

Pursuant to the provisions of the article 490 par. 1 with reference to the article 491 of the Law on Business Companies (“Official Herald of the Republic of Serbia“ issues No. 36/2011 and 99/2011) the contracting parties:

1. Alma Quattro d.o.o., a limited liability company for trade and services, Belgrade (Stari grad), Dositejeva 20, registration No. 17071190, TIN: 100147370, as represented by Kosanče Dimitrijević, Director, as the Acquiring Company of one part (hereinafter referred to as Alma Quattro or the Acquiring Company)

and

2. Europlakat Yu doo, a company for advertising services, marketing and sale of advertising surfaces, Belgrade, Dositejeva 20/III, registration No. 17156055, TIN: 100038201, as represented by Sanja Pešić, Director (hereinafter referred to as Europlakat or the Acquired Company),
3. Air Media doo, a limited liability company for trade and services, Belgrade, Dositejeva 20/III, registration number 17178784, TIN: 100043231, as represented by Tamara Mikšin, Director (hereinafter referred to as Air Media or the Acquired Company),
4. International Metropolis Media doo, a marketing company, Belgrade, Dositejeva 20, registration number: 07785496, TIN; 101735509, as represented by Kosanče Dimitrijević, Director (hereinafter referred to as International Metropolis Media or the Acquired Company),
5. Novatel Media doo, marketing, services and trade company, Belgrade, Dositejeva 20, registration number: 17481797, TIN: 102819001, as represented by Sanja Pešić, Director (hereinafter referred to as Novatel Media or the Acquired Company),

of the other part, the contracting parties under 2. – 5. collectively referred to as the Acquired Companies)

have this 23rd day of March 2012 at Belgrade adopted the following:

DRAFT MERGER AGREEMENT

OBJECT OF THE AGREEMENT

Article 1

This Agreement governs the mutual rights and obligations of the contracting parties regarding the merger of the Acquired Companies to the Acquiring Company (hereinafter referred to as the Merger), specifically:

1. The purpose of the merger and the conditions under which the merger is carried out;
2. The designation of the value of assets and amount of liabilities being transferred to the Acquiring Company and a description thereof; as well as the manner of such transfer to the Acquiring Company;
3. The date as from the business activities of the Acquired Companies will be terminated and the date as of the transactions of the Acquired Companies are deemed as carried out on behalf of the Acquiring Company, for the accounting purposes;
4. All special privileges of the directors of the companies that take part in the status change of the Acquiring Company;
5. The conditions under which the employment of workers in the Acquiring Company will continue;
6. Other issues relevant for carrying out the merger.

THE PURPOSE OF THE MERGER

Article 2

The purpose of the merger arises from the fact that the Acquiring Company and the Acquired Companies are connected legal entities, directly or indirectly, with the same founders and that the nature of their business is the same. The market connection of the Acquiring Company and the Acquired Companies is the basis for this merger, which will reduce business administrative costs, accelerate and optimize the operation processes, enable rational use of resources, simplify harmonization of procedures and evaluation of business performance.

The consequence of the merger shall be the transfer of all the assets and liabilities of the Acquired Companies to the Acquiring Company, whereby the Acquired

Companies will cease to exist without the liquidation procedure, and the Acquiring Company shall continue with its business and operations with the change – capital increase and taking over of the liabilities of the Acquired Companies

BASIC DATA ON PARTIES TO THE MERGER REGISTERED WITH THE BUSINESS REGISTERS AGENCY

Article 3

The data registered with the Business Registers Agency – the Register of Companies, on the contracting parties as the participants in this merger are as follows:

Alma Quattro doo Belgrade, established on 27th October 1994. The founder and the sole member of the company is AFFICHAGE HOLDING SA, Switzerland, reg. number CH-660-0738999-6, with 100% share in the company's initial capital. The total subscribed and paid up cash capital of the company amounts to EUR 500.00 on 29th November 2006, and the total subscribed and contributed non-cash capital amounts to EUR 117,741.16, EUR 125,215.38, EUR 107,220.24 and EUR 428.880.99, all on 30th November 2004.

