



INVESTMENT GUARANTEE AGENCY

CREDIT REPORT

Company Name: XXXX

Registered name:	"xxxxxxx"
Address:	xxxxxxxx; xxxxxxx; B&H
Phone:	00387 00 00000000
Fax:	00387 00 00000000
Web site:	www.xxxxxxx.ba
Email:	xxxxxxx
ID Number	4222222222222222
Director:	Mr. xxxxx
Bank	HVB CENTRAL PROFIT BANKA DD
Account No.:	0000000000000000
Legal Form:	Joint stock company
Registration No.:	xxxxxxxxxx
Established:	19xx
Size of company:	Large
Capital:	207.954.989 KM
Source of capital:	Mixed
Ownership:	Mixed
Ownership structure:	Please see the notes section
Immediate parent:	None
Registered activity:	Metal industry- alumina production and processing
Sales Income	308.077.741 KM / 2002 302.596.237 KM / 2003 364.720.698 KM / 2004 413.703.988 KM / 2005 555.888.018 KM / 2006 593.178.004 KM / 2007
Number of employees:	933
Overall trend:	Growth in sales, assets and equity.
Currency:	all amounts, unless otherwise stated, are shown in KM, 1 KM = 0,5133 EUR (fixed rate)
Requested credit limit:	EUR
Opinion:	EUR
DATE:	10th September 2008
REFERENCE:	

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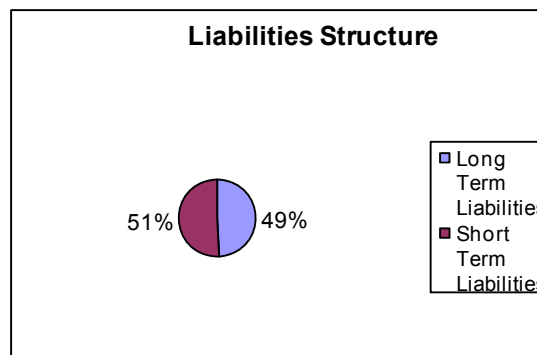
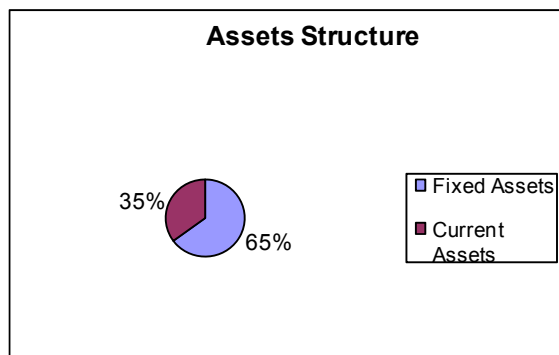
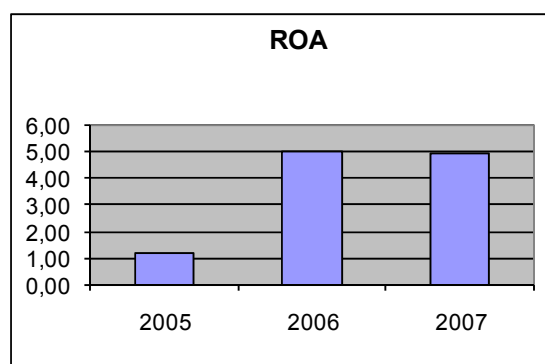
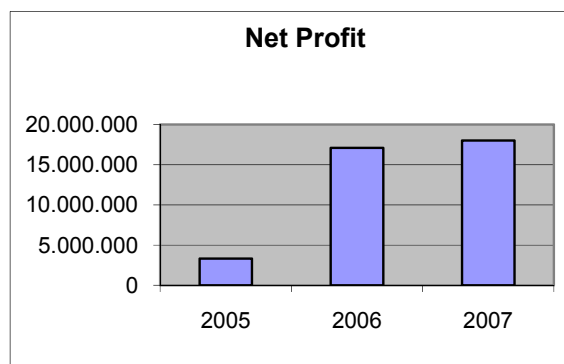
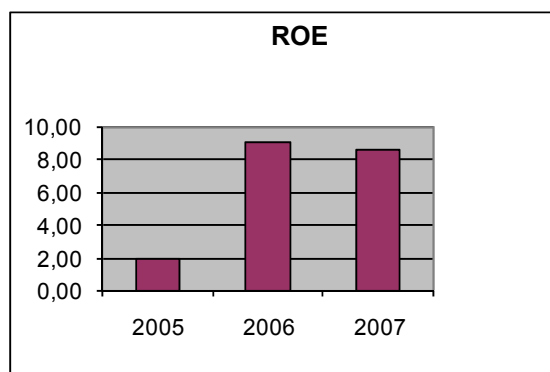
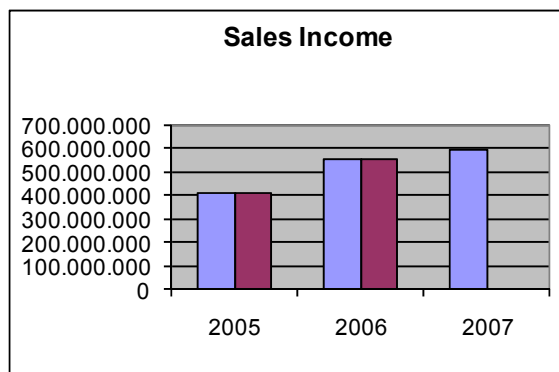
BALANCE SHEET:				
Currency: KM		31.12.2005	31.12.2006	31.12.2007
ASSETS				
FIXED ASSETS		163,789,983	219,563,759	238,018,442
Intangible assets		0	0	0
Tangible assets		163,789,983	152,656,514	175,726,517
	Land	9,371,688	7,552,608	7,552,608
	Buildings	80,251,913	71,993,788	60,284,821
	Equipment	66,047,897	60,981,681	92,395,612
	Fixtures&furnitures	0	662,926	0
	Advances	0	11,063,039	15,093,981
	Other tangibles	8,118,485	402,472	399,495
Long Term Financial placements		0	66,907,245	62,291,925
	shares with related companies	0	1,819,080	1,819,080
	loans	0	65,088,165	60,472,845
CURRENT ASSETS		111,888,320	121,094,772	127,460,635
Inventories		58,380,157	63,186,724	69,337,591
	raw materials	40,326,624	36,601,366	46,759,143
	work in progress	3,002,969	3,663,211	2,786,666
	finished goods	15,050,564	22,922,147	19,791,782
Short term receivables		23,858,795	37,954,065	36,329,519
	trade debtors	23,207,603	32,289,978	26,110,652
	other receivables	651,192	5,664,087	10,218,867
Short term financial placements		0	0	0
Cash & equivalents		29,649,368	19,953,983	21,793,525
Accruals		0	0	114,788
LOSS ABOVE CAPITAL				
TOTAL ASSETS		275,678,303	340,658,531	365,593,865
Off Balance Sheet Items		0	0	0
LIABILITIES				
CAPITAL		170,786,051	188,546,378	207,954,989
Initial Capital		145,997,488	170,786,051	170,786,051
Other reserves		156,984	0	1,708,754
Retained earnings		24,631,579	17,760,327	35,460,184
LONG TERM LIABILITIES		54,007,980	72,261,113	77,511,478
Long term loans		46,779,006	32,133,811	47,477,614
Other long term liabilities		637,600	0	
Long term provisions		6,591,374	40,127,302	30,033,864
SHORT TERM LIABILITIES		50,884,272	79,851,040	80,127,398
Short term loans		0	7,090,817	10,775,332
Other financial obligations		0	0	17,194
Received advances & deposits		0	17,679,877	718,505
Trade Creditors		36,210,800	43,399,366	50,270,116
Taxes		3,737,461	9,831,658	16,245,767
Other short term liabilities		10,936,011	1,849,322	2,100,484
Short term provisions		0	0	0
TOTAL CAPITAL & LIABILITIES		275,678,303	340,658,531	365,593,865
Off Balance Sheet Items				

