

# **Independent Auditor's Report**

**on verification of the financial statements**

**as of 31 December 2009**

**of the company**

**Sarantis Czech Republic, s.r.o.**

February 2010

Total 3 copies:

2 copies for the company

1 copy for the auditor



## **INDEPENDENT AUDITOR'S REPORT**

for shareholder of the company **Sarantis Czech Republic, s.r.o.**, IN 25705971,  
based in Prague 3, Roháčova 77/1095, 130 00

### **Report on the financial statements**

We verified the attached financial statements of the company Sarantis Czech Republic, s.r.o. as of 31 December 2009, which comprise balance sheet, profit and loss account, cash flow and notes to this financial statements for the year ended 31 December 2009, including description of used significant accounting policies. Data of the company Sarantis Czech Republic, s.r.o. are stated in Article 1 of the notes to this financial statements.

#### **Responsibility of the statutory body of the accounting unit for the financial statements**

Statutory body of the company Sarantis Czech Republic, s.r.o. is responsible for the preparation and fair presentation of the financial statements in accordance with the Czech accounting regulation. Part of this responsibility is to design, implement and maintain internal control over preparation and fair presentation of the financial statements so as it would not contain material misstatements, whether due to a fraud or an error; to select and apply appropriate accounting policies and to making reasonable accounting estimates in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing and implementation guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements.

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



### Opinion

**In our opinion, the financial statements present fairly, in all material respects, assets, liabilities and the financial position of Sarantis Czech Republic, s.r.o. for the year ended 31 December 2009 and its financial performance for the year then ended in accordance with accounting regulation of the Czech Republic.**

In Prague, Czech Republic, on 24 February 2010

TaxSys Audit, s.r.o.  
License No. 478  
Drtinova 222  
503 11 Hradec Králové

Represented by partner:



Dipl. Ing. Květa Žaloudková  
Independent Auditor  
License No. 1735



# BALANCE SHEET

in full form

as at 31.12.2009

(in thousands of CZK)

Name and Address of the Accounting Entity

Sarantis Czech Republic, s.r.c  
Roháčova 77  
Praha 3  
13000

Reg. No.

2 5 7 0 5 9 7 1

Class a	ASSETS B	Current Accounting Period			Previous Accounting Period
		Gross 1	Adjustment 2	Net 3	Net 4
	TOTAL ASSETS (A. + B. + C. + D. I.)	83 805	-3 544	80 261	84 940
A.	Receivables from Subscriptions				
B.	Fixed Assets (B.I. + B.II. + B.III.)	3 955	-2 732	1 223	1 670
B. I.	Intangible Fixed Assets (Sum B.I. 1. to B.I.8.)	1 958	-1 284	674	954
B. I. 1.	Incorporation Expenses				
2.	Intangible Research and Development				
3.	Software	1 958	-1 284	674	954
4.	Valuable Rights				
5.	Goodwill				
6.	Other Intangible Fixed Assets				
7.	Intangible Fixed Assets under Construction				
8.	Advance Payments for Intangible Fixed Assets				
B. II.	Tangible Fixed Assets (Sum B.II.1. to B.II.9.)	1 997	-1 448	549	716
B. II. 1.	Land				
2.	Buildings and Constructions				
3.	Independent Items and Sets of Items	1 997	-1 448	549	716
4.	Permanent Growth				
5.	Breeding and Draught Animals				
6.	Other Tangible Fixed Assets				
7.	Tangible Fixed Assets under Construction				
8.	Advance Payments for Tangible Fixed Assets				
9.	Adjustments to Acquired Assets				
B.III.	Financial Investments (Sum B.III.1. to B.III.7.)				
B.III.1.	Shares in Controlled and Managed Organizations				
2.	Shares in Accounting Units with Substantial Influence				
3.	Other Securities and Deposits				
4.	Loans - Controlling and Managing Organization, Substantial Influence				
5.	Other Financial Investments				
6.	Financial Investments Acquired				
7.	Advance Payments on Long-term Financial Investments				

