

Honorable Court Chamber,

I INTRODUCTION

I am Miroslav Mišković:

- **Former General Manager of Župa**, the youngest winner of AVNOJ prize.
 - Župa was a state-run company which employed 1.700 workers
 - It produced 43% **of the world production** of xanthate, the substance for floating non-ferrous metal ores.
 - We also produced under the German brand of **Hoechst** and the American brand **Cyanamide**.
 - Župa exported to the markets of Europe, Asia, North and South America.
 - It was the biggest producer of substances for plant protection in former Socialist Federative Republic of Yugoslavia.
 - It had the most modern electrolysis in Yugoslavia.
 - Župa was the company with the highest average salary in Yugoslavia in the eighties.
 - There was not a single employee with the faculty degree and 2,5 years of working experience who was not given a flat.
 - **Unfortunately, today we can only state that Župa does not exist any longer. The company has 20 employees with part-time jobs.**

- **The founder of Delta Holding**, which started with four trainees 23 years ago in the Slavija Hotel.
 - Few people know that Delta grew and developed while being the subject of various speculations for many years. We are guilty of that – my team and I, because we have deeply believed that our results speak for themselves and that it is not necessary to defend the successful business system we have created, or the fact that we have been working and earning.
 - **In the nineties**, because of the sanctions imposed on Yugoslavia and inability to operate normally, primarily with foreign banks and other international institutions, we moved our business operations into the Russian market. In Siberia we became owners of the Baikal Cellulose Plant, which placed the largest part of its production into the Asian market. In that period our main market was Russia, where we signed the agreement about representing Nike Company in the countries of the former Soviet Union. That is the period when we earned over 250 million dollars in the Russian market. By moving our businesses into foreign markets we also managed to keep the best-quality personnel Delta had.
 - In that period we represented eminent brands Fiat, Nestle and Beiersdorf (Nivea) in Serbia.
 - **After 2000** we began to develop more intensively in the Serbian market. We defined our strategic business: **retail, agriculture and real estate development**. In order to enable

the development of those businesses in Serbia, we sold the Baikal Cellulose Plant in Siberia and invested the money in our country.

- In the period between 2005 and 2011 **Delta brought foreign investments worth 1,5 billion euros to Serbia.**
 - In 2005 Delta Bank was sold to Italian Banca Intesa for 400 million EUR
 - In 2006 we sold 50% of the shares of Delta Insurance to Generali Group for 120 million EUR
 - In 2011 we sold Delta Maxi to Belgian Delhaize Group for 932,5 million EUR
- This money, particularly from the sale of Delta Bank and Delta Insurance, was also invested in Serbia, into the development of retail network, into the purchase and modernization of agricultural estates in Serbia and other production facilities: factories Yuhor, Danubius and Florida Bel.
- In the period of the most intensive development of Delta the overall debts of the company were 1,1 billion EUR in the largest world banks, which proves exceptional trust in Delta and its owner. In order to get such loans from the world banks, you must have extraordinary credibility. The public should know who the owner of Delta is: the banks, the employees and then I myself.
- All this, plus about one billion euros of bank loans, enabled us to become the biggest company in Serbia and the third biggest in the region. Delta employed 25.000 people earning almost 3 billion EUR per year, which at that time was about 10% of the gross domestic product in Serbia.

- There have never been strikes
 - Salaries have always been regularly paid out
 - We have particularly invested in the personnel, in young people and kept a great number of educated young experts in Serbia by giving them a chance to progress in their own country.
- I would like to point out that at the peak of its development in 2010 Delta earned 81% of income through the companies it established and developed itself. Less than 19% of income was realized by the companies which were included into our business system through the process of privatization and acquisition, and in which we invested over 400 million euros
- Delta today: 8.000 employees
 - In 9 months this year we had 445 million EUR turnover, and we expect to finish the year with the turnover of 700 million EUR. In these 9 months we paid 73,6 million EUR of taxes to the state and everyone knows in what sort of conditions Delta worked in the first 9 months of this year.
 - Present partners: Generali, BMW, Nike, Honda, DuPont (Pioneer), InterContinental Hotels Group, Beiersdorf, Ferrero, Costa, Syngenta, BASF...
 - In 9 months we organized 228 socially useful activities, which included 36.000 users. We donated as many as 1,2 million EUR.
 - I am particularly proud of constructing the Daycare Centre for children with disabilities – that is the first foundation in

Serbia ever since World War Two. We have invested 3 million euros in it.

