

2011 ACTIVITY REPORT OF THE AUDIT COMMITTEE

In compliance with the provisions of art. 40l of the Independent Financial Audit Act, the Audit Committee of MONBAT AD prepared and presents to the shareholders this Report on its activities.

The Audit Committee found that the registered auditor meets the criteria for independence from the audited enterprise. It was also found that the independent auditor had created its website www.gtbulgaria.com, where the 2011 transparency report posted, in accordance with the requirements of the IFAA. The members of the Audit Committee held a series of consultative meetings with the accounting and finance department of the company, the heads of the internal control and risk management departments.

The Audit Committee also had sessions in connection with the preparation of the individual and consolidated quarterly and annual financial statements, and made inspections regarding the company's financial reporting processes, the internal control and risk management systems.

All of the planned sessions of the Audit Committee were held. The certified auditor reported on the major issues, related to execution of the audit. Information on the other services provided by the auditor, out of the scope of the audit services, was received. The Audit Committee found that the certified auditor has not provided other services, except for the concluded audit agreement.

In pursuance of the legal requirements, the Audit Committee prepared and will submit a proposal to the General Assembly for election of the certified auditor for 2012.

Chairperson of the Audit Committee:

Milen Marinov