

ABCD

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3 April 2013

Centralna Depozitarna Agencija AD

Novaka Miloševa 29
81000 Podgorica

To Whom It May Concern

Please find enclosed a translation of the Auditor's Opinion and the excerpt of the financial statements consisting of: balance sheet, income statement, cash flow statement and statement of changes in equity, for Centralna Depozitarna Agencija AD, Podgorica, for the year ended 31 December 2012.

Management of the Company is responsible for the preparation of the financial statements and the notes to the financial statements, and KPMG d.o.o. Podgorica is only responsible for the translation thereof.

Dragana Coric
Manager

TRANSLATION
EXCERPT

To the Shareholders of

**Centralna Depozitarna Agencija AD,
Podgorica**

Independent Auditor's Report

We have audited the accompanying financial statements of Centralna Depozitarna Agencija AD, Podgorica (hereinafter: "the Company"), which comprise the balance sheet as at 31 December 2012, 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 Audit of Montenegro 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. **Error! Reference source not found.Error! Reference source not found.Error! Reference source not found.**

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 Audit of Montenegro and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 present truly and objectively, the financial position of the Company as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Law on Accounting and Audit of Montenegro.

Podgorica, 18 March 2013

KPMG d.o.o. Podgorica

(L.S.)

Vojnovic Branko
Certified Auditor

This is a translation of the original Independent Auditors' Report issued in the Montenegrin language. All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Montenegrin version of the document shall prevail.

Podgorica, 18 March 2013

KPMG d.o.o. Podgorica

(L.S.)

Vojnovic Branko
Certified Auditor

Completed by a legal entity		
ID number: 02320924	Activity code	72400
Fill in		
Name	Centralna Depozitarna Agencija	
Address	Podgorica	

**STATEMENT OF COMPERHESIVE INCOME / INCOME STATEMENT/
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2012**

Class of accounts	Position	AOP	Note	In EUR	
				Amount	
				Current year	Previous year
1	2	3	4	5	6
	I. OPERATING INCOME (202 to 206)	201		566.008	585.898
60, 61	1.Sales	202	5	566.008	580.134
62	2.Own products used	203			
630	3.Increase in value of inventories	204			
631	4.Decrease in value of inventories	205			
64, 65	5.Other operating income	206	6	-	5.764
	II. OPERATING EXPENSES (208 to 212)	207		623.344	733.740
50	1. Cost of goods sold	208			
51	2. Cost of material	209	8	17.441	15.728
52	3. Wages, salaries and other personal expenses	210	9	456.125	502.925
54	4. Depreciation and provision costs	211	10	40.087	48.876
53, 55	5. Other operating expenses	212	11	109.691	166.211
	A. OPERATING RESULT (201 - 207)	213		(57.336)	(147.842)
66	I. FINANCIAL INCOME	214	13	14.852	47.991
56	II. FINANCIAL EXPEENSES	215		2	3
	B. FINANCIAL RESULT (214 - 215)	216		14.850	47.988
67, 68, 691,692	I. OTHER INCOME	217	7	5.009	6.434
57, 58, 591,592	II. OTHER EXPENSES	218	12	31.055	18.676
	C. RESULT FROM OTHER ACTIVITIES (217 - 218)	219		(26.046)	(12.242)
	D. RESULT FROM OPERATING ACTIVITIES BEFORE TAX (213+216+219)	220		(68.532)	(112.096)
690-590	E. NET INCOME FROM DISPOSAL OF DISCONTINUING OPERATIONS	221			
	F. RESULT BEFORE TAX (220+221)	222		(68.532)	(112.096)
	G. OTHER ITEMS OF RESULT/ASSOCIATED WITH CAPITAL/ (224 to 228)	223			
	1. Changes in revaluation reserves on financial assets available for sale	224			
	2. Changes in revaluation reserves arising from property, plant and equipment and intangible assets	225			
	3.Changes in revaluation reserves arising from equity investments in associated companies	226			
	4. Changes in revaluation reserve on the basis of actuarial gains (or loss) with respect to defined pension plans	227			
	5.Changes in revaluation reserves arising from cash flow hedges	228			
	H. Income tax expense (230+231)	229		7.825	96
721	1. Current income tax	230			
722	2. Deferred tax income/expense	231	14	7.825	96
	I. NET RESULT (222+223-229)	232		(76.357)	(112.192)
	J. EARNINGS PER SHARE			(764)	(1.122)
	1.Basic earnings per share	233		(764)	(1.122)
	2. Decreased (diluted)earning per share	234			

The form is in accordance with Article 3 of Law on Accounting and Auditing ("Official Gazette" no 80/08) and IV EU Directive.

