



Audit

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Dr. Chris Kacher
c/o European Merchant Finance SA
118 rue du Rhône

Our ref MC/ym

1204 Geneva

Geneva, 29 December 2003

Independent Accountants' Report on Historical Trading Performance

Dear Dr. Kacher,

We have performed the procedures enumerated below, which were agreed to by you, solely to confirm the accuracy of historical annual performance of you own account from years 1996 to 2002. This agreed-upon procedures engagement was conducted in accordance with the applicable professional attestation standards. The sufficiency of these procedures is solely your responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Work done

In accordance with our letter dated 9 December 2003, approved by you on 10 December 2003, we have performed the following procedures covering the period from 1 January 1996 to 31 December 2002 (the Period) :

- 1 Obtained and analyzed all bank/brokers activity statements for the Period :
 - Checked consistency of the copies of all monthly brokers/banks statements for the whole period; and
 - Analyzed types of transactions in order to consider non-performance related transactions i.e. cash withdrawal/deposits.
- 2 Compiled required data for performance calculation (i.e. end of month valuation and funds deposits/withdrawals transactions) on an XL spreadsheet for the Period.
- 3 Computed monthly performances based on Modified-Dietz methodology :
 - Computed monthly performances with a performance calculation methodology which uses time-weighted cash-flows to adjust for cash withdrawals/deposits; and
 - Calculated monthly performances on a net basis, i.e. after deduction of all fees.



4 Computed annual performance for the Period :

- Computed annual performances by geometrically chain-linking the monthly performances.

Performance reporting for the Period

Year	Annual Performance	Account
1996	121.57 %	National Discount Brokers Acc# 4KB-380097
1997	98.15 %	National Discount Brokers Acc# 4KB-380097
1998	227.70%	National Discount Brokers Acc# 4KB-380097 until 14.9.98 Stockmart Acc# 99451 from 15.9.98 to 31.12.98
1999	450.57 %	Stockmart Acc# 99451 from 1.1.99 to 31.12.99
2000	150.15 %	Stockmart Acc# 99451 from 1.1.00 to 31.12.00
2001	-8.30 %	Stockmart Acc# 99451 from 1.1.01 to 21.09.01 Stockmart Acc# 99600 from 22.09.01 to 31.10.01 Citibank Acc # 40013401747-Savings acc. from 31.10.01 to 31.12.01
2002	0.94 %	Citibank Acc# 40013401747-Savings acc. from 1.1.02 to 4.6.02 Société Bancaire Privée Acc# 10.010619 Lucent from 5.6.02 to 31.12.02

The annual performances summarized above are computed using the Modified Dietz methodology and are calculated net of transactions, administrative and custody fees.

These performances represent the track record of Dr. Chris Kacher's personal account from 1st January 1996 to 31 December 2002. Performances achieved during the Period represent no guarantee of future results.

Very truly yours,

KPMG Fides Peat



Mario Castelnuovo
Partner



Yvan Mermod
Manager