

Attn: COMPANY'S SHAREHOLDER ASSEMBLY  
Banjalucka Pivara a.d. Banja Luka

## INDEPENDENT AUDITOR'S REPORT

### Introduction

We have audited the accompanying financial statements (page 2 to 5) of Banjalucka Pivara a.d Banja Luka (hereinafter: the Company), which comprise of the balance sheet as of 31<sup>st</sup> December 2010, the income statement, cash flow statement and statement of changes in equity for the year then ended, as well as notes comprising a summary of significant accounting policies and notes to the financial statements.

### *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 accounting regulations of Republika Srpska, as well as for internal control that are relevant for preparation of financial statements that do not contain inaccurate information of material significance, occurring due to irregularities or errors.

### *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 the applicable Law on Accounting and Auditing of Republika Srpska. These standards require us to comply with the ethical principles 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 and 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.

### *Unconditional Opinion*

In our opinion, the financial statements present truly and objectively, in all material respects, the financial position of the Company as of 31<sup>st</sup> December 2010, as well as of its financial results of its operations and its cash flows for the year ending at that date, in accordance with the accounting regulations of Republika Srpska.

Auditing Company  
Control Review d.o.o.  
Banja Luka  
23<sup>rd</sup> May 2011

Authorized Auditor  
Marjana Sinik