Republic of Serbia Commission for protection of Competition M No. 4 Date: June 3, 2011 Beograd

Issued statement

Ruling of Administrative Court confirmed decision issued by Commission for Protection of Competition

Decision of the Commission for Protection of Competition, sanctioning and validly establishing an abuse of dominant monopolistic position of AD Milk and Dairies Industry "Imlek" and AD "Mlekara" from Subotica (both in the ownership of Danube Food Group B.V.) was confirmed by the ruling of Administrative Court, of which the public was informed on June 2, 2011.

Commission for Protection of Competition, as has been its custom up to now, in compliance with the independency of the work of judiciary, will not comment decision of Administrative Court, but hope that it will have an affirmative effect on the conduct of all market participants in the Republic of Serbia.

Above mentioned decision of the Commission relates to determination of remedy as a protection of competition due to established abuse of dominant monopolistic position by stated companies on the market of purchase of crude milk from individual producers, by imposing and applying unfair and unequal trading conditions to market participants.

On the grounds of remedies for protection of competition, "Mlekara", Subotica is obliged to pay 51.262.576,00 RSD, and "Imlek" Beograd 254.885.759,00 RSD. This amount is to be paid into the budget of the Republic of Serbia.

In the forthcoming period, Commission for Protection of Competition shall continue to protect competition on the market of the Republic of Serbia aimed at

economic development and protection of consumers, and to prevent all acts or actions of market participants having, or which may have as its goal or consequence, significant restriction, distortion or prevention of competition.

Commission would like to take this opportunity, concerning frequent stories in public and media on abuse of dominant monopolistic position, to invite all citizens and legal entities, who have certain knowledge of such cases to provide Commission with information and submit initiative for investigation of infringement of competition.

Council of the Commission for Protection of Competition