- In our work we have kept to the principle that Delta Holding will never work with the Serbian state and state-run enterprises. That is why and do not understand how Delta or and can be connected with corruption?

My image in the public

I, Miroslav Mišković, born in the Morava River region, must introduce myself today to the court chamber, the prosecution and the public. I have not spoken about myself publicly for 23 years, but now the time has come to do it. Why?

Because the Serbian public is familiar with me only through the tabloids. And how have I been presented to the Serbian public?

If tabloids are read, the public can see me as the man who commits at least one criminal offense every day, someone who steals something, who cheats someone, who behaves arrogantly to everyone, someone who has people arrested, someone who launders money, maltreats employees and is self-willed.

While we were owners of Maxi, newspapers wrote that we were monopolists who robbed the citizens of Serbia by high prices. I sold Maxi in 2011 to a foreign company and now I am asking you this: how is it possible that no one has mentioned monopoly and robbing the citizens since then although the prices have remained the same, as well as the number of retail points and their locations?

They used to write about unlawful conversion of the land although that conversion never took place. In the end we returned the land and the transaction with Bauhaus, which should have brought 100 million euros to Serbia, failed. Up to this day my money for that location has not been returned to me despite the fact that we gave the location back to the city authorities almost a year ago.

It was also told in public that Mišković wanted to take Red Star. We have never wanted to buy Red Star and Delta has never considered or negotiated the takeover of Red Star.

They have accused me of pulling down the Nazi concentration camp in Autokomanda and that I do not respect the memory of the Holocaust victims. The truth is that at our location there is a deserted and inappropriately marked place on the grounds of the former collection centre, which in that manner actually destroys the memory of Nazi victims. We planned to mark this space in the way it deserves, to raise the memorial in agreement with the Jewish community and by the plan of the outstanding Jewish architect, the member of the nation which knows best what holocaust is and what sort of attitude we must have to it.

Just have a look at today's edition of "Evening News" and the headline "Robbed the companies of 17 billion". Does the court in this procedure have to prove that we robbed the companies or the ruling has already been made? What do you think, what will my partners in Nike, BMW or Pioneer think on seeing such headlines in the press?

I could list a host of other negative adjectives but I am not going to take your time.

Honourable Chamber of Judges,

I have never had anyone arrested and those people should be ashamed: Džajić, who has never denied those rumours; Djordje Antelj, whose family used to come to see me while he was in prison, as well as some others who blamed acts of God for their failures in private and business matters. And Mišković happened to be that act of God.

Now this businessman has come up, the one trading in military equipment, I do not know his name, and he says that I bought a military location in agreement with Tadić. I have never bought anything from the army and I have never had any agreements with Tadić.

The tabloids have also accused me of working together with the state but we have never had anything with the state and the state-run enterprises. We have never received any aid from the state. For example, when we wanted to buy Merkator and when the negotiations were about to finish, we had 23 meetings in Slovenia, Italy, Austria and Croatia. The Serbian state not only failed to help me but it tried to prevent me from completing that business. High officials of the Serbian authorities told the representatives of the Slovenian government that “Delta” was not able to complete that transaction although I had already managed to be financed by a large European bank. If I had not been stopped in that transaction, Serbia would now have the largest retail chain in Southeast Europe, which would be huge support to our agriculture and food industry. Today we do not have a national retail chain and that is the biggest problem of our economy.

I am rather surprised as well to read these days that former President Boris Tadić says that during his mandate I was not arrested because the prosecution had no evidence for my arrest. Now I wonder what evidence has come up in the meantime.

Miroslav Mišković is completely different. I am a man born and bred in the region of Pomoravlje. I grew up in a patriarchal family and I achieved my first business successes in Chemical Industry Župa. I am the man who set up Delta 23 years ago.

II A STRATEGIC AND FINANCIAL INVESTOR

If the prosecutor and the court want to understand the difference between strategic and financial investors, then we have already completed this procedure today. The prosecutor will give up the procedure because a financial investor is not responsible for the things I am charged with here.

