '000	% of total
Equity				
Share capital	34,400.0	22.5	34,400.0	22.6
Share premium	1,055.6	0.7	1,055.6	0.7
Retained earnings	52,156.9	34.1	36,401.2	23.9
Total equity	87,612.5	57.3	71,856.8	47.2
Non-current liabilities				
Deferred tax liabilities	440.4	0.3	76.7	0.1
Other non-current liabilities	2,028.9	1.3	3,117.7	2.0
Total non-current liabilities	2,469.3	1.6	3,194.4	2.1
Current liabilities				
Trade and other payables	56,381.8	36.9	53,691.0	35.3
Current bank borrowings and loans	382.3	0.2	11,898.0	7.8
Income tax payable	-	-	872.3	0.6
Other finance liabilities	-	-	17.0	-
Accruals and deferred income	6,051.8	4.0	10,675.6	7.0
Total current liabilities	62,815.9	41.1	77,153.9	50.7
TOTAL EQUITY AND LIABILITIES	152,897.7	100.0	152,205.1	100.0



Sarantis Polska S.A.
*Report supplementing the opinion on the financial statements
 for the financial year ended 31 December 2011*
TRANSLATION

2.1.2. Statement of comprehensive income

	1.01.2011 - 31.12.2011 zł '000	% of total sales	1.01.2010 - 31.12.2010 zł '000	% of total sales
CONTINUING OPERATION				
Revenue	300,916.2	100.0	276,219.2	100.0
Other revenues:	2,460.5	0.8	2,288.8	0.8
Operating expenses:				
Change in inventory position	(561.2)	0.2	2,572.9	0.9
Cost of products produced for internal use	1,279.3	0.4	714.0	0.3
Depreciation	(3,011.7)	1.0	(2,654.0)	1.0
Materials and energy	(69,361.0)	20.1	(55,582.1)	20.1
External services:	(75,541.6)	25.1	(73,249.3)	26.5
Taxes and charges	(370.8)	0.1	(343.0)	0.1
Payroll	(17,497.0)	5.8	(16,385.9)	5.9
Social security and other benefits	(2,915.1)	1.0	(2,562.7)	0.9
Other expenses by kind	(570.4)	0.2	(617.3)	0.2
Cost of merchandise and raw materials sold	(121,618.4)	40.4	(108,209.8)	39.2
Other expenses	(1,918.0)	0.6	(1,378.3)	0.5
Operating expenses	(283,085.9)	94.1	(257,693.5)	93.2
Results from operating activities	20,290.8	6.7	20,812.5	7.3
Finance income	205.2	-	433.4	0.1
Finance expenses	(1,679.5)	0.5	(1,089.2)	0.4
Net finance income and expense	(1,474.3)	0.5	(655.8)	0.3
Profit before income tax	18,816.5	6.2	20,156.7	7.2
Income tax expense	(3,060.7)	1.0	(4,222.1)	1.5
Profit from continuing operations	15,755.8	5.2	15,934.6	5.7
Profit for the period	15,755.8	5.2	15,934.6	5.7
Total comprehensive income for the period	15,755.8	5.2	15,934.6	5.7
Profit attributable to: Owners of the Company	15,755.8	5.2	15,934.6	5.7
Total comprehensive income attributable to: Owners of the Company	15,755.8	5.2	15,934.6	5.7

2.2. Selected financial ratios

	2011	2010	2009
1. Return on sales			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	5.2%	5.8%	6.8%
2. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	21.9%	28.5%	40.6%
3. Debtors' days			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{revenue}}$	100 days	96 days	101 days
4. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	42.7%	52.8%	50.6%
5. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	2.0	1.6	1.7

- Net revenues are comprised of the sale 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, excluding allowances for receivables.



3. Detailed report

3.1. Proper operation of the 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 material irregularities in the accounting system which have not been corrected and that could have a material impact 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 assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act.

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.

3.4. Information on the opinion of the independent auditor

Based on our audit of the financial statements as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

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Certified Auditor No. 90068
Limited Liability Partner with power of attorney
Andrzej Ziąbrowski

10 February 2012
Warsaw