Sofia, 27 September 2007
Who is dealing with privatization process in B&H?

• Privatization is very important process for economic development of BiH which gives the possibility to all local and foreign physical and legal entities to participate in the purchase of the state capital.

• B&H is one of the countries with dominant state capital (1999 the private sector share was only 35%).

• Federal Privatisation Agency and 10 Cantonal Privatization Agencies are implementing procedure of privatisation in Federation BiH.

• Bank for Investment and Development of RS as well as the Government of RS are responsible for sales of state capital in Republica of Srpska.
Privatisation methods

The methods of privatization are:

• Public offering of Shares - Small privatization scale
• Sales of State Capital in tender procedure-Large privatization scale
• Share Sales through Stock exchange
• Direct negotiation
• Additional Capital Investment
• Joint Venture
• Combination of the above mentioned methods
Privatisation and Foreign Direct Investment

- FDI Inflow, In the first six months of 2007, was 1,2 billion €
- Projection for 2007 is 2 billion € (expected privatisation of 2 refineries Bosanski Brod and Modriča, Aluminium factory in Mostar, Energoinvest, Sarajevo and investment in Thermo power plant in Gacko)
- More than 3.5 bilion € (60% of total FDI) have been made through privatization process
- Plan for 2007: privatisation of 28 companies (tenders procedure)
- Expected privatisation of state monopolies: Telecommes, energy utilities – electricity, refineries etc
<table>
<thead>
<tr>
<th>No</th>
<th>Company</th>
<th>Sector</th>
<th>Total capital (TC)</th>
<th>State capital (SC)</th>
<th>% od TC</th>
<th>IAGP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ENERGOINVEST, SARAJEVO</td>
<td>Metal industry</td>
<td>23.165.022</td>
<td>15.520.564</td>
<td>67,00</td>
<td>USAID</td>
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<td>2</td>
<td>AIDA, TUZLA</td>
<td>Shoes</td>
<td>11.525.537</td>
<td>11.388.852</td>
<td>98,81</td>
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<td>3</td>
<td>FABRIKA SODE, LUKAVAC</td>
<td>Soda Factory</td>
<td>36.721.234</td>
<td>35.074.860</td>
<td>95,52</td>
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<tr>
<td>4</td>
<td>FABRIKA DUHANA MOSTAR,</td>
<td>Tobacco factory</td>
<td>19.038.250</td>
<td>12.755.628</td>
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<td>FABRIKA DUHANA SARAJEVO,</td>
<td>Tobacco factory</td>
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<td>12.593.370</td>
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<td>7</td>
<td>UNIS, SARAJEVO</td>
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<td>8</td>
<td>HIDROGRADNJA, SARAJEVO</td>
<td>Construction</td>
<td>70.756.714</td>
<td>47.406.998</td>
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<td>EC</td>
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<tr>
<td>9</td>
<td>AIR BOSNA, SARAJEVO</td>
<td>BH Airlines</td>
<td>6.132.914</td>
<td>3.297.706</td>
<td>53,77</td>
<td>Holland Government</td>
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<td>10</td>
<td>KRIVAJA, ZAVIDOVICI</td>
<td>Wood industry</td>
<td>226.959.400</td>
<td>226.959.400</td>
<td>100,00</td>
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<tr>
<td>11</td>
<td>HTP ZENIT BRO NEUM</td>
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<td></td>
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<td>WB</td>
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<td>12</td>
<td>ALUMINIJ dd, MOSTAR</td>
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<td>WB</td>
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<tr>
<td>13</td>
<td>KTK VISOKO VISOKO,</td>
<td>Leather industry</td>
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<td>14</td>
<td>AGROKOMERC, VELIKA Kladuša</td>
<td>Food processing industry</td>
<td>368.648.134</td>
<td>246.994.250</td>
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<td>WB</td>
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<tr>
<td>15</td>
<td>HRVATSKI TELEKOM, MOSTAR</td>
<td>Telecomcommunications</td>
<td>175.233.557</td>
<td>98.975.464</td>
<td>56,48</td>
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</table>
The Governments of Federation BiH and Government of Republika Srpska announced Public Tender for share sales of the following Companies:

- „Energoinvest“ d.d Sarajevo (*)
- „Hidrogradnja“ d.d Sarajevo (*)
- „Aluminij“ d.d. Mostar (*)
- „UNIS - udružena metalna industrija“ d.d Sarajevo (*)
- „Fabrika duhana Mostar“ d.d. Mostar (*)
- „Soda-so holding“ d.d. Tuzla
- „Tvornica kartona i ambalaže“ d.o.o. Cazin (**)  
- „Šipad export-import“ d.d. Sarajevo
• ”Poljoprivredni zavod” Doboj
• ”Famos Fabrika motora” Istočno Sarajevo
• ”Zrak “AD Teslić
• ”Trudbenik” AD Doboj
• ”RK Boska” Banja Luka
• ”Glas Srpske Grafika” Banja Luka
• ”Glas Srpske trgovina” Banja Luka
• ”Unis Pretis” AD Mokro
• ”Orao” Bijeljina
• ”Fabrika specijalnih transmisija” Istočno Sarajevo
• ”Fabrika motora za specijalnu namjenu” Istočno Sarajevo
• ”Tehnički remontni zavod” Bratunac
• ”Incel Holding” Banja Luka
PLAN OF THE SHARE SALES THROUGH STOCK EXCHANGE

Agency for privatization of Federation of B&H has planned in 2007 to sale through the Stock exchange the shares of the following companies:

• “Interšped” d.d. Sarajevo (*)

• “Sarajevo-osiguranje” d.d. Sarajevo (*)

• “Fabrika duhana Sarajevo” d.d. Sarajevo (*)

• “Bosnalijek” d.d. Sarajevo
PLAN OF THE SALES AFTER THE COMPANIES RESTRUCTURING

Federal Agency for Privatization has foreseen to announce public invitation for the sales of techno-economic parts of the Companies:

- IP “Krivaja” d.o.o. Zavidovići,
- “KTK” d.d. Visoko,
- “Hepok” d.d. Mostar
- “Željezara Zenica” d.o.o.
**Privatization results for the period 1999- June 2007 in Federation B&H**

<table>
<thead>
<tr>
<th></th>
<th>Total number of companies</th>
<th>Privatized companies</th>
<th>Not privatized companies</th>
<th>Result of privatization</th>
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<tr>
<td></td>
<td>number</td>
<td>%</td>
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<td>%</td>
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<tr>
<td>Federation of BiH</td>
<td>1 450</td>
<td>1 035</td>
<td>71.38</td>
<td>415</td>
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</table>
Privatization results for the period 1999- June 2007 in Republika Srpska

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<tr>
<td></td>
<td>number</td>
<td>%</td>
<td>number</td>
<td>%</td>
</tr>
<tr>
<td>Republic of Srpska</td>
<td>1135</td>
<td>689</td>
<td>446</td>
<td>39.30</td>
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# Privatization results in B&H for the period 1999- May 2007

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</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>%</td>
<td>number</td>
<td>Capital Billion</td>
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<tr>
<td>Federation of BiH</td>
<td>1 450</td>
<td>1 035</td>
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<td>2.82</td>
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<td></td>
<td>71.38</td>
<td>%</td>
<td>28.62</td>
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<tr>
<td>Republic of Srpska</td>
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<td>689</td>
<td>446</td>
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<td></td>
<td>60.70</td>
<td>%</td>
<td>39.30</td>
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<tr>
<td>TOTAL</td>
<td>2 585</td>
<td>1 724</td>
<td>861</td>
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<tr>
<td></td>
<td>66.70</td>
<td>%</td>
<td>33.30</td>
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</table>
• For more information on present and future privatization you can visit:

  • [www.apf.com.ba](http://www.apf.com.ba) for Federation of B&H and
  • [www.rsprivatizacija.com](http://www.rsprivatizacija.com) for Republika Srpska
Now is the time for
Bosnia and Herzegovina

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