



INDEPENDENT AUDITORS' REPORT

Translation from Bulgarian

To the shareholders of
"Svilosa " AD

Report on the Financial Statements

We have audited the accompanying separate financial statements of Svilosa AD (the "Company"), which comprise the separate balance sheet as at 31 December 2007, and the separate income statement, the separate statement of changes in equity and the separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate 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 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 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 principles 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 opinion.



Opinion

In our opinion, the separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2007, and of its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Annual report of the activities of the Company in accordance with the requirements of article 33 of the Accountancy Act

As required under the Accountancy Act, we report that the historical financial information prepared by Management and disclosed in the annual separate report of the activities of the Company, as required under article 33 of the Accountancy Act, is consistent, in all material aspects, with the financial information disclosed in the audited separate financial statements of the Company as of and for the year ended 31 December 2007. Management is responsible for the preparation of the annual separate report of the activities of the Company which was approved by the Management Board of the Company on 24 March 2008.

Krassimir Hadjidinev
Partner

Dobrina Kaloyanova
Registered auditor

Sofia, 24 March 2008
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