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INDEPENDENT AUDITORS' REPORT

To the shareholders of
Madara Europe AD

Report on the Financial Statements

We have audited the accompanying financial statements of Madara Europe AD ("the Company"), as set out on pages 1 to 23, which comprise the statement of financial position as at 31 December 2013, statements of profit or loss and other comprehensive income, changes in equity and cash flows 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 fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, 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.

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 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 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013, 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 European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.b) to the financial statements, where the capital requirements to the Company in accordance with the Commercial Act and the undertaken measures for compliance have been disclosed. As at 31 December 2013 the total equity (equal to net assets of the Company) is lower than the registered share capital by BGN 296 thousand and it is a negative amount of BGN 246 thousand. The shareholders of the Company are in process of approval of a development plan, which aims to ensure compliance with article 252 (1) p.5 of the Commercial Act.

Report on Other Legal and Regulatory Requirements

Annual report of the activities of the Company prepared 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 disclosed in the annual report of the activities of the Company, prepared by Management as required under article 33 of the Accountancy Act, is consistent, in all material aspects, with the financial information disclosed in the audited financial statements of the Company as of and for the year ended 31 December 2013. Management is responsible for the preparation of the annual report of the activities of the Company which was approved by the Board of Directors of the Company on 20 March 2014.

Dobrina Kaloyanova
Manager

KPMG Bulgaria OOD
Sofia, 28 March 2014



Maria Peneva
Registered auditor