SUPPLEMENTARY REPORT TO THE CERTIFIED AUDITOR'S OPINION ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2004

POZNAŃ, 15 KWIETNIA 2005 ROKU

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I. GENERAL OVERVIEW

A. DATA IDENTIFYING THE CAPITAL GROUP

	Name	Registered office	Share in % in the share capital	No. of votes at the General Meeting of Shareholders
Holding company	LPP S.A.	ul. Łąkowa 39/44, 80-769 Gdańsk	-	-
Subsidiaries under consolidation	LPP Retail Estonia OU	Estonia pst.1/3, Tallinn 10143, Estonia	100	100
	LPP Czech Republic s.r.o.	Revnicka 121/1 Zlicin 155 21 Prague 5	100	100
	LPP Hungary Kft	Kiss Erno u.3 H-1046 Budapest	100	100
	LPP Retail Latvia Ltd	Krasta 46 Riga Latvia	100	100
	UAB LPP;	1179594 Uzupio 26-6 Vilnius Lithuania	100	100
	LPP Ukraina	81200 Lviv Region Peremyshlany Bulwar Miżgiarski 1	100	100
	Re Trading Zamknięta Spółka Akcyjna	Russian Federation 125363 Moscow ul. Geroyev Panfilovcev dom 10, korpus 1 office: 216	100	100
Subsidiaries excluded from consolidation	G&M Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	M&G Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	AKME Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	TORA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	SL&DP Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	P&G Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	DP&SL Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	IL&DL Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100

	PL&GM Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	GM&PL Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	AMA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	LIMA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	LUMA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	KAMA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	KUMA Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	AMUK Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	AMUL Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100
	AMUR Sp. z o.o.	Gdańsk ul. Łąkowa 39/44	100	100

1. The objects of the Capital Group companies (until the balance sheet date)

   1.1. Holding company – LPP S.A.

   1.1.1. wholesale sales of clothing, classified in item 51.42 Z of the Polish Classification of Economic Activities (PKD) as "wholesale sales of clothing and footwear",

   1.1.2. retail sales of clothing, classified in item 52.42 Z as "retail sales of clothing".

   1.2. Subsidiaries under consolidation

   1.2.1. Retail and wholesale trade of clothing, footwear, accessories, and corresponding groups of additional products.

   1.3. Subsidiaries excluded from consolidation

   1.3.1. Management of real estate

2. The management of the holding company as at the date of the audit.

   Marek Piechocki – President of the Management Board

   Alicja Milińska –Vice President of the Management Board

   Stanisław Dreliszak - Vice President of the Management Board

   Dariusz Pachla - Vice President of the Management Board

3. No changes occurred in the composition of the Management Board in the audited period and in the period from the balance sheet day to the end of the audit.

B. THE DATA IDENTIFYING THE CERTIFIED AUDITOR

1. HLB Frąckowiak i Wspólnicy Sp. z o.o. was selected to audit the consolidated financial statement by the Supervisory Board of LPP S.A. (pursuant to Article § 66 section 4 of the Accounting Act).
2. This report was ordered by LPP S.A. under Agreement No. 297/15 of 2 August 2004 entered into by the said entity and HLB Frąckowiak i Wspólnicy Sp. z o.o. with it registered office in Poznań (post code: 61-831) at Plac Wiosny Ludów 2 (No. 238 on the list of entities authorized to audit financial statements). On behalf of the entity authorized to audit the consolidated financial statement, the audit was performed by the auditor, Jan Letkiewicz, No. 9530/7106.
3. HLB Frąckowiak i Wspólnicy Sp. z o.o. and the certified auditor meet the requirements stipulated in Article § 66 section 2 and 3 of the Accounting Act on the objectivity and independence of the audited Business.

C. THE LEGAL BASIS FOR THE AUDIT

The audit of the consolidated financial statement was performed on the basis of:

1. the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2002 no. 76 item 694, as amended)
2. auditing standards issued by the National Council of Certified Auditors in Poland.

D. THE LIABILITY AND THE AUDIT OBJECTIVE

1. The objective of the audit was the expression of an auditor's opinion alongside this report whether the consolidated financial statement is correct and presents a true and fair view of the assets and the financial standing as well as the financial results of the audited business.
2. The consolidated financial statement was signed by all members of the Management Board of the holding company – it means that the Management Board assumes liability for the correct accounts as well as for the statement that the Business applied accounting principles in a proper manner, ensuring the presentation of a true ad fair view of the financial standing, assets and financial results of the audited business. The obligation to

sign the financial statement by all members of the Management Board of the holding company is provided for in the Accounting Act.