In 2005 one of the companies I owned sold the shares of Delta bank to Italian Banca Intesa San Paolo for 400 million EUR and decided to invest that money in Serbia, namely in two directions:

- The first one was strategic investing. Then came the period of the largest acquisitions for Delta. We invested in agriculture, real estate and retail. We became owners of the production companies Yuhor, Danubius and Florida Bel; of retail chains Pekabeta and C market; of five agricultural estates in Vojvodina and of other companies. Those were

our strategic jobs. We invested there, we managed there, and we bore business risks there, including risks of claims and progress.

- The second direction was **financial investing**. We invested money in order to make money legally and not just to run those companies. That is how we invested in the shares of Merkator, Ikarbus, road maintenance companies, Energoprojekt, NIS and several companies in Montenegro. If we had been able to, we would have bought the shares of General Electric or Coca Cola too: does it mean that we are responsible for the operations of Merkator, Coca Cola or General Electric? Just to make things clear, I am not the one who invented financial investing. It exists all over the world and we pay highly our consultants and experts who instruct us about how business is done in the world. So, we invest money and our only risk is whether we will make or lose money. We did not manage there. The same refers to the road maintenance companies.
- Neither my son nor I have ever entered any road maintenance company. We have never been members of the management or administration bodies and we have never recommended or appointed a single member of those bodies so we cannot answer for the business operations of those companies according to any laws, provisions and regulations.

III THE INDICTMENT

- I have always believed in Serbia, I have believed in the laws and have always done everything by the law. Despite that, today I am charged and I have to defend myself here but I do not know what from. **Instead of proving my alleged guilt**, you have forced me, my lawyers and the team of my associates from Delta to **prove my innocence**. You know that everywhere in the world it is different and it should be different in Serbia too. But since I have no choice, during this trial I will focus on proving my innocence.
- What is on trial here? I do not understand what was done illegally here. Even the prosecutor himself has said that everything was done in compliance with the law. And how can I defend myself from the prosecution which charged me but says that everything was done in compliance with the law? How can I defend myself before the court which kept me for 7,5 months in detention without any grounds, which was also confirmed by the Constitutional Court.
- **Example:** Imagine that I am doing four jobs. That I am selling some goods at a good price, that I am selling a building or some services... and that I am satisfied with each of those sales respectively. But I am not satisfied with that job on the whole! I know that this is not possible in economy and in logics. I am

not familiar with legal matters and I do not know whether it is possible in law as well, but I do not think so.

- As far as the indictment is concerned, I can say that it is **completely constructed**. The text of the indictment is legally and economically **illogical** and it shows **the elementary lack of understanding of a strategic investor and a financial investor**.
 - Before I go on to concrete facts, I must first point out illogical things in the indictment.
- I am charged because in 2005 Milo Djurašković and I allegedly agreed how to siphon off the money from the road maintenance companies through UniCredit bank loans of 25 million EUR and that is the reason why the road maintenance companies had financial difficulties in 2011 and 2012. But I wonder how we invested 60 million euros and received 16 million? It is not logical just as it is not logical to confuse the roles of financial and strategic investors.
 - And how logical is this: according to the consolidated balance, the road maintenance companies earned 270 million and had profit of 32 million EUR in 2007. We could have legally shared the profit and got more than the amount claimed by the Prosecution to be unlawful gain. If our goal was to siphon off money, why didn't we do it then?!
- But let us list things one at a time:

1. HTL LOAN:

- Fact: the company in my indirect ownership granted a loan to one of the road maintenance companies and that loan was repaid properly.
- The prosecution says that I became the actual owner of the road maintenance companies by giving a loan. On Page 105 of the justification for the Indictment, the Prosecution lists the following reasons: *“Through the loan granted to PZP “Niš” the Miškovićs actually bought half of Djurašković’s ownership in PZP “Niš” and thus through PZP “Niš” of all other road maintenance companies because PZP “Niš” was the majority owner in all of them.”*
- First of all, the loan was not granted by the Miškovićs but by Hemslade. At the pre-hearing I also pointed attention to the huge difference between the company’s property and private property. According to the Law, everything that is entered into the company becomes the company’s property. Secondly, you cannot actually buy something through a loan, particularly not if the loan is repaid.
- The Prosecution says that I concealed the fact that it was a loan. However, the loan was reported and registered in the National Bank of Serbia.
- The Prosecution says that I am guilty because this loan was repaid although its repayment was directly controlled by the National Bank because of the legal

provisions. The Indictment even claims that I am guilty of not having given up the claims for the granted loan.

- Excuse me, is that why you arrested me?