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 15 March 2013

Tatjana Blagojevic

L.S.

Vladimir Kascelan

Completed by a legal entity		
ID number: 02320924	Activity code	72400
Fill in		
Name	Centralna Depozitarna Agencija	
Address	Podgorica	

**STATEMENT OF FINANCIAL POSITION /BALANCE SHEET/
AS AT 31 DECEMBER 2012**

Class of account	Position	AOP	Note	In EUR	
				Amount	
				Current year	Previous year
1	2	3	4	5	6
	Assets				
00 (part)	A. SUBSCRIBED CAPITAL NOT PAID	.001			
	B. LONG-TERM ASSETS (003+004+005+009)	.002		382.883	251.572
.012	I. GOODWILL	.003			
.01 (except) .012	II. INTANGIBLE ASSETS	.004	15	312.057	165.395
	III. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	.005		70.826	86.177
020, 022, 023, 026 027 (part), 028 (part), 029	1. Property, Plant and Equipment	.006	16	70.826	86.177
024, 027 (part), 028 (part)	2. Investment property	.007			
021, 025, 027 (part), 028 (part)	3. Biological assets	.008			
	IV LONG-TERM FINANCIAL INVESTMENT (010+011+012)	.009			
030, 031(part), 032 (part), 039 (part)	1. Equity investments	.010			
031(part), 032(part)	2. Equity method investments	.011			
032(part), 033(part)- 038, 039(part)	3. Other long term financial investments	.012			
288	C. DEFERED TAX ASSETS	.013	23		476
.04	D. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	.014			
	E. CURRENT ASSETS (016+017)	.015		569.330	777.865
10-13,15	I. INVENTORIES	.016			
	II. SHORT TERM RECEIVABLES, INVESTMENTS AND CASH (018-022)	.017		569.330	777.865
20, 21, 22 except 223	1. Receivables	.018	17	204.150	200.075
223	2. Receivables for overpaid income tax	.019		5.707	5.706
23 minus 237	3. Short - term financial investments	.020		200.000	400.050
24	4. Cash and cash equivalents	.021		159.386	171.568
27- 28 except 288	5. Value added tax and accruals	.022		87	466
	F. TOTAL ASSETS (001+002+013+014+015)	.023		952.213	1.029.913
	EQUITY AND LIABILITIES				
	A. CAPITAL (from 102 to 109)	101		909.736	986.093
30	I. ISSUED CAPITAL	102		255.646	255.646
31	II. SUBSCRIBED CAPITAL NOT PAID	103			
32	III. RESERVES	104		50.228	50.228
330, 331, 333	IV. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AVAILABLE FOR SALE	105		7.902	7.902
332, 334	V. REVALUATION RESERVES AND FOREIGN UNREALIZED LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE	106			
34	VI. RETAINED EARNINGS	107		672.317	784.509
35	VII. LOSS	108		76.357	112.192
237	VIII. TREASURY SHARES AND STAKES	109			
	B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (111 +112)	110		22.088	18.471
40 (part)	I. LONG-TERM PROVISIONS	111		14.739	18.471
41	II. LONG TERM LIABILITIES (113+114)	112			
414, 415	1. Long-term loans	113			
41 except 414, 415	2. Other long term liabilities	114			
498	C. DEFERRED TAX LIABILITIES	115		7.349	
	D. SHORT-TERM PROVISIONS AND LIABILITIES (117 +124)	116		20.389	25.349
	I. SHORT TERM LIABILITIES (118- 123)	117			
42, except 427	1. Short term financial liabilities	118			
427	2. Liabilities from assets and disposal groups available for sale	119			
43 ,44	3. Liabilities from operations	120		10.888	11.958
45,46,49 except 498	4. Other short-term liabilities and accruals	121			
47,48 except 481	5. Liabilities for value added tax and other statutory liabilities	122		9.501	13.391
481	6. Income tax liabilities	123			
40 (part)	II. SHORT-TERM PROVISIONS	124			
	E. TOTAL LIABILITIES AND EQUITY (101+110+115+116)	125		959.562	1.029.913

The form is in accordance with Article 3 of Law on Accounting and Auditing ("Official Gazette" no 80/08) and IV EU Directive.

