

INDEPENDENT AUDITOR'S REPORT

To: The Shareholder of
Sarantis Bulgaria Ltd.

Report on the Financial Statement

We have audited the accompanying financial statement of Sarantis Bulgaria Ltd., which comprise the statement of financial position as at December 31, 2010, and the statement of total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

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 about 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. 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 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 at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

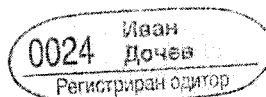
Report on Other Legal and Regulatory Requirements

We confirm that the information presented in the annual activity management report is consistent with the data of the financial statement and complete in the context of the requirements of the Commercial Law in Bulgaria and the Accounting Law.

Auditor: 

/ Ivan Dochev /

Date: 19 01. 2011



Address: Sofia, Lyuben Karavelov Str. 59

STATEMENT OF FINANCIAL POSITION OF SARANTIS BULGARIA LTD. AS OF DECEMBER 31, 2010

	31/12/2010 ('000 BGN)	31/12/2009 ('000 BGN)
ASSETS		
NON-CURRENT ASSETS		
Equipment, transportation means and other assets	275	445
Deferred tax asstes	93	106
TOTAL NON-CURRENT ASSETS	368	551
CURRENT ASSETS		
Inventories	2 990	3 608
Trade and other receivables	7 051	9 340
Cash	4 111	2 718
TOTAL CURRENT ASSETS	14 152	15 666
TOTAL ASSETS	14 520	16 217
EQUITY		
Authorised capital	10 624	10 624
Reserves	1	1
Profit carried forward	1 408	2 897
TOTAL EQUITY	12 033	13 522
LIABILITIES		
SHORT-TERM LIABILITIES		
Trade and other liabilities	1 999	2 185
Net current tax liabilities	383	384
Provisions	105	126
TOTAL SHORT-TERM LIABILITIES	2 487	2 695
TOTAL EQUITY AND LIABILITIES	14 520	16 217

Prepared by:

(Vessela Tsvetanova)

General Manager:

(Nenad Marinkovic)

Date: 18.01.2011

19.01.2011



**STATEMENT OF COMPREHENSIVE INCOME OF SARANTIS BULGARIA LTD.
FOR THE PERIOD ENDED DECEMBER 31, 2010**

	2010	2009
	('000 BGN)	('000 BGN)
Revenue	23 241	26 011
Cost of sales	(12 537)	(14 685)
Expenses for materials	(1 205)	(1 550)
Expenses for external services	(5 541)	(4 934)
Expenses for personnel	(2 182)	(2 379)
Depreciation expenses	(168)	(197)
Other operating income	143	140
Other operating expenses	(271)	(243)
Operating profit	<u>1 480</u>	<u>2 163</u>
Net financial income	<u>97</u>	<u>89</u>
Profit before taxes	<u><u>1 577</u></u>	<u><u>2 252</u></u>
Income tax expense	(169)	(235)
Profit for the year after tax	1 408	2 017
Other comprehensive income		(20)
Other comprehensive income for the year, net of tax		(20)
Total comprehensive income for the year	<u><u>1 408</u></u>	<u><u>1 997</u></u>

Prepared by:

(Vessela Tsvetanova)

General Manager:

(Nenad Marinkovic)

Date: 18.01.2011

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19.01.2011

