

## INDEPENDENT AUDITOR'S OPINION

### To the General Shareholders' Meeting and Supervisory Board of Fabryka Kotłów RAFAKO S.A.

1. We have audited the attached financial statements for the year ended 31 December 2005 of Fabryka Kotłów RAFAKO S.A. ('the Company') located in Racibórz, at Łąkowa 33 St., containing:
  - the balance sheet as at 31 December 2005 with total assets amounting to 391,605 thousand zlotys,
  - the profit and loss account for the period from 1 January 2005 to 31 December 2005 with a net profit amounting to 2,940 thousand zlotys,
  - the statement of changes in shareholders' equity for the period from 1 January 2005 to 31 December 2005 with a net increase in shareholders' equity amounting to 2,940 thousand zlotys,
  - the cash flow statement for the period from 1 January 2005 to 31 December with a net cash inflow amounting to 2,066 thousand zlotys, and
  - the additional notes and explanations,('the attached financial statements').
2. The truth and fairness<sup>1</sup> of the attached financial statements and the proper maintenance of the accounting records are the responsibility of the Company's Management Board. Our responsibility was to audit the attached financial statements and to express an opinion whether, based on our audit, these financial statements are, in all material respects, true and fair<sup>2</sup> and whether the accounting records that form the basis for their preparation are, in all material respects properly maintained.
3. We conducted our audit of the attached financial statements, except for the effect of the matter described in paragraph 5 below, in accordance with the following regulations being in force in Poland:
  - chapter 7 of the Accounting Act, dated 29 September 1994 ('the Accounting Act'),
  - the auditing standards issued by the National Chamber of Auditors,

in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by Management Board, as well as evaluating the overall presentation of the attached financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached financial statements treated as a whole.

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<sup>1</sup> Translation of the following expression in Polish: "*prawidłowość, rzetelność i jasność*"

<sup>2</sup> Translation of the following expression in Polish: "*prawidłowe, rzetelne i jasne*"

4. The financial statements for the prior financial year ended 31 December 2004, prepared under Polish Accounting Act dated 29 September 1994 (Journal of Law No. 76 dated 17 June 2002 with subsequent amendments), were subject to our audit and as at 24 March 2005 we issued a qualified opinion with emphases of matter on these financial statements. Qualification related to inability in assessing significant contract parameters after the restart date as well as inability in determining recoverability of assets presented in the Company's financial statements for the year ended 31 December 2004 related to the above contracts and inability in determining the impact of the above issues on the financial statements for the year ended 31 December 2004. Additional qualification related to inability in determining recoverability of significant balance of receivables due from the entity belonging to the capital group of the significant investor of the Company related to the contracts.
5. As described in additional note 38 to the attached financial statements, the Company presents significant balance of overdue receivables due from the entity belonging to the capital group of the significant investor of the Company. As at 31 December 2005 net balance of these receivables amounted to approximately 15.8 million zlotys. As at 31 December 2004 the Company did not provide for the above receivables, however taking into account financial standing of the entity belonging to the capital group of the significant investor of the Company, there is a risk that the above receivables will not be recovered. At present stage, we were unable to determine the impact of the above issues on the financial statements for the year ended 31 December 2005.
6. In our opinion, except for the effect of the matter described in paragraph 5 above, the attached financial statements, in all material respects:
  - present truly and fairly all information material for the assessment of the results of the Company's operations for the period from 1 January 2005 to 31 December 2005, as well as its financial position<sup>3</sup> as at 31 December 2005;
  - have been prepared correctly, i.e. in accordance with International Financial Reporting Standards as adopted by the EU and based on properly maintained accounting records;
  - are, in respect of the form and content, in accordance with legal regulations governing the preparation of financial statements and the Company's articles of association.
7. We have read the 'Directors' Report for the period from 1 January 2005 to 31 December 2005 and the rules of preparation of annual statements ('the Directors' Report') and concluded that the information derived from the attached financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance of 19 October 2005, on current and periodic information published by issuers of securities (Journal of Law No. 209, item 1744).

on behalf of:

Ernst & Young Audit sp. z o.o.  
Rondo ONZ 1, 00-124 Warsaw  
Register number 130

Artur Żwak  
Certified Auditor No. 9894/7366

Jacek Hryniuk  
Certified Auditor No. 9262/6958

Warsaw, 30 March 2006

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<sup>3</sup> Translation of the following expression in Polish: "sytuacja majątkowa i finansowa"