Class a	ASSETS B	Current Accounting Period			Previous Accounting Period
		Gross 1	Adjustment 2	Net 3	Net 4
C.	Current Assets (C.I. + C.II. + C.III. + C.IV.)	79 592	-812	78 780	83 056
C. I.	Inventory (Sum C.I.1. to C.I.6.)	16 073	-386	15 687	22 326
C. I. 1.	Materials				
2.	Work in Progress				
3.	Finished Products				
4.	Animal Stock				
5.	Purchased Goods	16 073	-386	15 687	22 326
6.	Advance Payments for Inventory				
C. II.	Long-term Receivables (Sum C.II.1. to C.II.8.)				
C. II. 1.	Trade Receivables				
2.	Receivables - Controlling and Managing Organization				
3.	Receivables - Substantial Influence				
4.	Receivables from Partners, Cooperative Members and Associations Members				
5.	Long-term Advance Payments				
6.	Estimated Receivables				
7.	Other Receivables				
8.	Deferred tax Receivables				
C.III.	Short-term Receivables (Sum C.III.1. to C.III.9.)	56 401	-426	55 975	56 058
C.III.1.	Trade Receivables	53 316	-426	52 890	53 617
2.	Receivables - Controlling and Managing Organization				
3.	Receivables - Substantial Influence				
4.	Receivables from Partners, Cooperative Members and Associations Members				
5.	Social Security and Health Insurance				
6.	State - Taxation Receivables	1 400		1 400	2 018
7.	Prepayments	598		598	364
8.	Estimated Receivables	1 035		1 035	
9.	Other Receivables	52		52	59
C.IV.	Short-term Financial Assets (Sum C.IV.1 to C.IV.4)	7 118		7 118	4 672
C.IV.1.	Cash in Hand	46		46	164
2.	Cash in Bank	7 072		7 072	4 508
3.	Short-term Securities and Shares				
4.	Short-term Financial Assets in Progress				
D. I.	Accruals (D.I.1. + D.I.3.)	258		258	214
D. I. 1.	Deferred Expenditure	258		258	214
2.	Complex Deferred Expenditure				
3.	Deferred Income				

Class a	LIABILITIES b	Balance in the Current Accounting Period 5	Balance in the Previous Accounting Period 6
	TOTAL LIABILITIES (A. + B. + C.I.)	80 261	84 940
A.	Shareholders' Equity (A.I. + A.II. + A.III. + A.IV. + A.V.)	10 104	19 707
A. I.	Registered Capital (A.I.1. + A.I.2. + A.I.3.)	22 320	22 320
A. I. 1.	Registered Capital	22 320	22 320
2.	Own Shares and Ownership Interests		
3.	Changes in Registered Capital		
A. II.	Capital Funds (Sum A.II.1 to A.II.4)		
A. II. 1.	Share Premium		
2.	Other Capital Funds		
3.	Differences form Revaluation of Assets and Liabilities		
4.	Differences form Revaluation by Transformation		
5.	Revaluation Differences on Transformations		
A. III.	Profit Funds (A.III.1. + A.III.2.)	724	724
A. III. 1.	Legal Reserve / Indivisible Fund	713	713
2.	Statutory and Other Funds	11	11
A. IV.	Profit / Loss Brought Forward (A.IV.1. + A.IV.2.)	-3 337	-6
A. IV. 1.	Undistributed Profit of Previous Years		
2.	Accumulated Losses of Previous Years	-3 337	-6
A. V.	Retained Profit / Loss of the Current Financial Year /+ -/	-9 603	-3 331
B.	Liabilities (B.I. + B.II. + B.III. + B.IV.)	70 090	65 167
B. I.	Reserves (Sum B.I. 1. to B.I.4.)		
B. I. 1.	Legal Reserves		
2.	Reserve for Pensions and Similar Liabilities		
3.	Income Tax Reserve		
4.	Other Reserve		
B. II.	Payables (Sum B. II.1. to B.II.10.)	10	85
B. II. 1.	Trade Payables		
2.	Payables - Controlling and Managing Organization		
3.	Payables - Substantial Influence		
4.	Payables from Partners, Cooperative Members and Association Members		
5.	Long-term Advances Received		
6.	Issued Bonds		
7.	Long Term Bonds Due		
8.	Estimated Payables		
9.	Other Long-term Liabilities		
10.	Deffered Tax Payables	10	85

Class a	LIABILITIES b	Balance in the Current Accounting Period 5	Balance in the Previous Accounting Period 6
B. III.	Short-term Liabilities (Sum B.III.1. to B.III.11.)	70 080	65 082
B. III. 1.	Trade Payables	45 038	31 299
2.	Payables - Controlling and Managing Organization		
3.	Payables - Substantial Influence		
4.	Payables from Partners, Cooperative Members and Association Members		26 930
5.	Employee Related Liabilities	740	822
6.	Social Security and Health Insurance Liabilities	447	443
7.	State - Taxation Liabilities and Subsidies	87	2 421
8.	Short-term Accepted Deposits		
9.	Issued bonds		
10.	Estimated Payables	4 796	3 110
11.	Other Liabilities	18 972	57
B.IV.	Bank Loans and Borrowings (Sum B.IV. 1. to B.IV.3.)		
B.IV. 1.	Long-term Bank Loans		
2.	Short-term Loans		
3.	Short-term Borrowings		
C. I.	Accruals (C.I.1 + C.I.2.)	67	66
C. I. 1.	Accrued Expenses	67	66
2.	Deferred Revenue		

Prepared on: 24.2.2010

Legal form of the Accounting Entity: Limited

Subject of Business: purchase and selling of goods

Signature:




# PROFIT AND LOSS ACCOUNT by Type

in full

as at 31.12.2009  
(in thousands of CZK)

Name and Address of the Accounting Entity

Sarantis Czech Republic, s.r.o.  
Roháčova 77  
Praha 3  
13000

Reg. No.
2 5 7 0 5 9 7 1

Class a	TEXT b	Result in the Accounting Period	
		Current 1	Previous 2
I.	Revenues from Goods Sold	152 958	181 883
A.	Costs of Goods Sold	67 143	79 388
+	Gross Margin (I. - A.)	85 815	102 495
II.	Production (II.1. to II.3.)		
II.1.	Revenues of Own Products and Services		
2.	Change in Own Produced Stock		
3.	Capitalization		
B.	Production Consumption (B.1. + B.2.)	58 519	66 791
B. 1.	Materials, Light and Power	10 713	13 802
2.	Services	47 806	52 989
+	Value Added (I. - A. + II.-B.)	27 296	35 704
C.	Personnel Expenses (C.1. to C.4.)	14 687	18 122
C. 1.	Wages	10 768	13 205
2.	Remuneration of Board Members		
3.	Social Security and Health Insurance Costs	3 741	4 622
4.	Fringe Benefits	178	295
D.	Fees and Taxes	4	4
E.	Long Term Tangible and Intangible Assets Depreciation	640	578
III.	Revenue from Sales of Long Term Assets and Materials (III.1. + III.2.)		
III.1.	Revenue from Sales of Long Term Assets		
2.	Revenue from Sales of Materials		
F.	Net Book Value of Sold Long Term Assets and Materials (F.1. + F.2.)		
F. 1.	Net Book Value of Sold Long Term Assets		
2.	Net Book Value of Sold Materials		
G.	Reserves and Deferred Income in Operating Revenue	495	-37
IV.	Other Operating Revenues	1 714	412
H.	Other Operating Expenses	22 286	16 981
V.	Transfer of Operating Revenues		
I.	Transfer of Operating Expenses		
*	Operating Profit / Loss (Calculated Items (+) to V.)	-9 102	468



Class a	TEXT b	Result in the Accounting Period	
		Current 1	Previous 2
VI.	Revenue from Sold Securities and Shares		
J.	Sold Securities and Shares		
VII.	Revenues from Long Term Financial Assets (VII.1. to VII.3.)		
VII.1.	Revenues from Shares in Controlled and Managed Organizations and in Accounting units with Substantial Influence		
2.	Revenue from Other Long Term Securities and Shares		
3.	Revenue from Other Investments		
VIII.	Revenue from Short Term Financial Assets		
K.	Expenses from Financial Assets		
IX.	Revenues from Revaluation of Securities and Derivatives		
L.	Costs of Revaluation of Securities and Derivatives		
M.	Change in Financial Reserves and Adjustments		
X.	Interest Received	4	4
N.	Interest Paid	755	137
XI.	Other Financial Revenues	2 527	4 611
O.	Other Financial Expenses	2 330	8 002
XII.	Transfer of Financial Revenues		
P.	Transfer of Financial Expenses		
*	Profit / Loss from Financial Operations (Calculated Items VI. to P.)	-554	-3 524
Q.	Income Tax on Ordinary Activities (Q. 1. + Q.2.)	-53	275
Q. 1.	- Due	22	244
2.	- Deferred	-75	31
**	Profit / Loss from Ordinary Activities (Net Profit from Operations + Profit / Loss from Financial Operations - Q.)	-9 603	-3 331
XIII.	Extraordinary Revenues		
R.	Extraordinary Expenses		
S.	Income Tax on Extraordinary Activities (S.1 + S.2)		
S. 1.	- Due		
2.	- Deferred		
*	Extraordinary Profit / Loss (XIII. - R. - S.)		
T.	Transfer of Profit / Loss to Partners (+/-)		
***	Profit / Loss of the Accounting Period (+/-) (Profit / Loss from Ordinary Activities + Extraordinary Profit / Loss - T.)	-9 603	-3 331
****	Profit / Loss before tax (Profit from Operations + Profit / Loss from Financial Operations + Exceptional Revenue - R.)	-9 656	-3 056

Prepared on: 24.2.2010

Legal form of the Accounting Entity: Limited

Subject of Business: purchase and selling of goods

Signature:




## Notes to the financial statements in accordance with § 39 of the Regulation No. 500/2002 Col.

### ARTICLE 1

**Company:** Sarantis Czech Republic s.r.o.

**Registered office:** Roháčova 11/1050, 130 00 Praha 3

**IN:** 25705971

**Legal form of the accounting entity:** ltd.

**Line of business:** purchasing and selling of goods

**Balance day:** 31 December 2009

**Moment of preparation of the financial statements:** 24 February 2010

**Date of incorporation (or initiation of activity) of the accounting unit:** October 29, 1998

**Person responsible for accounting (name and signature):**

Jan Krzysztof Kaminski, director

Henryka Marta Szczepkowska, director

**Person responsible for financial statements (name and signature):**

Dipl. Ing. René Novotný



In Prague 3

on 24 February 2010

**Individual or legal entity taking a share of more than 20% of registered capital of the accounting unit:**

Sarantis Polska Spolka Akcyjna 100%

**Names and surnames of members of statutory bodies:**

Henryka Marta Szczepkowska

Krzysztof Jan Kaminski

There were no changes of registration in the Commercial Register in 2009.

**Description of organizational structure of the accounting entity, or fundamental changes within the accounting period:**

The company is directed by a director.

The company is further organizationally divided into the following departments:

- Logistics
- Commercial department
- Marketing
- Administration
- Financial department

There have been no organizational changes in 2009.

### ARTICLE 2

	2009	2008
Average number of employees during the accounting period:	22.8	28.69
Personal costs:	14.687 th. CZK	18.122 th. CZK
Members of regulatory bodies (count):	5	5

## ARTICLE 3

### **General accounting principles used:**

Double-entry principle and principle of factual and time continuity in accordance with Act on Accounting, Regulation on accounting No. 500/2002 Col. and accounting standards No. 001-023.

### **Accounting policies used:**

Assets depreciation, allowances to receivables and goods, valuation, creation of provisions, deferred tax.

### **Method of valuation:**

Purchased assets are valued at their purchase price.

Purchased inventories are valued at cost of acquisition + interrelated costs (transport of goods).

Diminution of inventories is valued by weighted arithmetic average.

The accounting unit did not use valuation at own costs and reproductive purchase price.

### **Method of depreciation:**

Fixed tangible (over 40,000 CZK) and intangible (over 60,000 CZK) assets depreciate according to the depreciation plan. Period of depreciation of assets with purchase price of more than 100,000 CZK has been determined to 5 years.

Small tangible assets with purchase price from 6,000 to 40,000 CZK, purchased after 1 January 2005, depreciate according to the depreciation plan for 36 months. Assets purchased before the year 2005 depreciate for the period of 48 months.

### **Method of allowances recording:**

Tax allowances to receivables are created in accordance with the Reserve Act No. 593/1992 Col., that is until the end of the year 2006, 2007 and 2008 creation in the amount of 20%.

