SHORT PROFILE OF THE COMPANY
ŠIPAD EXPORT- IMPORT D.D.
SARAJEVO

Basic information

Name of the Company: "ŠIPAD EXPORT-IMPORT" Joint-stock company in the mixed ownership for foreign and local trade and engineering, Sarajevo

Shortened form: "ŠIPAD EXPORT-IMPORT" d.d. Sarajevo

Seat: Sarajevo, Maršala Tita St. No. 15

I.D. No.: 4200664150003
With the Indirect Taxation Administration Registered Under No.: 200664150003

Code of the company’s activity pursuant to Classification of Business Activities: 51.470

Company’s Basic Business Activity: Wholesale of other wide consumption products

Decision of the Commission for Securities of F BiH: 03/1-19-231/05 dated June 9, 2005, Registration No. of the Issuer: 01-706-2061

Director of the Company: Milan Duka, Ilidža, Ahmeta Ljubunčića 38, Sarajevo, Personal Citizen's Number: 0112348170003

Supervisory Board President and Members: Dževad Drino (President), Sadik Begić (Member), Peljto Muamer (Member)

Ownership: 66.5673 % state ownership, 33.4327 % private ownership

No. of Employees: 25 (as of May 31, 2012)

Phone: 033/226-621 (Director),

Fax: 033/226-956
Description of Business Activities

Šipad Export-Import d.d. is the company registered for wholesale of wide consumption products as its basic activity. The Company is registered as the company for foreign trade with food and other products, port services, cross-border trade, construction works abroad, export of goods, mediation, forwarding of goods and other services in foreign trade.

Currently, the major part of income is generated from renting the Company owned business premises. On the day when Opening Balance and Program of Privatization were prepared there were no substantial operations within the registered basic business activity. At the present moment there are not visible indications suggesting that the Company would restart its basic activity significantly i.e. that it would perform those tasks again to considerable levels.

Šipad Export-Import d.d. used to be active in foreign trade and engineering activities. The Company has a very long tradition in this field, particularly in the sector of forestry and wood-processing. The Company used to export beech-tree and conifer-tree cut wood of all dimensions and quantity, semi-products such as boards, panel lamelled boards of solid wood and plywood, veneer parquet, decking, packing materials, palettes, pressings, latoflex, furniture and furniture elements.

The Company used to provide engineering services abroad, from design of material and equipment, consulting and conducting building of objects, through execution of the construction works to procurement of required elements and their installation and fixing into the premises. With a very high-quality level and complying with highly aesthetic standards, the Company furnished the facilities for various purposes: catering, tourism, education, healthcare and recreation, office and sports. Šipad Export-Import d.d. used to do representation of foreign firms on the market of Bosnia and Herzegovina.

Šipad Export-Import d.d. had also been the co-founder and major owner of the following companies: Šipad “Fojnica” Fojnica, Šipad “Nova Pilana” Konjic, Šipad “Nova Pilana” Turbe, “Euromebel” d.o.o. Sarajevo and “Walter Enterprises” d.o.o. Sarajevo. Through these companies in its ownership, “Šipad Export Import” d.d. used to import equipment, spare-parts, raw-materials, repro-materials for forestry and wood industry, beauty products and high fashion products.
A Summary of the Company’s Operations for the Period 2007 – 2011

Basic data on business operations i.e. the Company’s Profit and Loss Accounts for the period between 2007 and 2011 are given in the Chart below:

![Chart showing business activities of the former and current period]

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Expenditures</th>
<th>Profit/Loss Before Tax</th>
<th>Net Profit/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2,155,359</td>
<td>2,154,565</td>
<td>794</td>
<td>556</td>
</tr>
<tr>
<td>2008</td>
<td>3,815,421</td>
<td>3,823,380</td>
<td>7,959</td>
<td>7,959</td>
</tr>
<tr>
<td>2009</td>
<td>2,205,190</td>
<td>15,600,632</td>
<td>-13,395,442</td>
<td>-13,395,442</td>
</tr>
<tr>
<td>2010</td>
<td>1,240,208</td>
<td>1,276,602</td>
<td>36,394</td>
<td>36,394</td>
</tr>
<tr>
<td>2011</td>
<td>522,689</td>
<td>3,503,408</td>
<td>2,980,720</td>
<td>2,980,720</td>
</tr>
</tbody>
</table>
Trends of balance positions within the Balance Sheets for the period between 2007 and 2011 are given in the Chart below: