

## Independent Auditors' Report

### To the Directors of Citizens Association for Local Development Initiatives (TALDi):

We have audited the accompanying balance sheets of Citizens Association for Local Development Initiatives ("TALDi") as of 31 December 2004 and 2003 and the related statements of operations, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the TALDi's Management. Our responsibility is to express an independent opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TALDi as of 31 December 2004 and 2003 and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

  
Deloitte d.o.o.

Sarajevo, 21 October 2005