3. The Management Board of the holding company made a statement on the completeness, fairness and accuracy of the consolidated financial statement to be audited and that between the balance sheet day and the final day of the audit no event occurred that would materially affect the Capital Group's asset and financial standing and which were not included in the audited financial statement.
4. The Management Board of the holding company made available to us the requested data, information, explanations and statements necessary to issue the opinion on the audited consolidated financial statement for FY 2004.
5. When auditing particular items of the consolidated financial statement, we made use of auditing samples on the basis of which we draw conclusions on the accuracy of the audited items.
6. The subject of our audit did not entail the detection and clarification of events which would be the basis for initiating criminal proceedings by respective authorities. Also, the subject of the audit did not cover other irregularities which could have occurred outside the accounting principles of the audited Business.
7. During the audit, we did not notice any events which would be the evidence of the violation of law in the accounting system.

E. INFORMATION ON THE FY03 CONSOLIDATED FINANCIAL STATEMENT

1. The consolidated financial statement for 2004 was drawn up for the first time.

F. INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENT TO BE AUDITED

1. The consolidated financial statement to be audited drawn up by the holding company includes:

   1.1. introduction to the consolidated financial statement

1.2. the consolidated balance sheet as at 31 December 2004 with the balance sheet total of assets and liabilities of **PLN 311,709,000** (three hundred and eleven million seven hundred and nine thousand zloty);

1.3. the consolidated profit and loss account for the period between 1 January 2004 and 31 December 2004 with the net profit of **PLN 42,686,000** (forty two million six hundred and eighty six thousand zloty);

1.4. statement of changes in consolidated equity for the period between 1 January 2004 and 31 December 2004, presenting the increase in equity by **PLN 40,930,000** (forty million nine hundred and thirty thousand zloty);

1.5. the consolidated cash flow statement presenting the decrease in cash in the period between 1 January 2004 and 31 December 2004 by **PLN 7,022,000** (seven million twenty two thousand zloty);

1.6. notes to the financial statement.

2. The holding company drew up the report on the Capital Group's operation in the financial year which was attached to the consolidated financial statement.

G. INFORMATION ON CONSOLIDATED COMPANIES

1. The audit of financial statements of the Capital Group companies subject to consolidation

No.	Name of the related party	Type of certified auditor's opinion	Name of the entity authorized to audit financial statements	Consolidation method	Objections and comments included in certified auditors' opinions
1.	LPP S.A.	no objections	HLB Frąckowiak i Wspólnicy Sp. z o.o.	full consolidation	N/A
2.	LPP Retail Estonia OU	no objections	HLB Expertus Audit Ltd.	full consolidation	Notes: 1. We audited the company for the first time, as a result, we cannot express our opinion on the profit generated in previous years. 2. The Company must decide on further dealing with claims amounting to EEK 241, 857 (PLN 63,052), which may affect the 2005 results.

3.	LPP Czech Republic s.r.o.	no objections	BDO CS s.r.o.	full consolidation	N/A
4.	LPP Hungary Kft	with objections	HLB Klient Plusz Kft.	full consolidation	Objections: In H1 2004, the internal audit was not performed in LPP Hangary Kft. As a result, we cannot confirm that all transactions in this period were properly recognized in the profit and loss account.
5.	LPP Retail Latvia Ltd	no objections	BDO Incest Riga	full consolidation	N/A
6.	UAB LPP	no objections	UAB Balanso auditas	full consolidation	Objections: The company valued the outflows of inventory with the FIFO method, despite the holding company's recommendation to apply the average cost method. We cannot determine how the change from the FIFO method to the average cost method would affect the inventory value and the financial results.
7.	LPP Ukraina	no objections	OOO Mieżdunarodnyje Finansy	full consolidation	N/A
8.	Re Trading Zamknięta Spółka Akcyjna	no objections		full consolidation	Objections: We did not participate in the physical count of inventory, as the count date preceded the date of signing the agreement on the audit of financial statement.