Europlakat Yu doo Belgrade, established on 25th October 1996. The founder and the sole member of the company is AFFICHAGE HOLDING SA, Switzerland, reg. number CH-660-0738999-6, with 100% share in the company's initial capital. The total subscribed and paid up cash capital of the company amounts to EUR 136,748.23, EUR 75,828.02 and EUR 36,989.54, all on 12th March 2001, and the total subscribed and contributed non-cash capital amounts to EUR 135,092.22 on 12th March 2001.

Air Media doo Belgrade, established on 25th November 1997. The founder and the sole member is AFFICHAGE HOLDING SA, Switzerland, registration number CH-660-0738999-6, with 100% share in the total capital of the company. The total subscribed and paid up cash capital of the company amounts to EUR 3,768.75 on 30th November 2004.

International Metropolis Media doo Belgrade, established on 25th December 1991. The founder and the sole member of the company is Alma Quattro doo Belgrade, with 100% share in the company's total capital. The total subscribed and paid up cash capital of the company amounts to EUR 18,862.67 on 1st January 2002, and the total subscribed and contributed non-cash capital amounts to EUR 469.56, on 1st January 2002.

Novatel Media doo Belgrade, established on 24th March 2003. The founder and the sole member is International Metropolis Media doo Belgrade with 100% share in the total capital of the company. The total subscribed and paid up cash capital of the company amounts to EUR 2,355.16 on 20th March 2003.

RELATIONSHIP BETWEEN THE PARTIES TO THE MERGER

Article 4

Based on the presented registered data, it has been established that all the business companies which are the parties to the merger are single member companies and that the ownership relationship among them is as follows:

Alma Quattro (the Acquiring Company) and Europlakat and Air Media (the Acquired Companies) are sister companies, since they have the same founder: Affichage Holding S.A. Switzerland, who is the owner of 100% share and founding rights in these companies.

International Metropolis Media (the Acquired Company) is 100% subsidiary of Alma Quattro (herein the Acquiring Company) which is its sole member and owner. Novatel Media (the Acquired Company) is 100% subsidiary of International Metropolis Media (herein the Acquired Company), which is its sole member and owner.

The graphical representation of the ownership relationship of the contracting parties that take part in the merger is as follows:

	Affichage Holding SA Switzerland	
Alma Quattro doo Beograd	Europlakat Yu doo	Air Media doo
International Metropolis Media		
Novatel Media doo Beograd		

CONSEQUENCE OF THE MERGER TO THE AMOUNT OF THE INITIAL CAPITAL OF THE ACQUIRING COMPANY

Article 5

The merger that does not increase the initial capital of the Acquiring Company: Having in mind that Alma Quattro is the controlling (parent) company of International Metropolis Media with 100% share in the total capital of that company, the initial capital of the Acquiring Company will not be increased by the amount of the initial capital of the Acquired Company.

Furthermore, having in mind that International Metropolis Media is the controlling (parent) company of Novatel Media with 100% share in the total capital of that company, the initial capital of the Acquiring Company will not be increased by the initial capital of the Acquired Company.

Article 6

The merger that does increase the initial capital of the Acquiring Company:

Having in mind that Alma Quattro, Europlakat and Air Media are sister companies (as described in the article 4 of this Agreement), the Acquiring Company will increase its initial capital by the amount of the initial capital of these Acquired Companies, as follows:

By the amount: cash – EUR 136,748.23, EUR 75,828.02 and EUR 36,989.54, the entire subscribed and paid up on 12th March 2001 and non-cash – EUR 135,092.22, subscribed and contributed on 12th March 2001 (the total initial capital of Europlakat) and

By the amount of EUR 3,768.75, subscribed and paid up on 30th November 2004 (the total initial capital of Air Media)

Therefore the initial capital of the Acquiring Company, after the merger and increase, shall amount to.

