

**CATALOGUE**  
**for the listing of the shares of**  
**VITAMINKA AD - PRILEP**

**October 2002, Skopje**

# CATALOGUE



## VITAMINKA AD - PRILEP

Listing of the common shares of VITAMINKA AD - Prilep on the Official Market of the Macedonian Stock Exchange AD – Skopje.

- 79.520 common shares of VITAMINKA AD - Prilep with a voting right and a nominal value of 51.1 EUR per share, will be listed on the Official Market of the Macedonian Stock Exchange AD – Skopje.
- 1.460 preferred shares of VITAMINKA AD - Prilep that are reserved for the former owners.

The request for the listing of 90.980 common shares of VITAMINKA AD - Prilep has been submitted to the Macedonian Stock Exchange.

Before its listing on the Official Market of the Macedonian Stock Exchange AD – Skopje, the shares of VITAMINKA AD – Prilep were traded on the Unofficial Market of the Macedonian Stock Exchange.

**Patron of the Listing**

**MAKOS INVEST BROKER AD SKOPJE**

**Mito Hadzivasilev br. 20**

**Skopje**

## DISCLAIMER

The President of the Issuer's Board accepts responsibility for the contents of this Catalogue:

“According to our beliefs, as well as our knowledge and available information, we declare that all the data published in this Catalogue present the assets and liabilities, income and loss, financial and operating condition of the issuer, rights provided with the securities completely and authentically and no data has omitted, which could influence the completeness and authenticity of this Catalogue”.

The Catalogue has been prepared in accordance with the Manual for listing of securities on the Macedonian Stock Exchange AD Skopje and the Law on Amendments to the Securities' Law (Official Gazette of the Republic of Macedonia N<sup>o</sup> 37/2002).

VITAMINKA AD - Prilep's financial statements for 1999 was audited by KPMG DOOEL – Skopje, and for 2000, and 2001 by Pelagoniska Revizorska Kuka DOO - Prilep.

Patron of the listing of VITAMINKA AD - Prilep is the brokerage house MAKOS-INVESTBROKER AD Skopje.

This catalogue should be considered neither as an offer for sale, nor invitation for purchasing stocks of VITAMINKA AD - Prilep. This catalogue should not be regarded as a recommendation for buying stocks of VITAMINKA AD - Prilep, and all the interested investors are encouraged to make individual assessment of VITAMINKA AD - Prilep's financial condition and operations.

Signature

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## **GENERAL COMPANY INFORMATION**

**Prehrambena industrija (Food industry) VITAMINKA AD - Prilep, ul. Lece Koteski No.23; tel: 048/24-730; fax: 048/30-594.**

### **Address**

Prilep, ul. Lece Koteski No.23; tel: 048 / 407-406; fax: 048/30-964.

### **Court Registration**

The corporation is registered under the Treg.No.1485/98 on 20.10.1998, with a registration number 01002399-4-03-000, in the Trial Court in Bitola.

## **SHORT HISTORY**

- VITAMINKA AD - Prilep was formed in 1956 as a company for the production of ground red pepper. The ground red pepper remains the main product of the company until 1974. During this year the company purchased a packing machine and started packing baking soda, black pepper, and other.
- During the 1980s, VITAMINKA AD – Prilep marked an intense development and directed its production towards food additives, production of appetizers, salads as well as other products.
- In 1995 VITAMINKA AD – Prilep invested in a factory for the production of chocolate products (chocolates in the shapes of sea shells and milk-chocolate cocoe cream).
- Currently, the company is working on a new investment for the production of chocolates and chocolate biscuits. This investment is worth about 5.000.000 EUR and the company is using its own sources in combination with a commercial credit from the World Bank.
- The transformation of VITAMINKA AD – Prilep started in 1989 after the Law on public capital was set and was finalized after the “ZTPOK” in 1995. The company is 100% privatized.

## OPERATIONS

Main Activity – Processing and packing of fruits and vegetables, code 15.33  
 VITAMINKA AD – Prilep produces the following groups of products

### Production by product types

	PRODUCT	In tons					
		1999	%	2000	%	2001	%
1	Flips	927	19.2	962	17.9	1030	18.4
2	Chocolate	191	4	420	7.8	487	8.7
3	Vitakrem	435	9	362	6.7	407	7.2
4	Ketchup	531	11	518	9.7	532	9.5
5	Mayonnaise	238	4.9	353	6.6	485	8.6
6	Soups	71	1.5	108	2	124	2.2
7	Dafinka	407	8.5	365	6.8	272	4.8
8	Tasko	259	5.4	417	7.8	389	6.9
9	Sour program	408	8.5	436	8.1	526	9.4
10	Spices	124	2.6	136	2.5	122	2.2
11	Syrups	447	9.3	463	8.6	480	8.5
12	Candy	109	2.3	131	2.4	117	2.1
13	Powder products	330	6.8	511	9.5	490	8.7
14	Other products	337	7	183	3.4	155	2.8
		4814	100	5365	100	5616	100

