

## **Independent Auditors' Report**

### **To the Members of LOULIS MEL BULGARIA EAD**

#### **Report on the Financial Statements**

We have audited the financial statements of **LOULIS MEL BULGARIA AD** (the "Company") on pages 5 to 17, which comprise the balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Board of Directors' Responsibility for the Financial Statements*

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 the Board of Directors 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.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 12 to the financial statements. By the date of signing of the Financial Statement no letter has been received by the lawyer in order to be able to update the disclosures of Note 12.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of **LOULIS MEL BULGARIA AD** as of 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB.

**Report on Other Legal Requirements**

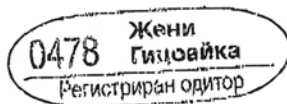
Pursuant to the requirements of the Accountancy Law, Art.38, para 4, we report the following:

The Annual Report for Activity prepared by the Management is in compliance with the Financial Statements of the Company as at 31 December 2007.

Jeni Gitsoayka - CPA

Sofia, Bulgaria

25.03.2008



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