

system 3R

System 3R International AB
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May 16, 1994

HNQ/JRo

Mr. Peter Bilic
System 3R Vertriebs GmbH
Wasserweg 19
D-64521 GROß-GERAU
TYSKLAND

Dear Peter,

Referring to our meeting with SE-Banken I am enclosed sending you the latest balance sheet for System 3R International AB as per March 31 signed by the corporate auditor. We have chosen this date for the following reasons:

- a) the voluntary write-off of debts took place on February 25, 1994
- b) the new emission of equity by the new owners took place on February 25, 1994
- c) the group has been rearranged with System 3R Int. as the sole mother company
- d) the first quarter of 1994 has shown a net profit after taxes for the group as a whole of abt. 8 Million SEK.

The shareholders' equity amounts to 62.2 Million SEK, to which should be added the additional write-off of debts by IndustriKredit of 3 Million SEK, which took place in April, and the 12 Million SEK conversion debentures by the banks.

Thus the overall solidity for the parent company as per April 30 is 43%.

With Best Regards

Encl.