### Realization by markets

	MARKETS	in 000 MKD					
		1999	%	2000	%	2001	%
	Domestic	730.574	77	746.523	77	777.503	75
	Foreign	218.042	23	226.399	23	262.746	25
		948.616	100	972.922	100	1.040.249	100

## MANAGEMENT

The management of VITAMINKA AD – Prilep is organized according to the two-tier management system – it has a Supervisory and a Managing Board. The Statute of the Corporation is in accordance to the Law on trading companies.

The management at VITAMINKA AD – Prilep is conducted through:

- **Shareholders' Assembly** (constituted on October 15, 1998. It is comprised of 456 shareholders).
- **Supervisory Board** (It is comprised of three members that are elected by the shareholders at the Shareholders' Assembly meeting with the majority of the votes).
- **Managing Board** (It is comprised of 9 members that are elected by the Supervisory Board. The members of the Managing Board elect the president of the Managing Board from within their own group. According to the Law on trading companies, this person is also the General Manager of the company. The president of the Managing Board and a General Manager of the corporation is Naumoski Simon).
- Members of the Managing Board are:
  1. Simon Naumoski – President
  2. Stevan Ignatovski – Deputy President
  3. Metodija Mitrikeski – Assistant for economic issues
  4. Boris Risteski – Assistant for technical issues
  5. Dimitar Spirkoski – Manager for import-export
  6. Saso Naumoski - Commercial/Sales manager
  7. Kiril Bozinoski – Head of the financial sector
  8. Prof.d-r Blagoja Gjorgjioski - professor at the Faculty of Economy – Skopje
  9. Spase Lazareski - advisor at the National Bank of the Republic of Macedonia.

## EMPLOYEES

On 31.12.2001 the company had 348 employees.

The qualification structure of the Corporation is as follows:

Qualifications	Number	Structure
University degree	37	10,63%
Two year college	29	8,33%
Secondary school completed	111	31,90%
Highly qualified	1	0,29%
Skilled	83	23,85%
Semi-qualified	67	19,25%
Primary school completed	20	5,75%
<b>TOTAL:</b>	<b>348</b>	<b>100%</b>

## EQUITY

The equity of VITAMINKA AD – Prilep is comprised of 80.980 shares, with a nominal value of 51.1 EUR (100 DM) per share. From those:

Type of shares	Number of shares	Share
Common shares	79.520	98,2%
Preferred shares of former owners	1.460	1.8%

\*The common shares are with a voting right according to the principle one share one vote.

## OWNERSHIP STRUCTURE

VITAMINKA AD - Prilep, on 31.10.2002 had 208 shareholders .  
The ownership structure of the shares is as follows.

Types of shares	Number of shares	Share
Common shares held by individuals	79.520	98,2%
Preferred shares reserved for the former owners	1.460	1.8%

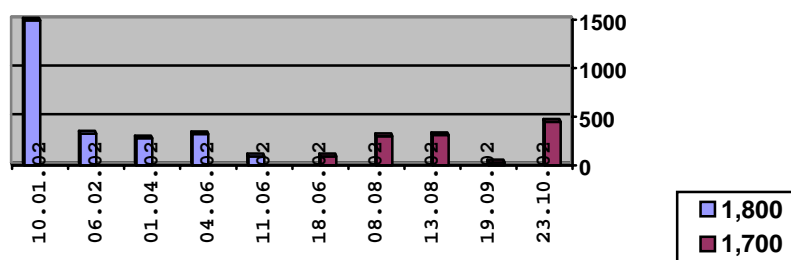
VITAMINKA AD – Prilep has one individual (member of the management team) that owns 18.266 shares, or 22,55% of the total equity of the Corporation.

The shares that are held by the management team of VITAMINKA AD – Prilep amounts to 43.018 common shares, or 53,12% of the total equity of the Corporation. where do they go.

The shareholders that own 18,84% of the total equity of the Corporation have transferred the management rights to the management of the Corporation. Trading with these shares is unlimited.

## TRADING WITH SHARES

The shares of VITAMINKA AD – Prilep during 2002 were traded on the Unofficial Market of the Macedonian Stock Exchange. The price, number of shares traded and the trading days are shown in the graph below.