INCOME STATEMENT				
Currency: KM		31.12.2005	31.12.2006	31.12.2007
SALES		413,703,988	555,888,018	593,178,004
Costs of Goods Sold		412,063,917	446,664,908	514,095,371
Adjustments to inventory value		0	0	0
GROSS PROFIT/LOSS		1,640,071	109,223,110	79,082,633
Other expenses		0	77,469,822	63,517,524
Administration costs		0	5,478,126	6,349,009
OPERATING PROFIT/LOSS		1,640,071	26,275,162	9,216,100
Financing income		2,735,632	5,624,462	6,610,111
Other income		4,499,986	1,711,059	23,947,009
Financing expenses		3,667,393	2,188,731	13,170,820
Other expenses		493,405	7,011,182	896,482
PRE-TAX PROFIT		4,714,891	24,410,770	25,705,918
PRE-TAX LOSS		0	0	0
INCOME TAX		1,414,467	7,323,231	7,711,775
PROFIT/LOSS AFTER TAX		3,300,424	17,087,539	17,994,143
Extraordinary Income		0	0	0
Extraordinary expenses		0	0	0
Extraordinary results		0	0	0
Tax on extraordinary income		0	0	0
Extraordinary net result		0	0	0
NET PROFIT		3,300,424	17,087,539	17,994,143
NET LOSS				
Average no. of employees		934	937	933
No. of months of operating		12	12	12