Cash:

EUR 500.00 subscribed and paid up on 29th November 2006
 EUR 136,748.23 subscribed and paid up on 12th March 2001
 EUR 75,828.02 subscribed and paid up on 12th March 2001
 EUR 36,989.54 subscribed and paid up on 12th March 2001
 EUR 3,768.75 subscribed and paid up on 30th November 2004

Non-cash:

EUR 117,741.16 subscribed and contributed on 30th November 2004
 EUR 125,215.38 subscribed and contributed on 30th November 2004
 EUR 107,220.24 subscribed and contributed on 30th November 2004
 EUR 428,880.99 subscribed and contributed on 30th November 2004
 EUR 135,092.22 subscribed and contributed on 12th March 2001

DESIGNATION OF THE VALUES OF ASSETS AND AMOUNT OF LIABILITIES OF THE ACQUIRED COMPANIES

Article 7

It has been established that the members of the companies that take part in the merger agree that no financial reports with auditors' opinion, auditors' reports and directors' reports from the article 490 of the Law on Business Companies will be made.

The value of the assets and the amount of liabilities of the Acquired Companies that are transferred to the Acquiring Company are as follows:

Acquired Companies	Value of assets in 000	Amount of liabilities
Air Media	17,405	15,784
Europlakat Yu	12,983	10,642
International Metropolis Media	28,318	13,579

Novatel Media	2,622	2,850
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The description of the assets and liabilities from the paragraph 1 of this article is given in the following table:

Description of assets (amounts in 000 dinars)	Air Media	Europlakat YU	International Metropolis Media	Novatel Media
Intangible assets	-	-	-	-
Equipment	20,345	1,098	8,477	-
Long-term investments	-	-	131	-
Inventories and advances paid	240	1,106	1,610	529
Trade receivables	400	276,680	318,874	-
Receivables from the Acquiring Company	-	(272,877)	(318,642)	-
Receivables fro prepaid profit tax	224	1,533	14,076	538
Other receivables	-	709	111	-
Short-term investments	-	-	378	-
Cash and cash equivalents	373	2,886	2,223	42
VAT and prepayments and accrued income	9,999	1,848	1,024	262
Deferred tax assets	11,397	-	56	1,251
Loss over capital	(25,573)	-	-	-
TOTAL ASSETS	17,405	12,983	28,318	2,622
Description of liabilities (amounts in 000 dinars)				
Long-term provisions	-	-	8,052	-
Long-term liabilities	-	-	-	-
Short-term financial liabilities	55,736	-	-	-
Liabilities to the Acquiring Company	(55,736)	-	-	-
Liabilities from business operations	13,241	9,982	1,567	2,822
Other short-term liabilities	152	477	3,832	-
Liabilities for VAT and other public revenues and accruals and deferred income	1,135	-	128	-
Liabilities for income tax	-	-	-	-
Deferred tax liabilities	1,256	183	-	28
TOTAL LIABILITIES	15,784	10,642	13,579	2,850

All the assets the companies, including the unpaid receivables, will be transferred to the Acquiring Company on the date of merger registration with the Business Registers Agency.

31st May 2012 shall be the date when the business activities of the Acquired Companies will be terminated.

31st May 2012 shall be the date as from the transactions of the Acquired Companies will be considered the transactions carried out on behalf of the Acquiring Company, for the accounting purposes.