2. Exclusions from the consolidated financial statement.

2.1. subsidiaries have not been consolidated, as their total financial data is immaterial for the obligations specified in Article 4.1 of the Accounting Act (exemption stipulated in Article § 5 section 1 item 1 of the Accounting Act). All subsidiaries involved in the management of all real estate used by LPP S.A. were exempt from consolidation. The financial data of subsidiaries exempt from the consolidation were presented in Note 21 to the consolidated financial statement.

3. Type and impact of changes caused by changes in the number of businesses to be consolidated.

3.1. The annual consolidated financial statement of LPP S.A. Capital Group has been prepared for the first time.

4. There are no discrepancies between the balance sheet date of the Capital Group and the date of the financial statements of subsidiaries.

II. FINANCIAL STANDING

A. PROFITABILITY

1. The profitability ratios reflect the relation of a business' financial results to various economic categories. They are the fundamental metrics of return on assets and return on equity.

Ratio	Calculation formula	Target value	Ratio value 2004
Return on sales	profit (loss) on sales /net sales	max	10.3%
Gross profit margin	gross profit (loss) /net sales	max	9.8%
Total gross profit margin	gross profit (loss) /(net sales + other operating income + financial income + extraordinary gains)	max	9.5%
Net profit margin	net profit (loss) on sales /net sales	max	7.8%
Return on Equity	net income (loss) / shareholders' equity excluding net financial result for the period	max	28.6%
Return on Assets	net profit (loss) / total assets	max	13.7%

2. In 2004, operating costs accounted for 89.7% of the revenues from sales.

   2.1. The difference between the return on sales and gross profit margin reflects the scale of the impact of other operating loss incurred in the last year of the analysis.

3. In 2004, the return on equity excluding net profit, accounting for 47.9% of the Capital Group's total assets amounted to 28.6%.

   3.1. It means that in 2004, each PLN 100 invested in the shareholders' equity of the Capital Group generated PLN 28.6 of profit.

4. In 2004, each PLN 100 invested in the Capital Group's total assets, amounting to PLN 311,708,600 generated PLN 13.7 of net profit.

B. LIQUIDITY

1. Liquidity ratios are applied to assess the business' capability to pay its short-term liabilities, i.e. payables with payment dates not exceeding 1 year.

1.1. If the values of ratios are below standard, there is a risk for the business of losing its ability to pay its short-term liabilities when due.

1.2. In cases when the ratios are too high, it may be a sign of freezing current assets, which lowers the return on equity possible to achieve.

Ratio	Calculation formula	Target value	Ratio value 2004
Quick ratio	(short-term investments + short-term receivables*) / current liabilities**	0.8 - 10	0.35
Current ratio	(current assets* - short-term prepaid expenses) / current liabilities**	1.6 – 2.0	1.51
Payables to receivables ratio	trade receivables / trade payables	> 1.0	0.68
Working capital (in PLN '000)	current assets - short-term accruals - current liabilities	max	57 919.5
Working capital to total assets ratio	working capital / total assets	max	18.6%

* without trade receivables with maturity dates over 12 months

** without trade liabilities with maturity dates over 12 months

2. In 2004, the quick ratio was below the level desired from the point of view the Company's safe operations, which results from the trading character of the Capital Group's operations. Though the quick ratio may be used to assess a business' immediate solvency, the current ratio is more suitable to assess liquidity in longer terms – its value in 2004, 151%, is sufficient to fully cover current liabilities with current assets and mean a sufficient capability of timely payment of liabilities.

3. In 2004, the Capital Group's trade receivables accounted for ca. 68% of trade payables.

4. In 2004, the working capital was PLN 57,919,500 and accounted for 18.6% of the Capital Group's total assets.

C. EFFICIENCY

1. Efficiency ratios denote the efficiency of the management of particular business' assets.

1.1. Total assets turnover ratio and fixed assets turnover ratio measure a business' assets ability to generate revenues from sales.

1.2. Inventory turnover ratios measure the length of average turnover cycle (in days). The shorter the cycle, the more efficient assets management.

Ratio	Calculation formula	Target value	Ratio value 2004
Total assets turnover	net sales / total assets	max	1.75

Fixed assets turnover	net sales / fixed assets	max	4.69

2. In 2004, each PLN 100 of the book value of the Capital Group's assets generated ca. PLN 175 of revenues from sales.
   2.1. In 2004, each PLN 100 invested in the Capital Group's tangible fixed assets generated ca. PLN 469 of revenues from sales.

