

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of
Sarantis Bulgaria Ltd.

We have audited the accompanying financial statement of Sarantis Bulgaria Ltd., which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Sarantis Bulgaria Ltd. as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards. The information presented in the annual activity management report is in conformity with the data of the financial statement.

Auditor: 

/ Ivan Dochev /



Date of the auditor's report:

..... 19. 01. 2009

Sofia

BALANCE SHEET
OF SARANTIS BULGARIA LTD. AS OF 31.12.2008

ITEMS	Amount ('000 BGN)	
	Current Year 1	Prior Year 2
ASSETS		
I. Fixed Assets		
1. Tangible Assets	549	583
3. Deferred tax assets	122	134
Total Fixed Assets:	671	717
II. Current Assets		
1. Stock	3 822	2 685
2. Claims: customers and others	5 881	4 537
3. Cash and cash equivalents	1 299	5 748
4. Other current assets	75	53
Total Current Assets:	11 077	13 023
Total Assets:	11 748	13 740
EQUITY AND LIABILITIES		
Owners Equity		
I. Capital		
1. Authorized capital	4756	4756
2. Reserves	1	1
3. Result of Previous Periods	617	3 606
4. Result of Current Period	3 607	2 878
Total Equity:	8 981	11 241
Liabilities		
I. Short Term Liabilities		
1. Short Term Payables: suppliers and others	2 128	1 752
2. Net tax liabilities	519	636
3. Provisions	120	111
Total Short Term Liabilities:	2 767	2 499
Total Equity and Liabilities :	11 748	13 740

Date: 14/01/2009

19.01.2009.
 Иван Дочев
 0024
 Регистриран одитор

Prepared by:

(Vessela Tsvetanova)

General Manager:

(Nenad Marinkovic)



**INCOME STATEMENT
OF SARANTIS BULGARIA LTD.
FOR THE PERIOD ENDED DECEMBER 31, 2008**

Items	Amount ('000 BGN)	
	Current Year 1	Prior Year 2
1. Net income from the sales of goods	29713	25672
2. Cost of goods sold	(16786)	(14809)
3. Payroll expenses	(2070)	(1770)
4. Social security and welfare allowance costs	(375)	(337)
5. Cost of materials	(1846)	(1524)
6. Cost of external services	(4378)	(3420)
7. Depreciation	(240)	(320)
8. Other income	161	155
9. Other expenses	(296)	(466)
10. Operating profit	3883	3181
11. Net financial income	120	75
12. Profit before taxes	4003	3256
13. Income taxes	(396)	(378)
14. Net profit	3607	2878

Date: 14/01/2009

Иван Дочев
19.01.2009.



Prepared by:

Vessela Tsvetanova
(Vessela Tsvetanova)

General Manager:

Nenad Marinkovic
(Nenad Marinkovic)