THE ASSETS TRANSFER METHOD

Article 8

The values of the assets from the article 7 of this Draft expressed on 29th February 2012 shall be transferred with the balance on the transfer date as follows:

- cash assets of the Acquired Companies found at the business accounts with the bank shall be transferred at the moment of closing those accounts in favour of the Acquiring Company by the transfer order based on this Agreement;
- movables, fixed assets, small inventory and other shall be transferred to the Acquiring Company by taking over the possession and transfer of the accounting balance of the Acquired Companies on the date of their removal;
- licences, consents, resolutions and other administrative documents in the name of the Acquired Companies (including, but not limited to the licences for the installation of advertising panels) shall be transferred to the Acquiring Company that assumes the rights and obligations of the transferors as the holders of such licence, consent, resolution and similar;
- All the rights, obligations, responsibilities and benefits from the contracts concluded by the Acquired Companies shall be transferred to the Acquiring Company which enters into said contract instead of the Acquired Companies;
- The rights acquired when the company is entered in the Register, the Acquiring Company shall acquire on the date of merger, but if the entry of the change is necessary, such change will produce legal effect towards third persons when entered in the Register.
- Taking into account the fact that all the companies that take part in the merger use the same business premises at Belgrade, Dositejeva 20, where they have their registered office, the Acquiring Company shall continue to use the entire business premises after the merger has been carried out.
- Unilateral expressions of will given by the Acquired Companies before the merger shall remain in force until the expiry and shall produce legal effect towards the Acquiring Company as given by itself.
- Unilateral expressions of will given before the merger in favour of the Acquired Companies will be of use to the Acquiring Company, unless made regarding the capacity of the Acquired Companies and the person who made the statement does not accept the Acquiring Company instead of the Acquired Company.

The grounds for entering the change of the holder of rights is the Merger Agreement and registration of the merger in the Register with the Business Registers Agency.

Article 9

Within 30 days as from the date of publication of this draft merger agreement and not later than on the date of the merger registration, the Acquired Companies undertake to settle all their tax and other liabilities regarding public revenues (contributions related to the employment and other).

MEMORANDUM OF ASSOCIATION OF THE ACQUIRING COMPANY

Article 10

The draft Resolution on Amendments to the Memorandum of Association of Alma Quattro - the Acquiring Company, for the purpose of harmonization with the changes caused by the merger of the Acquired Companies according to this Agreement, is given in the addendum and represents the integral part of this Agreement.

NOTICE TO THE MEMBERS OF THE COMPANIES TAKING PART IN THE MERGER

Article 11

It has been ascertained that the members of the parties to the merger were sent a notice that they may inspect the documents and acts from the article 490 of the Law on Business Companies and that they may photocopy the same in the company's premises.

THE MEMBER OF THE ACQUIRING COMPANY AND THE AMOUNT OF ITS CONTRIBUTION

Article 12

Given the fact that the Acquired Companies International Metropolis Media and Novatel Media are directly or indirectly subordinate and controlled by the Acquiring Company with 100% share in the total capital of these companies, it is established that Alma Quattro shall not acquire its own shares regarding the merger, in accordance with the article 501 par. 3 of the Law on Business Companies.

Furthermore, given the fact that Alma Quattro as the Acquiring Company and Europlakat Yu and Air Media as the Acquired Companies, are sister companies, they have the same founder/member with 100% share in the company, and that is Affichage Holding SA, Switzerland.

Based on all the afore-mentioned, the contracting parties jointly establish that after the merger the only member of Alma Quattro shall remain the sole member of that company: AFFICHAGE HOLDING SA, Switzerland, reg. number CH-660-0738999-6, with 100% share in the total initial capital of the Acquiring Company.

Due to the merger, the existing contribution of the founder – member Affichage Holding SA, Switzerland in Alma Quattro shall be increased by the amount of the founding deposit of Europlakat YU, amounting to: cash -EUR 136.748,23, EUR 75.828,02 and EUR 36.989.54, all subscribed and paid up on 12th March 2001 and non-cash EUR 135,092.22 subscribed and contributed on 12th March 2001. And for the amount of the founding deposit of Air Media, EUR 3,768.75, subscribed and paid up on 30th November 2004.