D. FINANCING CURRENT OPERATIONS

1. Ratios of financing current operations aim at the assessment of the debt and the possibility of its servicing by a business and the assessment of the risk related to the structure of liabilities.
   1.1. The debt ratio measures the share of all external capital financing a business' assets in the business' total capital. A business' permissible debt depends on its character and nature of its operations. The ratio around 30-50% may be deemed correct.
   1.2. Fixed assets to fixed capital ratio should be over 1.0, which means that in order to fully secure a company's current operations, fixed assets should be fully covered with fixed capital, i.e. capitals which remains available to a company for more than 1 year (fixed capital is the aggregate of shareholders' equity and short-term liabilities).

Ratio	Calculation formula	Target ratio	Ratio value 2004
Debt ratio	debt / total equity	30%-50%	38.4%
Equity to debt ratio	shareholders' equity / debt	> 1.0	160
Fixed assets to long-term capital ratio	(shareholders' equity + long-term liabilities + long-term provisions + long-term accruals / fixed assets	> 1.0	1.43
Sustainability of financing structure	(shareholders' equity + long-term liabilities + long-term provisions + long-term accruals / total equity	max	63.1%

2. Debt to total liabilities ratio in 2004 was deemed safe which means that it did not exceed 40% of total equity.
3. In 2004, the Capital Group applied the so-called golden rule of financing which claims that fixed assets should be fully financed with capitals invested in the business operation for a long time.
4. In 2004, the Capital Group's shareholders' equity fully covered the debt, ensuring safe financing structure for the Company's operations.

E. THE JUSTIFICATION FOR THE ONGOING CONCERN ASSUMPTION

In the context of the data presented above, we claim that the financial standing and assets, financial result and profitability of the Capital Group included in the consolidated financial statement are not affected – as compared to previous periods – by negative events.

III. PARTICULARS

A. THE CAPITAL GROUP'S ACCOUNTING PRINCIPLES

1. The capital group's accounting principles include:
    1.1. the rules of the consolidation of financial statements
    1.2. methods of the valuation of assets and liabilities,
    1.3. the rules for presenting data in individual and consolidated financial statements.
2. During the audit, we discovered that:
    2.1. The accounting principles with respect to the rules of the consolidation of financial statements were not determined by the holding company in a formal manner (the imperative regulations suffice here); the companies of the Capital Group were recommended to apply, in a formalized manner, the methods of evaluation and presentation to be applied by the holding company.
    2.2. The formalization of the accounting principles with respect to methods of evaluation and presentation is ensured, in all material respects, by the application of the uniform policy by all Capital Group's companies. In practice, the accounting principles applied by the subsidiaries differ from the accounting principles applied by the Holding Company, yet the discrepancies are immaterial. The differences with respect to the rules of presentation were eliminated in the consolidation process, and the differences in terms of evaluation methods are not material for the consolidated financial statement.

B. PRINCIPLES OF CONSOLIDATION

1. The consolidation principles are applied in such a way so that consolidated financial statements presented the Capital Group's financial standing and assets as if the capital Group companies formed a single business.
2. Subsidiaries were consolidated under the full consolidation method, including:

2.1. adding financial statements of the holding company and all subsidiaries which involves adding respective items in the balance sheet, profit and loss account, and cash flow statement.

2.2. making consolidation exclusions, including:

2.2.1. exclusion of subsidiaries shareholders' equity as at the day of taking control over the subsidiaries,

2.2.2. determination of the goodwill from consolidation and its annual write-off,

2.2.3. exclusion, from respective balance sheet items, all receivables and payables between the Capital Group companies as at the balance sheet date,

2.2.4. exclusion, from respective profit and loss account items, sales between the Capital Group companies in the reporting period,

2.2.5. exclusion, from the financial result, of unrealised margins included in the assets of the Capital Group companies.

3. The compliance of the consolidation principles with law and justification of any possible variation from the rules.

The consolidation principles comply with the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2002, No. 76, item 694, as amended) and the Minister of Finance Ordinance of 12 December 2002 on detailed principles of preparation financial statements of related parties by entities other than banks and insurance companies (Journal of Laws No. 152, item 1729).

