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Tomislav Djordjevic
Braće Ribnikar 6
21000 Novi Sad
Serbia

Contact Michael Peer

29 March 2013

Dear Mr. Djordjevic,

Re: Delivery of expert report

Please find attached a copy of my report in relation to the accusations made against you and your co-defendants of obtaining unlawful gains for DTD Ribarstvo (“DTD”) by leasing or selling fixed assets of Ribarsko Gazdinstvo Beograd (“RGB”) to DTD at prices unfair to RGB.

The criminal charges are based upon the findings of an internal commission at RGB established by the Privatization Agency. However, based on my analysis, the findings of the commission do not appear to be based on a methodology appropriate for assessing such damages. The resulting damages are in turn based upon estimates of values that do not appear to appropriately consider the circumstances of the transactions in question. The conclusions expressed in the attached report, and possibly those of the RGB commission as well, are subject to limitations concerning the availability and reliability of information on which the underlying analysis is based, including the incompleteness of the expert reports provided to me.

The values arrived at by the RGB commission, which are used in the indictment of you, suggest that significant damages were caused to RGB. However, the cumulative values arrived at by the RGB commission for each category of transactions exceed the maximum values I anticipate a willing purchaser would pay. Conversely, the cumulative actual transaction values for each category of transaction fall within the range of values I anticipate parties acting in an arm’s length manner would negotiate. My findings in this respect are summarized in the following table.

Obchodní rejstřík vedený
Městským soudem v Praze
oddíl C, vložka 326.

Overview of assessment of main heads of claim (in RSD)				
Head of claim	Value assessment		KPMG range	
	Indictment	Transaction price	Minimum	Maximum
Lease of distribution centres				
Monthly rent of distribution centres	8,389,881	450,000	393,460	1,513,921
Transfer of assets				
Sale of Real Estate	237,844,251	125,109,215	77,867,857	163,326,021
Sale of vehicles	35,453,427	27,258,329	22,653,672	30,729,003
Transfer of assets total	273,297,678	152,367,544	100,521,529	194,055,024

A key consideration that does not appear to have been taken into account by the various parties attempting to retrospectively assess the transaction prices is that RGB was compelled to act due to its financial condition (where the financial difficulties at the time were mainly caused by legacy pre-privatization period). When a compulsion to act on the part of the seller is applicable, the appropriate basis for valuation of fair value is the market value less a discount for a forced sale. Therefore, the lower end of my range of possible values for all the real-estate in the indictment is cumulatively RSD39 million.

We look forward to working with you further on this matter.

Kind regards,



Michael Peer
Partner

Attachment:

Attachment 1 - Expert report on certain aspects of asset transfers and lease agreements concluded between DTD Ribarstvo and Ribarsko Gazdinstvo Beograd.