Therefore, the total subscribed and paid up contribution of Affichage Holding SA Switzerland as the only founder/member of the Acquiring Company after the merger and increase shall amount to:

Cash:

EUR 500.00 subscribed and paid up on 29th November 2006
 EUR 136,748.23 subscribed and paid up on 12th March 2001
 EUR 75,828.02 subscribed and paid up on 12th March 2001
 EUR 36,989.54 subscribed and paid up on 12th March 2001
 EUR 3,768.75 subscribed and paid up on 30th November 2004

Non-cash:

EUR 117,741.16 subscribed and contributed on 30th November 2004
 EUR 125,215.38 subscribed and contributed on 30th November 2004
 EUR 107,220.24 subscribed and contributed on 30th November 2004
 EUR 428,880.99 subscribed and contributed on 30th November 2004
 EUR 135,092.22 subscribed and contributed on 12th March 2001

DIRECTORS OF THE ACQUIRED COMPANIES

Article 13

On the date of the merger registration with the Business Registers Agency, the functions of the directors of the Acquired Company shall cease.

The directors of the Acquired Companies shall not have any special privileges in the Acquiring Company after the merger.

EMPLOYEES OF THE ACQUIRED COMPANIES

Article 14

The employees with the Acquired Companies, named in this article of the Draft, shall continue to work in the Acquiring Company.

ACQUIRED COMPANIES

International Metropolis Media	Air Media	Eurolakat YU
1. Slobodan Srdanović	Tamara Mikšin	Kosanče Dimitrijević
2. Olivera Kovačević		
3. Milica Kalaba		
4. Vuković Nataša		
5. Mrđa Dejan		
6. Ilić Aleksandar		
7. Marko Obradović		
8. Zoran Vukliš		
9. Bokić Milorad		
10. Mileta Momirov		
11. Dušan Plećaš		
12. Siniša Božin		
13. Marko Marinković		

COURT AND OTHER PROCEEDINGS

Article 15

The Acquiring Company shall notify the courts and other authorities before which any proceedings are conducted involving the Acquired Companies as the parties or participants in such proceedings, on their termination and removal from the Register of Business Companies kept by the Business Registers Agency as a result of the merger to the Acquiring Company and, therefore, in the proceedings where it is admissible, the Acquiring Company shall act as the legal successor of those companies and take over the proceedings on its behalf and for its account.

INTEGRAL PART OF THIS DRAFT AGREEMENT

Article 16

The integral part of this Draft Agreement is

- the draft Resolution on Amendments to the Memorandum of Association of the Acquiring Company

CONCLUSION, LEGALIZATION AND ENTRY INTO FORCE OF THE MERGER AGREEMENT

Article 17

Within 30 days as from the date of publishing this Draft Merger Agreement, the same shall be concluded with the same text, the signatures of the contracting parties shall be legalized by the competent authority in accordance with the Law on

legalization of signatures, manuscripts and transcripts. Such legalized Merger Agreement shall enter into force on the date of its approval by the Assemblies/Meetings of all the companies that take part in the merger, all in accordance with the article 499 par. 1 of the Law on Business Companies.

REMOVAL OF THE ACQUIRED COMPANIES FROM THE REGISTER

Article 18

On the date of the merger registration with the Business Registers Agency, the following Acquired companies shall be terminated and shall be removed from the Register:

EUROPLAKAT YU doo Beograd

AIR MEDIA doo Beograd

INTERNATIONAL METROPOLIS MEDIA doo Beograd

NOVATEL MEDIA doo Beograd.

DRAFT AGREEMENT

Article 19

This Draft Merger Agreement has been entered into this 23rd day of March 2012.

Immediately after adopting this Draft, each contracting party shall submit a registration application for its publication at the internet page of the Business Registers Agency for the period of 60 days, and Alma Quattro shall also publish this Draft Agreement on its Internet page at the address www.almaquattro.rs

CONTRACTING PARTIES

1. Alma Quattro (Signature and seal)
2. Europlakat (Signature and seal)
3. Air Media (Signature and seal)
4. International Metropolis Media (Signature and seal)
5. Novatel Media (Signature and seal)