C. THE ACCURACY OF APPLIED VALUATION METHODS

1. Substantial differences in valuation methods adopted by the Capital Group and applied by particular companies and their impact on the financial standing and assets presented in the Capital Group's financial statement.

1.1. Differences in valuation methods do not materially affect the consolidated financial statement. Differences in presentation rules have been eliminated in the consolidation process.

2. The assessment of the evaluation principles and methods adopted by the Capital Group and their consistent application.

2.1. The evaluation principles comply with the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2002, No. 76, item 694, as amended) and the regulations issued under the Act and serve the purpose of presenting a true and fair view of the Capital Group's financial standing.

3. The assessment of the data presentation principles and methods in the consolidated financial statement and their consistent application.

   3.1. The presentation principles comply with the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2002, No. 76, item 694, as amended) and the regulations issued under the Act and serve the purpose of presenting a true and fair view of the Capital Group's financial standing.

D. GOODWILL FROM CONSOLIDATION

1. No goodwill is reported in the consolidated financial statement, as:

   1.1. the Company is the sole shareholder in all subsidiaries. The shares of the subsidiaries were acquired by LPP S.A. by:

      1.1.1. establishing a new entity and taking up 100% of its shares – as the shares were not acquired from an unrelated entity, goodwill is not reported,

      1.1.2. acquiring 100% of shares from a subsidiary – in this option, the goodwill was estimated as at the day of taking control of a subsidiary. As the estimated goodwill was immaterial, it was charged one-off to undistributed profit.

E. THE EQUITY OF MINORITY SHAREHOLDERS

As LPP S.A. is the sole shareholder in all subsidiaries under consolidation, the equity of minority shareholders is not reported.

F. FX RATE DISCREPANCIES FROM CONSOLIDATION

FX rate discrepancies from consolidation were calculated correctly, as discrepancies resulting from consolidation exclusions of inter-company receivables and payables and the difference resulting from the application of other exchange rates to translate the balance sheet and the profit and loss account.

G. THE EXCLUSION OF THE EFFECTS OF INTER-COMPANY TRANSACTIONS

1. Exclusion of inter-company payables and receivables:

No.	Item	Amount in '000 PLN	No.	Item	Amount in '000 PLN
1.	Long-term loans granted	- 7.913,9	1.	Trade payables from related parties	- 24.597,3
2.	Trade receivables from related parties	- 24.702,2	2.	Other short-terms payables towards related parties	- 9.293,1
3.	Short-term loans granted	- 1.362,1			
	Total receivables	**-33.978,2**		**Total payables**	**- 33.890,4**

1.1. The calculations of exclusions related to inter-company receivables and payables were correct

2. Exclusion of inter-company sales

No.	Item	Amount in '000 PLN	No.	Item	Amount in '000 PLN
1.	Net revenues from sales of goods and materials	- 33,242.7	1.	Value of goods and materials sold	- 31,247.8
2.	Other operating revenues	- 1,005.5	2.	Costs of sales	- 1,311.9
3.	Interest income	- 344.7	3.	Interest expense	- 448.1
4.	Other financial revenues	+ 12.4	4.	Other financial expense	- 39.9
			5.	Deferred tax	- 371.7
	Total revenues	**- 34,605.3**		**Total expense**	**- 33,3396**

2.1. The calculations of exclusions related to inter-company sales were correct.

2.1.1. Other operating income excluded include mainly revenues from know-how and the use of trademarks generated by the holding company and recognized in selling costs of subsidiaries.

3. The exclusions of unrealised profits included in assets

3.1. Fixed assets

3.1.1. No transactions related to fixed assets were concluded between the Capital Group companies.

3.2. Tangible fixed assets

3.2.1. Unrealised margins included in goods inventory were determined in a correct manner and excluded from inventory in correspondence with the increase in the cost of sale of the goods.

3.2.2. Due to the exclusion of unrealised margins included in inventory, deferred tax assets were created, deferred tax assets and liability were adjusted as a result of the exclusion of interest income and interest expense.

4. The exclusion of the effect of paid dividend

4.1. No dividend was paid between the Capital Group companies.

5. The effects of the disposal of shares in subsidiaries

5.1. No disposal of shares in subsidiaries had place.

H. CONSOLIDATED NOTES

The assessment of the consolidated notes

1. Consolidated notes, including the introduction to the consolidated financial statement and notes, contains complete data pursuant to the Accounting Act and the facts.