Mind you, this is the real truth:

- I made a strategic decision that my company should grant the loan of 23 million EUR to PZP “Niš” with the interest of 3% + EURIBOR, which was an extremely favourable interest rate.
- The Loan Agreement, the amendments to the Agreement, the calculation of the interest – these are the things I do not deal with, but I know that my associates who are in charge of it are doing it according to the Law.
- I am disappointed because individuals from the police and the prosecution do not know what interest is and how it is calculated, or that the interest consists of the margin and EURIBOR, so that they calculated EURIBOR as the unlawful gain.
- When I was arrested, I was accused of charging 1,2 million EUR more through the interest than it had been agreed. In the meantime they calculated once again and came to the amount of 217.000 EUR, proving it to be the unlawful gain. Because of the amount of 217.000 EUR they blocked my entire private property which is ten-fold larger than 217.000 EUR.
- Here I must ask you: is that why the president of the company, one of the largest in the region, is arrested? Because of the calculated interest? What do you think

my job is – do you think that I have seen a single interest calculation in Delta, let alone in the road maintenance company? Moreover, there is no irregularity in this interest calculation and we are going to prove that.

- Repaying a loan is a legal obligation.
- At the moment when the loan was granted, both companies were 100% private ownership.
- The Prosecution asks me why I gave such a favourable loan and then I am accused of siphoning off the money from the road maintenance companies. I ask the Prosecution to decide whether I siphoned off the money or I gave it away.

2. RECAPITALIZATION

- I would like to clarify certain things about my business operations. I have created a large and successful system. In order to achieve that, I respected knowledge and profession. My children did not have enough knowledge and experience to run the business. And that is why my daughter deals with humanitarian work and my son participated in financial investments. He was 24 years old at the time and he was interested in other things – films and sport and I supported it as his father. That is why I decided that he **should be the financial investor** because he is not familiar with business. I advised him where to invest money because

I know perfectly the market of Serbia and the region because I have been operating in that market for more than 40 years.

- So, my son was the financial investor who had no control over business, did not participate in decision-making, did not appoint the members of administration or management bodies but only expected to earn or lose some money from this financial investment.
- It was logical for us to invest in the road industry since it was expected that a period of intensive building would follow in Serbia. And therefore he invested as a financial investor, and when the company achieved a good result, he would sell that business.
- In some transactions we lost and in the others we profited. The only important thing was that he should be the minority shareholder so that he would not have any responsibility for running the company.
- In 2006 there was the recapitalization of PZP "Niš" with 9 million EUR and we gained about 47% shares. This gain was made in compliance with the Law and with all the necessary approvals.
- This transaction was approved by the Securities Commission. This was also proved by the Prosecution witness Dragica Mirčetić, the head of the Department for Distribution of Securities, who stated that the whole procedure had been done in compliance with the Law and that "Mera" was the professional investor.

That is also proved by the shorthand notes from the 168th session of the seventh convocation of the Securities Commission of 3rd August 2006 – “Mera fund” was the professional investor.

- The Indictment says that Milo, my son and I did that in order to confirm the actual ownership we had gained by the loan.
- First of all, I must clarify this: the loan was not given by Milo, Marko or me. The loan was granted by Company Hemslade. This is a significant difference because the whole Indictment confuses private and company ownerships.
- Here you must explain to me this new term you are using. **What does “actual ownership” mean?** I am not familiar with that term from economics, from international business or from what I know about law. You are either the owner of something or you are not the owner, and I do not know what it is meant by term “actual owner”. And I do not know how to defend myself from this charge when I do not even know what it should mean.
- The Indictment says that money was not used for increasing the capital but exclusively for personal gain of the Miškovićs and Djurašković. According to the prosecutor, we gave 9 million EUR in order to make personal gain.
- I do not know how to defend myself from such nonsense. The amount of 9 million EUR was paid into

the account of the road maintenance company. We did not dispose of that money any longer because it was at the disposal of the road maintenance companies. We were not managers or financial directors in the road maintenance companies. We were not in any board of directors and we did not give any instructions to anyone who was a member of those boards and in charge of business operation. I have to ask you something: if you want to sentence me – do it today. Let us not make a circus out of this court and the trial because this is being watched by the whole domestic and foreign public. Let us not shame ourselves or our judicial system and the state without any reason.

- The Indictment says that I am guilty of using my business position in 2009 and 2010 although we left the road maintenance companies in 2008, or 2 years earlier.

- I would really like to ask you to put some things in the Indictment logically because in this way there is no logic in the charges against me.

- The Indictment claims that I had the previous agreement with other defendants about all the undertaken activities.

- However, the truth is that I saw most of them for the first time in my life when I was arrested.

- All the defendants as well as all the witnesses we were asked about by the Prosecution confirmed that they did not know us. No witnesses, absolutely none of them, saw me or my son in the road maintenance companies.

- What does the Prosecution use as the basis of its thesis that we ran these companies then? I do not know; it is not mentioned anywhere on 124 pages of the Indictment what was used as the basis for the conclusion that I used to run these companies.

3. SELLING SHARES

- The road maintenance companies operated very well in 2007 and made a large profit. That is why we as financial investors decided to sell them and get out of that business.
- This is a mode of operating we have applied many times – to sell a business or investment at the moment when it is the strongest, at its peak. That is how we sold Delta Bank, Delta Insurance, Maxi...

- STRABAG offer and Decision to leave the road maintenance companies
 - During 2007 Oleg Deripaska and his Strabag Group became interested in buying the road maintenance companies. I was contacted by the former Government of the Republic of Serbia because of that.
 - The negotiations began. ING London made the evaluation and we asked 250-300 million EUR.
 - The Indictment says that Strabag confirmed this and that Mišković had the main say during the negotiations and therefore it is obvious that the Miškovićs are not only financial investors but that they also had a controlling influence over administration and management of business operations in the road maintenance companies.
 - I do not want to offend anyone here, but you are offending me terribly by these statements. I do not know whether you are doing it intentionally or due to your lack of knowledge.
 - According to the prosecutor, negotiations about selling shares imply that you run the company. Well, it is just the opposite. Of course I negotiated the sale because I was the financial investor who invested in a business and left it without even running that business. We invested money in the minority package of shares and then we had the opportunity to sell that package at a good price.

- Is it necessary to tell you that I had to engage the professional negotiator for those negotiations just like I engaged UBS when I was selling Maxi or when Namura negotiated the sale of Delta Bank and Delta Insurance? Would you also conclude that these banks and negotiators ran my companies?
- Unfortunately, Milo Djurašković did not want to sell his part. Strabag was not interested in buying the minority package because then it would not be able to run the company and the negotiations did not come off. Strabag documents will also prove to you that the negotiations failed because the seller withdrew from the negotiations. Therefore, Strabag did not give up because the companies were in a poor state, as it is claimed by the prosecutor here, but it was Milo Djurašković who gave up because he did not want to sell. And how did I have control then if I could not make Milo sell the shares to Strabag?
- At that moment I decided to get out of the road maintenance companies. When you have the minority package of shares, you do not have much choice about selling. We offered our part to Milo Djurašković and he offered to buy it for 25 million EUR.
- Therefore, we bought the shares for 9 million EUR and then we sold them for 25 million. I do not know how the Prosecution calculated that we gained 25 million when the difference in the price was 16 million?

- I would particularly like to point out the fact that my son was arrested and charged because his company had bought the shares at one price and sold them at the other price. The person making gain in the stock exchange is not committing a criminal offence. If we apply that logic, then all people making money in the stock exchange should be arrested. I must say that it will be difficult for the participants in the stock exchange since there are new rules being applied.

- VALUE OF THE ROAD MAINTENANCE COMPANIES
 - It was at the beginning of 2008. The consolidated financial statement of all the road maintenance companies for 2007 showed the profit of about 30 million EUR. If we had wanted to siphon off the money, we could have taken the dividend because we were entitled to it by the law. And we could have shared only those 32 million, which is more than the amount stated by the Prosecution here. As you know, we did not do that.
 - Despite such good results, the Prosecution claims in the Indictment that the value of the shares of the road maintenance companies were completely depreciated because of the drop in the operational value in 2008 and that we used this privileged information with the aim of making private gains.

- On page 109 and Page 110 the Justification of the Indictment says the following: *“Since in the middle of 2008 the beginning of the economic crisis in the world was substantially felt and the road maintenance companies were encumbered by loans and interests for the stated loans, and they had already pledged all their claims towards the Public Company “Putevi Srbije” as the guarantee of the stated loans, it is obvious that there was a grave crisis in the income of the road maintenance companies, which affected the value of the road maintenance companies, and the capital of Djurašković and Mišković. These are the reasons why Miroslav Mišković decided to leave PZP “Nis” and to take all the invested funds with the gain of 250%. On the other hand, the Miškovići had no other way to take such a large profit and it is a question whether they could take the invested 9.000.000 euros having in mind the fact that they knew that the PZP “Nis” shares were completely depreciated because of the decline in the value of the operational business of the road maintenance companies. This exclusive information that the business was declining was used by the Miškovići for personal gain.”*
- I must explain to you that I had no privileged information whatsoever. I have been in the market for more than 40 years; I evaluate things and make decisions. The best results in business were achieved and I decided to get out of this business just as in 2011

I decided to sell Maxi or in 2005 to sell the Bank. Does it mean that now I should be guilty because these days we hear the news that Maxi has difficulty in operating? Well, I suggest that the Prosecution should examine it thoroughly because there is a chance it can raise yet another indictment.

- However, evaluation of the market is not privileged information.
- The utter shame about this Indictment is the expertise according to which the value of operational business of the road maintenance company is equal to zero. It means that someone who knows how to build highways has the value equal to zero. That is the worst ignorance I have ever come across in my life. What is the operational value of the court – the knowledge of the judge and not the building he is sitting in? Even a bee-keeping cooperative which keeps bees and collects honey has its operational value, let alone the company in charge of building highways.
- In its letters to the Prosecution even Strabag confirmed that the group's turnover was about 200 million and that the liabilities were over 150 million.
- We have the evaluation made by ING London to 400 million, we have the evaluations by Strabag, we have the consolidated statement with the profit of over 30 million, but the Prosecution ignores all that and brings in the court expert who claims that he is not the appraiser of the company value but still says that the

value of the road maintenance companies was equal to zero at that moment.

- I am also charged on the basis of that expert's conclusion who admits that he is not the appraiser of the company value, and the Prosecution declines the statements and evaluations by the eminent authorities such as KMPG, the Faculty of Law and the outstanding experts.
- I must tell you that through privatization, recapitalization and obligatory investment more than 60 million EUR was invested during only one year. It means that we invested 60 million in order to get 16. Do you really think that I am operating in that way and do you think that Delta would now be what it is today if I had invested 60 million in order to get 16?
- Moreover, in the Indictment the Prosecution charges us with manipulating in the share market and with the claim that I and Djurašković agreed to increase the price of the shares artificially.
- I did not know about that trading and I did not participate in it in any way. You have to know that as the president of the company I do not buy or sell shares just like I do not calculate the interest rates or control loans.
- The Prosecution witness Dragica Mirčetić has stated that the change in the price of the shares is controlled in the stock exchange and that when manipulations are noticed, a special report must be made. There is no

such report and the Prosecution only has to say that there were manipulations or perhaps it is yet another excuse for raising the Indictment.

- Loan Agreement with UniCredit bank
 - The Indictment says that Milo Djurašković in agreement with me and my son secured the money for buying the shares by taking out the loan from UniCredit bank.
 - I do not know and it did not interest us how Milo would provide the money; I do not know under what conditions that money was secured. Neither I nor any of my associates called or visited the bank about this loan, which was also confirmed by all the Prosecution witnesses. I was not interested and I did not have any influence on how and from what sources these funds would be provided.
 - Milo Djurašković is not under age, he is an adult man and a businessman. I was not his economic adviser and there were no reasons for it at all. The result of 32 million euros of profit refers to Milo Djurašković and his team and not to me or my son. If he knew how to make that profit, he should also know where and how to take out loans without my assistance.
 - All the witnesses testified that this was an extraordinary company and that the loan was not risky but that the greatest risk was actually that the state was the main debtor to the road maintenance

company. And now I will read the statements of the Prosecution witnesses who dealt with approving that loan:

Witness Branislav Radovanović, Director of the Sector for work with economy in UniCredit bank and Vice President of the Executive Board of UniCredit bank, has stated that the road maintenance companies were worth 250 million euros and having in mind the business operations of the company, its market share and financial transactions, “when considering the data in the application the bank did not make the assessment of the value of the shares but looked at the overall income, repayment capacity and indebtedness. All the data the bank collected seemed realistic and were in line with the financial reports.”

- Witness Srđan Vidović, Director of the Department for working with large business companies and multinational clients in UniCredit bank – “at that moment “Nibens” owed about 200 million EUR to the banks, out of which 100 million was provided by the pledge on the claims “Nibens” had from the state. In 2007 “Nibens” had the turnover of 270 million and profited 43 million EUR and these amounts were confirmed by the consolidated balances. For one year “Nibens” covered all its liabilities but because of “Putevi Srbije” this company had the liquidity problem.”
- Witness Željko Kišić of the Sector for Risk management in UniCredit bank – “The loan of 25.000.000, given to the

market leader. According to the bank information, at that moment “Nibens” was worth 250 million EUR. The problems with repayment arose because “Putevi Srbije” owed a lot to “Nibens” and therefore the grace period of one year was approved.”

- Witness Igor Petković, Director of the Sector for work with economy of UniCredit bank and member of the Credit Board of UniCredit bank– “in 2008 “Nibens” was company number 1 in Serbia and had repayment capacity.”

- The destruction of the road maintenance companies
 - In its Indictment the Prosecution claims that because of the payment of 25 million there followed the destruction of the road maintenance companies and that the loan of 25 million EUR directly influenced the blockade of the road maintenance companies accounts, which then led to the bankruptcy procedures and termination of the privatization agreements several years later.
 - Moreover, the Prosecution says that because of the payment of 25 million EUR the road maintenance companies suffered losses of almost 170 million EUR.
 - Now I must ask you a question: have you read these days that Maxi has difficulty in operating and that it is suffering losses? And I sold it in 2011. Am I guilty of that? Are you going to bring charges against me

because of the poor operations which took place two years after my leaving that company? According to such logic, you also accused me of the destruction of the road maintenance companies. And if you think in that way, you can also charge me with the destruction of the Serbian economy on the whole. (the example with the Railway company)

- I must say this: I suggest that the person who concluded that the road maintenance companies failed because of the loan of 25 million euros should be awarded Nobel Prize for economics! How is it possible that these companies were ruined just because of those 25 million euros and not because PZP “Niš” wrote off over 42 million EUR only for the interest on the debts of the state-run company “Putevi Srbije”, because of the state’s owing them over 100 million euros or because of the overall indebtedness of the companies amounting to 200 million EUR? No, the Prosecution thinks that the losses were caused just because of these 25 million.
- I would like to say that the payment of this price has nothing to do with the alleged losses or that it caused any damage in any way whatsoever. There are other reasons for these losses and if the Prosecution had done its job conscientiously, it would have concluded easily, just as I have just done so now, that the main reason is the state not paying its liabilities to the road

maintenance companies, which was also confirmed by many witnesses interrogated by the Prosecution.

- If I am guilty of the failure of the road maintenance companies, can you tell me or the public who is guilty of the crisis in the company “Putevi Užice” and other companies? Those are good companies but no one in that industry can survive because of the state debts.
- Witness Srđan Vidović, Director of the Department for Working with Large Business Companies and multinational clients in UniCredit bank – at that moment Nibens owned about 200 million EUR to the banks, while 100 million of that amount was provided by the pledge on claims Nibens had from the state.
- Finally I would like to add, not as a defendant but as a businessman, that today just as in the past 5 years all the companies in the pharmaceutical and road industries in Serbia are facing huge problems because of the state’s unsettled liabilities to those companies. The state owed the road maintenance companies 5 to 6 times more than the price achieved in selling the shares to Nibens. Under the pressure of the Government at the time, the state was forgiven the amount which is twice as high as the amount mentioned by the Prosecution today.

IV TAXES

I must observe that at the beginning of the investigation nothing was mentioned about tax evasion. I was arrested because of abusing the business position but it was obviously not enough. It seems that some consultants said that the indictment should be made stronger, primarily in order to make it comprehensible to the foreign public which does not understand the meaning of the position abuse. Secondly, all the Prosecution witnesses testified in our favour. And then tax evasion was introduced because it is obvious that the charges are flimsy when it comes to the position abuse.

I must say that the greatest absurd of the Indictment is the fact that we are charged with tax evasion.

Let me remind you of the fact that in the past ten years my company has paid 1,8 billion EUR for taxes. I am the largest tax payer in the region.

Last year, after selling Maxi, we willingly paid the taxes of 25 million euros to Serbia although we were not legally obliged to do so. This is confirmed by the statement of the former Prime Minister of the Serbian Government.