FINANCIAL ANALYSIS		31.12.2005	31.12.2006	31.12.2007
Liquidity				
Current ratio		2.20	1.52	1.59
Quick ratio		1.05	0.73	0.73
Net working capital		61,004,048	41,243,732	47,333,237
Net working capital to sales value (%)		14.75	7.42	7.98
Net working capital to total assets (%)		22.13	12.11	12.95
Flow ratio		2	1	2
Net investment in working capital		31,354,680	28,380,566	36,315,044
Financial Strength				
Capital to total assets (%)		61.95	55.35	56.88
Debt to equity		0.61	0.81	0.76
Financial stability		1.01	0.92	0.93
Capital to fixed assets		1.04	0.86	0.87
Long term sources to fixed assets		1.37	1.19	1.20
Short term debt ratio		0.30	0.42	0.39
Long term debt ratio		0.24	0.28	0.27
Profitability				
Gross profit margin (%)		0.40	19.65	13.33
Net profit margin on sales (%)		0.80	3.07	3.03
Basic earning power (BEP) (%)		0.01	0.08	0.03
Return on capital (ROE) (%)		1.93	9.06	8.65
Return on total assets (%)		1.20	5.02	4.92
Sales income per employee		442,938	593,264	635,775
Monthly sales income		34,475,332	46,324,002	49,431,500
Assets Management				
Receivables collection period (days)		21	25	22
Inventory conversion period (days)		51	51	49
Total assets turnover		1.50	1.63	1.62
Capital turnover		2.42	2.95	2.85
Capital employed/employees		182,854	201,223	222,889
Debt Management				
Total debt to total assets		0.38	0.45	0.43
Net worth to total liabilities		1.63	1.24	1.32
Total short term indebtedness as to month sales income		1.48	1.72	1.62
Short term indebtedness from financing as to month sales income		0.00	0.15	0.22
Financial result to total sales		-0.01	-0.01	-0.01
Interest cover ratio		0.45	12.00	0.70
NET WORTH		170,786,051	188,546,378	207,954,989

AVERAGE VALUES	Current ratio	Debt to equity	Profit margin	Profit margin
Agriculture	1.31	1.33	2.58	2.58
Construction	1.44	1.31	1.74	1.74
Manufacturer - textile/leather	1.50	1.48	1.64	1.64
Manufacturer - wood products	1.43	1.41	2.16	2.16
Manufacturer - machinery	1.54	1.34	2.38	2.38
Wholesale-non durable	1.53	1.70	1.40	1.40
Wholesale - durable	1.42	1.60	1.11	1.11
Retail- gen. Merchandise	2.14	0.59	0.16	0.16
Retail-furniture	1.61	1.33	0.92	0.92

KEY MONITORING FINANCIAL INFORMATION	31.12.2005	31.12.2006	31.12.2007
Sales	413,703,988	555,888,018	593,178,004
Net Profit	3,300,424	17,087,539	17,994,143
Capital	170,786,051	188,546,378	207,954,989
Inventories	58,380,157	63,186,724	69,337,591
Receivables	23,858,795	37,954,065	36,329,519
Payables	50,884,272	72,760,223	69,352,066
Current ratio	2.20	1.52	1.59
Quick ratio	1.05	0.73	0.73
Net working capital	61,004,048	41,243,732	47,333,237
Debt/equity ratio	0.61	0.81	0.76



POSITIVE ELEMENTS	
1.	The company exists since 19xx and is the biggest exporter in B&H
2.	No collection problems
3.	Excellent cash position
4.	Positive net working capital
5.	Growth of capital due to the retained earnings
6.	Turnover growth
7.	Capital adequately cover the overall level of liabilities
8.	Growth in assets
9.	Profit growth

NEGATIVE ELEMENTS	
1.	Increased LT liabilities
2.	Increased ST liabilities

NOTES:

Background of the company “xxxxx” goes back to early 20th century, with the initial bauxite exploration in Herzegovina region. After the end of Second World War, in 1945, a special company has been established for research, usage and transport of xxxx, with the name of xxxxx. This company has joined the xxxxxx company (one of the biggest companies in former Yugoslavia) in 1969. Based on cooperation with French company Pxxxx in 1975, regular manufacturing of xxxxxx factory has started.

With the integration of the xxxx factory and the xxxxx in 1977, a new company is established with the name of xxxxxx. There has been several name changes as well as structural changes during the pre-war period. Since 19xx the official company name is “xxxxxx” xxxxxx. During the 1992-1995 war period, the company suffered certain damages, which halted the production process. But, in 19xx “xxxxxj” went through a type of privatization process with participating funds of company xxxxx (Republic of xxxxx), which enabled the company to re-start the production process.

Some of the current major business partners of company “xxxxx” are: xxxxx; xxxxxx; xxxxxx

Since the privatization process has been disputed by the government of the Federation B&H claiming its majority ownership, there were proposals of arbitration process to solve the ownership structure issue.

But, in July 2005, government has reached the agreement with the shareholders of “xxxxx” d.d. xxxxxx, accepted by the shareholders assembly on 29th July 2005. The basis of this agreement is the shareholding structure:

- Shareholders (workers) 44%
- State 44% and
- xxxxxx 12%.

Also, the agreement contains a long disputed issue of pre-war workers and their compensation.

Company “xxxxxxx” xxxx is considered to be one of the top companies in the country and is also a major exporter.