Accounting allowances are recorded overdue:

- of more than 180 days, up to 50% of the value of receivable
- of more than 360 days, up to 100% of the value of receivable

There are no allowances to receivables due from the biggest customers (business chains) due to continuous set-off of receivables and liabilities.

Allowances to goods are created in connection with inventories turn-over indicator.

### **Method of determination of accumulated depreciation of assets:**

In accordance with the depreciation plan.

### **Conversion method of data in foreign currencies into the Czech currency:**

Accounting unit uses actual exchange rate of Czech National Bank.

Assets and liabilities in foreign currencies are converted by the exchange rate of Czech National Bank valid on the balance day.

### **Method of determination of the real value of assets and liabilities:**

Accounting unit does not use real value evaluation of assets and liabilities.

## ARTICLE 4

**Significant items from the balance sheet** which are essential for analysis and evaluation of the financial assets situation and retained profit of the accounting unit, **which do not directly result from the balance sheet:**

Out of total volume of receivables as of 31 December 2009, 82.9% are receivables due from business chains.

**Significant items from profit and loss account** essential for analysis and for evaluation of the financial assets situation and retained profit of the accounting unit, **which do not directly result from profit and loss account:**

Significant part in the amount of 15.972 th. CZK from other operating costs total amounting to 22.286 th. CZK, represents costs related with turn-over bonuses according to the contracts with business chains.

Out of total revenues 3.992 th. CZK represent revenues in the group.

Out of total goods purchased in the amount of 67.143 th. CZK, goods purchased within the group are in the amount of 44.118 th. CZK.

Particularly presented significant data, which are not separately recorded in the balance sheet and in profit and loss account:

**Specification of deferred tax liability or receivable:** Deferred liability in the amount of 10 th. CZK arose from:

- difference between tax- and book-depreciated price of assets
- book allowances to receivables
- book allowances to goods.

**Long-term bank loans incl. interest rates:** None

**Description of the loan security:** None

**Received subsidies for investment and operating purposes:** None

## ARTICLE 5

Receivables and liabilities:

<b>Receivables</b>		<b>Liabilities</b>	
<hr/>		<hr/>	
Total receivables:	53.316 th. CZK	Total liabilities:	45.038 th. CZK
Due receivables:	39.061 th. CZK	Due liabilities:	29.115 th. CZK
Structure of overdue receivables:		Structure of overdue liabilities:	
1 – 30 days	7.505 th. CZK	1-30 days	10.860 th. CZK
31-180 days	4.472 th. CZK	31-180 days	5.310 th. CZK
181-365 days	262 th. CZK	181-365 days	459 th. CZK
over 365 days	2 016 th. CZK	over 365 days	- 706 th. CZK
Thereof receivables within the group		Thereof liabilities within the group	
<hr/>		<hr/>	
Total receivables:	177 th. CZK	Total liabilities:	25.807 th. CZK
Structure of overdue receivables:		Structure of overdue liabilities:	
within 365 days	0 th. CZK	within 365 days	12.106 th. CZK
over 365 days	19 th. CZK		

Small intangible and tangible assets not recorded in the balance sheet, recorded in the notes regarding materiality principle:

Accounting unit takes stock of assets in the total purchase price of 126 th. CZK.

Foreign assets: None

Assets within leased company: None

Total amount if liabilities not recorded in the balance sheet: None

Pension liabilities: None

Liabilities due from accounting entity in the consolidated unit: Short-term loan from GR Sarantis Cyprus Limited with unpaid balance of 18.954 th. CZK as of 31 December 2009

Significant events, which will occur between balance day and the financial statements preparation date:

No significant events occurred.

## ARTICLE 6

Material increases or decreases in individual elements of equity in thousands CZK:

	2008 Initial state	Increase/ decrease	Final state	2009 Initial state	Increase/ decrease	Final state
Equity	23 038	-3 331	19 707	19 707	-9 603	10 104
Share capital	22 320	0	22 320	22 320	0	22 320
Legal reserve fund	505	208	713	713	0	713
Social fund	4	7	11	11	0	11
Loss of previous years	-3 939	3 933	-6	-6	-3 331	-3 337
Profit/loss of current year	4 148	-7 479	-3 331	-3 331	-6 272	-9 603

Social fund is created in accordance with labour-law provisions of the Slovak republic for employees domiciled in Slovak republic. The fund was neither created nor used in 2009.