During the period between January 1, 2002 and October 31, 2002 a total of 3.695 common shares were traded. There were ten trading days, at the price of 1.800,00 MKD and 1.700,00 MKD per share.

## DIVIDENDS AND DIVIDEND POLITICS

The following table shows the payment of dividends per share for the last three years (in MKD and % of the nominal value) as well as the Net Income per share (in MKD).

	Year	Net Income per share	Dividend per share	Dividend per share (%)
1	1999	509 MKD	-	
2	2000	872 MKD	74,55 MKD	2.4%
3	2001	377 MKD	124,47 MKD	4%

VITAMINKA AD – Prilep in the last period of the strategy for the distribution of the Net Income wants to set up optimal ranges between the part of retained income, reinvested income and dividends paid. The retained and invested income ensures a necessary continuous growth of the Corporation through investing in new products. This helps the company keep up with the domestic and foreign competition. The part that is distributed as dividends secures the shareholders (most of them employees of the company) an additional income as a proof for successful operations and investing of the Corporation.

## LAWSUITS

During the last three years, 1999, 2000 and 2001 VITAMINKA AD – Prilep did not have any lawsuits. The Corporation does not expect any lawsuits or has had any lawsuits started during the last year that will have an influence over its financial position.



## **DEVELOPMENT STRATEGY OF THE CORPORATION**

The starting point for setting the development strategy of VITAMINKA AD – Prilep in the period between 2002-2006 are: the operating results so far and the analysis of the up to date development strategy of the Corporation, the projection of the development opportunities, the evaluations of the situation in the industry and the surroundings that have an influence over the operations and projections for the following years, as well as the evaluation for the influence of the economic and political factors.

VITAMINKA AD – Prileps development so far was a long-term growth concept. Even though the Corporation did not have a formal long-term development plan, it led a well thought off and flexible development strategy that was directed towards a continuous economic growth. The development concept of the Corporation was determined by the existing conditions in the country and especially the region, orientation towards the higher phases, profitable product lines that have a highly recognizable quality, and long term export orientation.

In the future, VITAMINKA AD – Prilep will focus on realizing two capital investment projects.

The first project has been partially realized. It is the factory for the production of chocolate products. The production in the factory is fully automated and has wide capabilities for production of different types of chocolates. This will enable the company to continuously increase the assortment of chocolate products.

The second project that is in its preparation stage will be started in 2003. It is focused on the production of snack products, corn flakes, cereals, and other similar products in a new factory called SNEK-FOOD that will be located in Kocani.

The management team will direct the development strategy towards the following points:

- production politics,
- price politics,
- sales promotion,
- human resources

In the following period, the development strategy of VITAMINKA AD – Prilep will be characterized by dynamics, continuous monitoring and control.

The production politics will be multi-sided. In the creation of the products the company will follow the newest nutrition trends as well as the product demand and the design. The automation and modernization of the production will be a continuous process that will enable the company to reach a higher productivity and profitability. This leads to the decrease of the cost of goods sold and a higher competitiveness on the market.

The assortment politics will adapt to the needs of the market by conducting further diversification. Even though diversification creates inventory as well as a lower turnover and engagement of the commercial sector, it is still a necessity that is a result of the character of the industry.

The sales techniques will adapt to the character of the product. Every type of products requires a different approach, sales force, space, payment conditions and other.

The products will be followed from all relevant aspects (quality, design, functionality, usability, price).

A special attention in the following period is expected to be put on the brand protection politics.

The basis for conducting the price politics will be directed towards reducing the existing expenses by product units while maintaining a continuous quality and increased production. This will enable the company to achieve maximum sales using a minimum margin.

The promotion politics is one of the most important elements of the marketing strategy of the Corporation. As a result of this, the company will use all available means for communication on the market in order to create a demand for the existing assortment.

In the forthcoming period, the main imperative in the development strategy of VITAMINKA AD – Prilep will be directed towards conquering of new markets. The target group is the EU countries. In addition to the neighboring countries, these countries present a market with a vast potential, but also with strict rules that have been built by the sharp competition.

The Corporation plans to improve its qualification structure by employing young experts, educated by the western standards and abroad, and who can carry the further development of the Corporation. VITAMINKA AD – Prilep will conduct a systematic training of the current employees parallel to the employment of the new ones in order to follow the new achievements and trends in the food industry as well as the legal framework in Macedonia, the neighboring countries, and the EU countries.