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 15 March 2013

Tatjana Blagojevic

L.S.

Vladimir Kascelan

Completed by a legal entity		
ID number: 02320924	Activity code	72400
Fill in		
Name: Centralna Depozitarna Agencija		
Address: Podgorica		

**CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2012**

In EUR

POSITION	AOP	Current year amount	Previous year amount
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	301	641.284	615.703
1. Cash receipts from customers and received advances	302	638.937	608.505
2. Interest received from operating activities	303		
3. Other receipts from operating activities	304	2.347	7.198
II. Cash outflows from operating activities (1 to 5)	305	697.517	778.384
1. Cash paid to suppliers and payments in advance	306	165.186	210.570
2. Gross salaries and wages	307	467.403	502.196
3. Interests paid	308		3
4. Income tax	309		
5. Other tax paid	310	64.928	65.615
III. Net cash generated from operating activities (I-II)	311	(56.233)	(162.681)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	312	215.159	698.684
1. Sales of shares and stakes (net receipts)	313		
2. Sales of intangible assets, property, plant, equipment and biological assets	314		
3. Other financial investments (net receipts)	315	200.050	649.950
4. Interests received from investing activities	316	15.109	48.734
5. Dividends received	317		
II. Cash outflows from investing activities (1 to 3)	318	171.108	(157.564)
1. Purchase of shares and stakes (net outflows)	319		
2. Purchase of intangible assets, property, plant, equipment and biological assets	320	171.108	(157.564)
3. Other financial investments (net receipts)	321		
III. Net cash generated from investing activities (I-II)	322	44.051	541.120
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 3)	323		
1. Increase in share capital	324		
2. Long term and short term loans (net receipt)	325		
3. Other long term and short term liabilities	326		
II. Cash outflows from financing activities (1 to 4)	327	-	300.000
1. Purchase of treasury shares and stakes	328		
2. Long term and short term loans and other liabilities (net outflow)	329		
3. Finance leasing	330		
4. Dividends paid	331		300.000
III. NET CASH GENERATED FROM FINANCING ACTIVITIES (I-II)	332	-	(300.000)
D. NET CASH FLOW (311+322+332)	333	(12.182)	78.439
E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	171.568	93.129
F. POSITIVE FOREIGN EXCHANGE	335		
G. NEGATIVE FOREIGN EXCHANGE	336		
H. CASH AT THE END OF THE REPORTING PERIOD (333+334+335-336)	337	159.386	171.568

The form is in accordance with Article 3 of Law on Accounting and Auditing ("Official Gazette" no 80/08) and IVEU Directive.

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 15 March 2013

Tatjana Blagojevic

L.S.

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Completed by a legal entity	
ID number: 02320924	Activity code 72400
Fill in	
Name	
Address	

**STATEMENT ON CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2012**

N r.	Item	AOP	Stake capital	AOP	Other capital	AOP	Subscribed unpaid capital	AOP	Share issue premium	AOP	Reserves	AOP	Revaluation reserves	AOP	Retained earnings	AOP	Loss up to the amount of capital	AOP	Treasury shares purchased	AOP	Total
	1		2		3		4		5		6		7		8		9		10		11
1	Balance as at 1.1. 2011	401	255.646	410		419		428		437	50.228	446		455	1.103.970	464	(19.461)	473		482	1.390.383
2	Effects of retroactive material errors and changes in accounting policies	402		411		420		429		438		447		456		465		474		483	
3	Adjusted opening balance as at 1.1. 2011 (1+2)	403		412		421		430		439		448		457		466		475		484	
4	Net changes in 2011	404		413		422		431		440		449	7.902	458	(319.461)	467	(92.731)	476		485	(404.290)
5	Balance as at 31.12.2011 (3+4)	405	255.646	414		423		432		441	50.228	450	7.902	459	784.509	468	(112.192)	477		486	986.093
6	Effects of retroactive material errors and changes in accounting policies	406		415		424		433		442		451		460		469		478		487	
7	Adjusted opening balance as at 1.1. 2012 (5+6)	407		416		425		434		443		452		461		470		479		488	
8	Net changes in 2012	408		417		426		435		444		453		462	(112.192)	471	35.835	480		489	(76.357)
9	Balance as at 31.12.2012 (7+8)	409	255.646	418		427		436		445	50.228	454	7.902	463	672.317	472	(76.357)	481		490	909.736

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