## ARTICLE 7

Scheme of revenues according to the type of activity and geographical location of the market, which significantly differ from each other:

	Value	Type of activity	
Goods			
Products			
Services			
	Value	Geographical location of the market	
	2009	2008	
Goods	10.380 th. CZK	16.369 th. CZK	Slovak republic
	2 020 th. CZK	101 th. CZK	Poland
	1 064 th. CZK	23 th. CZK	Hungary
	423 th. CZK	52 th. CZK	Serbia
	353 th. CZK	0 th. CZK	Romania
	131 th. CZK	0 th. CZK	Bulgaria
Products	0		
Services	0		

# CASH-FLOW STATEMENT

for the period 1.1.2009 to 31.12.2009

(in thousands of CZK)

Reg. No.: 25705971

Name and Address of the Accounting Entity:

Sarantis Czech Republic, s.r.o.

Roháčova 77

Praha 3

13000

Item	Description	In the Accounting Period	
		Current	Previous
P.	Cash and Equivalents at the Beginning of the Accounting Period	4 672	4 614
<b>CASH-FLOW FROM THE MAIN SUBJECT OF BUSINESS (OPERATIONS)</b>			
Z.	Profit / Loss from Ordinary Activities before Taxation	-9 656	-3 331
<b>A.1.</b>	<b>Adjustment by Non-monetary Operations</b>	1 886	540
A.1.1.	Fixed Asset Depreciation (+) without Net Book Value and also the Amortisation of Adjustments to Acquired Assets	640	578
A.1.2.	Changes in Balance of Adjustments, Reserves	495	-36
A.1.3.	Profit/Loss from Sale of Fixed Assets Accounted for in Revenue-, Expenses+		
A.1.4.	Revenues from Dividends and Shares in Profit (-)		
A.1.5.	Interest Paid (+) with the Exception of Capitalised Interest, Interest Received (-)	751	-2
A.1.6.	Possible Adjustments with Other Non-monetary Operation		
<b>A.*</b>	<b>Net Cash-Flow from Operations before Taxation, Changes in Working Capital and Extraordinary Items</b>	-7 770	-2 791
<b>A.2.</b>	<b>Changes in Non-monetary Items of Working Capital</b>	11 182	5 472
A.2.1.	Change in Receivables from Operations (+/-), Temporary Assets Accounts	4 889	14 681
A.2.2.	Change in Short-term Receivables from Operations (+/-), Temporary Liability Accounts	39	-2 102
A.2.3.	Change in Stock (+/-)	6 254	-7 107
A.2.4.	Change in Short-term Financial Assets other than Cash or Equivalents		
<b>A.**</b>	<b>Net Cash-Flow from Operations before Taxation and Extraordinary Items</b>	3 412	2 681
A.3.	Interest Paid with the Exception of Capitalised Interest (-)	-755	-137
A.4.	Interest Received (+)	4	4
A.5.	Tax Paid on Ordinary Activities and Additional Tax of Prior Period (-)	-22	
A.6.	Revenue and Expenses Connected with Exceptional Events, including Income Tax		
A.7.	Dividends Received and Profit Shares (+)		
<b>A.***</b>	<b>Net Cash-Flow from Operations</b>	2 639	2 548

Item	Description	In the Accounting Period	
		Current	Previous
<b>CASH-FLOW FROM INVESTMENTS</b>			
<b>B.1.</b>	Expenses Connected with the Acquisition of Fixed Assets	-193	-640
<b>B.2.</b>	Revenue from Sold Fixed Assets		
<b>B.3.</b>	Loans and Credits to Related Parties		
<b>B.**</b>	<b>Net Cash-Flow Related to Investments</b>	-193	-640
<b>CASH-FLOW FROM FINANCIAL TRANSACTIONS</b>			
<b>C.1.</b>	Impact of Changes in payables Affecting Cash and Equivalents		-1 850
<b>C.2.</b>	<b>Impact of Changes in Owners Equity on Cash and Equivalents</b>		
C.2.1.	Cash and Equivalents increase from increases in Equity (+)		
C.2.2.	Paid Equity Shares to Partners (-)		
C.2.3.	Other Contributions of Cash of Partners and Shareholders		
C.2.4.	Coverage of Loss by Partners (+)		
C.2.5.	Direct Fund Drawings (-)		
C.2.6.	Paid Dividends or Profit Shares, including Withheld Tax (-)		
<b>C.**</b>	<b>Net Cash-Flow Related to Financial Transactions</b>		-1 850
<b>F.</b>	<b>Net Increase or Decrease in Cash</b>	2 446	58
<b>R.</b>	<b>Cash and Equivalents at the End of the Period</b>	7 118	4 672

