

Prospect Auditing&Consulting Srl

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF SC MARAC ROMANIA SRL**

1. We have audited the accompanying financial statements of SC Marac Romania SRL ("The Company") as of 31 December 2003. These financial statements are the responsibility of the Company's management and were restated in Euro by the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the National Standards on Auditing, aligned to the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have been appointed as the Company's auditors only this year in February , therefore we did not audited the beginning balance sheet of 2003 or the financial statements of 2002.

4. The shareholder Marac Electronics S.A. has granted a loan to the Company and the balance of the loan as at 31 December 2003 was 312.831,24 Euro. The balance sheet presented by the management showed only 262.501,32 Euro.
5. We did not receive the Group Accounting Manual and as a result we could not check the Euro restatement of the Romanian ROL financial statements.
6. In our opinion, except for the effect of the above mentioned issue, the accompanying balance sheet as of 31 December 2003 presents fairly, in all material respects, the financial position of SC Marac Romania SRL for the year then ended .
7. Without expressing another qualification , considering the comfort letter sent by the shareholder MARAC ELECTRONIC SA, we draw the attention to the fact that, under the Romanian Companies' Law, when a company is losing more than half of its share capital the shareholders have to decide over either increasing the capital or over the decrease of the capital with the loss registered.

This report has been issued to be used solely for the use of the shareholders of MARAC Romania SRL.

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Bucharest, 02 March 2005

Cristina Ion