

**KPMG d.o.o. Beograd**

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PIB 100058593

TRANSLATION**Independent Auditors' Report**

TO THE SHAREHOLDERS OF
ALAS RAKOVAC A.D., NOVI SAD

We have audited the accompanying financial statements of Alas Rakovac a.d., Novi Sad ("the Company") which comprise the balance sheet as at 31 December 2010, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and true and objective presentation of these financial statements in accordance with the applicable Law on Accounting and Auditing of the Republic of Serbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the applicable Law on Accounting and Auditing of the Republic of Serbia and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and true and objective presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present truly and objectively, in all material respects, the financial position of the Company as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Law on Accounting and Auditing of the Republic of Serbia.

Belgrade, 21 April 2011

KPMG d.o.o. Beograd

(L.S.)

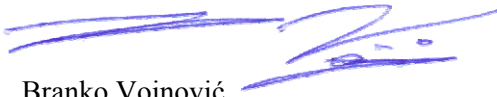
Branko Vojnović
Partner

Stana Jovanović
Certified Auditor


This is a Translation of the Original Independent Auditors' Report issued in Serbian Language. We are responsible for the translation of the Independent Auditors' Report and not for any other documents.

Belgrade, 21 April 2011

KPMG d.o.o. Beograd


Branko Vojnović
Partner




Stana Jovanović
Certified Auditor