Prepared on: 24.2.2010

Legal form of the Accounting Entity: Limited

Subject of Business: purchase and selling of goods

Signature:




## Declaration of management of the company

Sarantis Czech Republic, s.r.o.

**domiciled Praha 3, Roháčova 77/1095, 130 00, IN 257 05 971**

to events after and before the date of the financial statements as of 31 December 2009

In connection with the audit of annual financial statement as of 31 December 2009 we give you the following assurances which are true and correspond with our best sense and conscience:

**a) Events before the date of the financial statement (as of 31 December 2009)**

- all the transactions proceeded by the company were properly noted in the actuarial documents,
- we have given the auditor an access to all actuarial and other papers, which could have significant influence on the financial statement (performance according to the contract conclusions and receivables and payables resulting from these, including possible losses). There exist no intentions which could significantly influence the value of assets and liabilities,
- we acknowledge the responsibility for actuarial and taxation correctness of all cases accounted which concern business relations with external companies whose contractual base is only at external companies' disposal,
- the company has proper property rights to all assets which are noted in the balance sheet and there are no other liens or burdens other from those stated in the enclosure to the financial statement. All the assets, to which the company has property rights, is stated in the financial statement,
- we detected and brought forward all information about receivables,
- all payables of the company are properly stated in the financial statement or in the enclosure eventually,
- there exist no other significant payables (costs and revenues respectively) which would need accruals and deferrals or stating in the financial statement or in the enclosure,
- there happened no breaking of legal regulations, including regulations relative to the subject of activity, the causes of which would have to be stated in the financial statement or which would be a base for writing unanticipated losses (except for events stated in the financial statement, or in accruals and deferrals eventually),
- tax base is numbered on the basis of qualified and responsible assessment of tax unused costs in compliance with valid tax regulations,
- there occurred no other events until the date of financial statement, which would require its changing or finishing, than those stated in the enclosure,
- we acknowledge our responsibility for truthfulness of proposed financial statement processed in compliance with actuarial principles including released information,
- there are no uncorrected material misstatements in the financial statements,



- we are aware that received penalty invoices issued in 2007 to 2009 are not all accepted by the company representatives which gives the reason for not entering these in the books of the company. However, these invoices are concurrently set-off on receivables due from the same consumer (account 321888 and 321999).

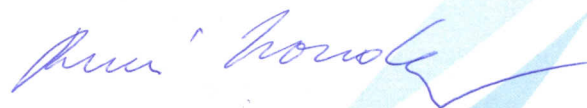
**b) Events after the date of the financial statement (after 31 December 2009)**

- the company didn't accept any new payables, credits or loans or any new guaranties,
- there was no significant sale or purchase of assets realized, nor are any of these actions planned in the nearest future,
- there was no significant asset expropriated or damaged, e.g. by natural event or by foreign people's fault,
- there were no unusual actuarial entries realized, nor are such events planned in the nearest future,
- there was no progress of events related to risk fields and potential payables recorded, which would need generating the reserves or adjustments reacting to these risks,
- there occurred no other events after the date of financial statement which would need eventually its adjustment than those presented in the enclosure.

**c) Taking the laws and regulations into account**

- there were no unusual provisions or intermediary payments accepted that are unusually higher than those normally paid by accounting entity,
- there were no purchases realized for prices unusually lower than standard price,
- there were no unusual cash flows, eventually bearer cheques in significant amounts performed,
- there hasn't come to payments for unspecified services or to offering loans of significant amount to advisors, related members, employees of the accounting entity or to state employees,
- there hasn't come to unusual transactions with companies registered in countries with low tax burdens or without taxation,
- there hasn't come to investigation by state agencies during the accounting period,
- the accounting system used involves all control mechanisms needed for securing the undisturbed series of chronological accounting entries.

In Prague on 24 February 2010



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