I must admit one thing: although I am the president of the company, I am not familiar with tax policies. We have engaged KPMG, the best-known world company for tax issues, and that company is in charge of following both Delta's and my own tax liabilities. This company claims in its report that there is no tax violation here. It is not proved only by this company but also by the experts from the Faculty of Law as well as

the experts who were in charge of making and applying the Law. We offered four qualified opinions but the Prosecution declined all of them.

The tax I am charged with has never been calculated or collected from anyone in Serbia – simply because it does not exist.

The Prosecution accuses us of hiding the facts concerning this transaction in order to avoid paying taxes although the whole transaction was reported to all the relevant state authorities, including the tax authorities.

Once again it is not clear whether we avoided paying taxes or we reported it and how someone can be responsible for tax evasion if he did not file any taxes. I am asking the Prosecution to decide whether we filed the taxes or not.

Several years ago the tax inspectors established that there were no taxes here and now the same inspector has established that we were obliged to pay taxes. Is that the legal security we are all speaking about?

V DETENTION, GUARANTEE AND PASSPORT

During the investigation the Prosecution declined all our evidence proposals although it is obliged by the law to examine everything that someone is charged with and everything that is in his favour.

I presented all this to the Prosecution almost one year ago. What has the Prosecution done since then?

- The witnesses who are listed as the Prosecution witnesses have been interrogated and all of them claim that there were no unlawful activities.

- The criminal charges were just copied and converted into the Indictment.

But this was not enough either. I was unlawfully detained for 7,5 months and that unlawful matter was confirmed by the Constitutional Court as well.

The question arises whether I should be held responsible for the alleged abuse or perhaps the Prosecution is responsible because it obviously violates the law.

I must ask you this: what about the presumption of innocence? According to Blackstone's formulation, "*It is better that ten guilty persons escape than that one innocent suffer*". What about the basic principle that the prosecutor bears the burden of proving? Here all that has been forgotten and I as a defendant must prove my innocence.

I am asking the court to state publicly that the presumption of innocence refers to me as well because I have already been convicted in public even before the beginning of the procedure. I have been deprived of my fundamental rights; I have been prevented from doing my job. If the court does not want to do so or cannot do it for procedural reasons, I am giving the order to my lawyers to sue the state because of violating the presumption of innocence.

I do not know what you both as lawyers and ordinary people think about the ruling of the Constitutional Court which decided that I had been unlawfully detained. Does anyone at least feel any guilt because of that?

You took 12 million euros in cash as the guarantee from me, and there is not a single example like that. This measure must also be examined

by my lawyers in order to see whether it is in compliance with positive law.

You have taken away my passport and prevented me from travelling abroad, and you very well know that I do not travel as a tourist. You have prevented me from doing my job, negotiating new projects and thus you have practically tied my hands. By doing so, you are not only threatening me personally but also one of the best Serbian companies and 8.000 families living directly off Delta.

So, you requested the guarantee of 12 million euros in cash and took away my passport at the same time. As if one of these two measures was insufficient so you had to apply both.

I cannot stop you from conducting this procedure which is utterly illogical to me, but I can and must appeal to you not to destroy the company which feeds thousands of people and which paid the taxes of 73 million euros to the budget of Serbia state only in the first 9 months of this year and 1,8 billion euros in the past 10 years. Don't cause problems to this outstanding company which has difficulty taking out loans from the banks due to your irresponsible policy and the fact that you have incriminated it.

Despite all the aggravating circumstances, I would like to inform you that by 15th December Delta will have opened the biggest and most modern hotel in the Balkans which will employ 300 people. I am inviting you to see what we have given Serbia and Belgrade in the year in which we were the target of the campaign, public lynching and court prosecution. I also promise to employ 500 more people in 2014, that we will develop regionally despite the individuals wishing to prevent us from that.

I was arrested either due to the great ignorance on the part of the police and the Prosecution or due to someone's ill intention. I was detained because the court ignored that while the Constitutional Court ruled that it was against the law.

During my detention my granddaughter was born – my son's firstborn. My mother died. And all that time I had to keep silent because my son was arrested. Can you tell me which normal parent can defend from liberty while his own son is sitting next to him in the dock?

Today I am asking you only to observe the Law and the Constitution in this court procedure because this is a case which will enter the history of the Serbian judicial system. Today the trial is not against Miroslav Mišković and these people. Today the normal market principles of operating are on trial. And I was chosen to be the defendant not because I have done something unlawful but because I am the most outstanding representative of those who are successful and who create.