I. CONSOLIDATED CASH FLOW STATEMENT

The assessment of the cash flow statement

1. The consolidated cash flow statement was prepared in a proper manner, pursuant to the Accounting Act.
2. The data reported in the consolidated cash flow statement conform to the data included in the balance sheet and the profit and loss account, and particular cash flows were classified to appropriate items.
3. The total change in cash amounting to: – PLN 7,022,000

   included:

3.1.	cash flow from operations	+ PLN 2,692,000
3.2.	cash flow from investments	– PLN 64,373,000
3.3.	cash flow from financial activity	+ PLN 54,659,000

J. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

1. The statement of changes in equity was prepared in a proper manner, pursuant to the Accounting Act.
2. The data reported in the statement of changes in equity conform to the data included in the balance sheet and the profit and loss account, and particular changes in equity were classified in appropriate items.

K. REPORT ON THE OPERATION OF THE CAPITAL GROUP

The assessment of the report from the operation of the Capital Group

1. Report on the operation of the Capital Group includes the following elements:
   - 1.1. information on financial standing and assets and the assessment of effects and the indication of risk factors and threats, including information on:
     - 1.1.1. events which materially affect the Capital Group's operations, and which occurred in the financial year and thereafter, until the date of the approval of the financial statement,
     - 1.1.2. projected development directions of the Capital Group,
     - 1.1.3. major achievements in research & development,
     - 1.1.4. current and projected financial standing,
     - 1.1.5. the acquisition of Treasury shares by the Capital Group companies and persons representing such companies, including the purpose of the acquisition, the number and nominal value of such shares, indicating what part of the share capital they represent, the purchase price and the selling price of such shares in the case of their disposal,
     - 1.1.6. branches (plants),
     - 1.1.7. financial instruments, related to:

1.1.7.1. the risk of changes in prices, credit risk, material disturbances of cash flow and of the loss of financial liquidity to which the business is exposed.

1.1.7.2. the objectives and methods of financial risk management adopted by the business, including methods of securing material types of planned transactions for which the hedge accounting is applied.

1.2. financial and non-financial ratios material for the assessment of the Capital Group's situation, including information on employment and environmental protection issues, and additional notes to amounts presented in the financial statement.

2. The report on the Capital Group's operation for the financial year 2004 is complete within the meaning of the Accounting Act and the financial information contained therein comply with the items of the consolidated financial statement.

3. The subject complies with the Accounting Act.

L. COMPLETENESS AND CORRECTNESS OF THE CONSOLIDATION DOCUMENTATION

1. The consolidation documentation includes:
   1.1. financial statements of Capital Group companies
   1.2. any adjustments and consolidation exclusions from financial statements subject to consolidation
   1.3. the calculation of goodwill from consolidation or the capital reserve and their write-offs
   1.4. the calculation of shareholders' equity of minority shareholders
2. The consolidation documentation is complete and enables us to verify the method of preparing the consolidated financial statement and determine consolidation exclusions.

M. INFORMATION ON THE CERTIFIED AUDITOR'S OPINION

We believe that the audited consolidated financial statement including figures and verbal clarifications:

- presents a true and fair view of all information relevant for the assessment of the audited Capital Group's financial standing and its assets as at 31 December 2004, as well as its financial result for the financial year between 1 January 2004 and 31 December 2004.
- was drawn up, in all its material aspects, based on accounting principles set out in the Accounting Act and the Ministry of Finance Ordinance dated 12 December 2001 on specific rules of drawing up financial statements of associated companies other than banks and insurance companies (Journal of Laws No. 152, item 1729),
- complies with the legal provisions binding for the capital group which affect the contents of the consolidated financial statement.

The report on the capital group's operation in the financial year is complete within the meaning of the Accounting Act and the financial information contained therein, originating from the audited consolidated financial statement, complies with it.

Jan Letkiewicz	Cecylia Pol
Certified Auditor No. 9530/7106	President of the Management Board HLB Frąckowiak i Wspólnicy Sp. z o.o. the entity authorised to audit financial statements, entered in the register of auditors certified to audit financial statements, entry no. 238 Certified Auditor No. 5282/782

This report contains 23 pages.