## **FINANCIAL STATEMENTS**

VITAMINKA AD – Prilep has audited all its Financial Statements from the last three years – Income Statement, Balance Sheet, Cash Flow Statement, and Statement of Changes in Equity. The auditors have given their opinion on all these statements. As per the requirements of this catalogue, an un-audited Income Statement from June 30, 2002 is provided in the attachments. Following are the Financial Statements:

**INCOME STATEMENT\***

in 000 MKD

	<b>30.06.2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Sales revenues	510.400	1.040.249	972.922	948.616
Sales expenses	(391.219)	(837.206)	(797.863)	(797.362)
<b>GROSS INCOME</b>	<b>119.181</b>	<b>203.043</b>	<b>175.059</b>	<b>151.254</b>
Distribution expenses	(16.235)	(20.281)	(18.801)	(17.671)
Administrative expenses	(41.000)	(65.076)	(63.750)	(57.301)
Other operating expenses	(5.801)	(13.520)	(11.817)	(17.698)
<b>OPERATING INCOME</b>	<b>56.145</b>	<b>104.166</b>	<b>80.691</b>	<b>58.584</b>
<b>Other revenues</b>	<b>3.307</b>	<b>10.420</b>	<b>7.506</b>	<b>-</b>
Revenues from financing activities	323	1.046	411	-
Extraordinary revenues	-	-	-	-
Other revenues	2.984	9.374	7.095	-
Other expenses	<b>38.443</b>	<b>76.026</b>	<b>10.436</b>	<b>9.023</b>
Expenses from financing activities	2.043	2.152	34	319
Extraordinary expenses	-	-	-	-
Other expenses	36.400	73.874	10.402	8.704
<b>Income from regular operations</b>	<b>21.009</b>	<b>38.560</b>	<b>77.761</b>	<b>49.561</b>
Net Income (loss) from extraordinary activities				
<b>Total income before tax</b>	<b>21.009</b>	<b>38.560</b>	<b>77.761</b>	<b>49.561</b>
Income tax	(3.371)	(8.014)	(7.127)	(8.326)
<b>NET INCOME FOR THE FISCAL YEAR</b>	<b>17.638</b>	<b>30.546</b>	<b>70.634</b>	<b>41.235</b>

\*The data has been extracted from the auditors' reports for 1999/2001.

**BALANCE SHEET\***

in 000 MKD

	<b>31.12.2001</b>	<b>31.12.2000</b>	<b>31.12.1999</b>
<b>ASSETS</b>			
<b>LONG TERM ASSETS</b>	<b>363.501</b>	<b>192.366</b>	<b>126.259</b>
Intangible assets	449	39.621	5.750
Tangible assets	354.294	143.987	114.855
Financial investments	8.758	8.758	5.654
<b>CURRENT ASSETS</b>	<b>390.908</b>	<b>421.582</b>	<b>216.633</b>
Inventory	204.535	212.266	166.741
Accounts receivable from customers	165.567	111.754	37.766
Other receivables	13.921	8.427	1.421
Financial investments		78.639	-
Cash and cash equivalents	6.885	10.021	8.212
Prepaid expenses		475	2.493
<b>TOTAL ASSETS</b>	<b>754.409</b>	<b>613.948</b>	<b>342.892</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY AND RESERVES</b>	<b>302.295</b>	<b>282.208</b>	<b>208.834</b>
Book value of equity	163.744	163.745	185.525
Re-valorized reserves	-	-	-
Legal reserves	33.410	28.828	17.537
Accumulated income	89.635	36.022	5.772
Net income for the fiscal year	15.506	53.613	-
<b>LIABILITIES</b>	<b>452.114</b>	<b>331.740</b>	<b>134.058</b>
Long-term liabilities	90.620	-	-
Short-term financial liabilities	7.500	-	2.549
Accounts payable to suppliers	93.316	89.870	26.084
Other short-term liabilities	46.718	27.679	-
Liabilities for taxes, contributions and other.	11.171	12.067	28.921
Short-term liabilities to connected subjects	200.666	200.251	73.623
Accrued liabilities	2.123	1.873	2.881
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>754.409</b>	<b>613.948</b>	<b>342.892</b>

\*The data has been extracted from the Auditors' reports for 1999/2001.

**STATEMENT OF CHANGES IN EQUITY\***

in 000 MKD

	<b>Share- holders' capital</b>	<b>Legal reserves</b>	<b>Re- valorized reserves</b>	<b>Accumu- lated income</b>	<b>TOTAL</b>
Position 01.01.1999	150,414	7,048		5,772	163,234
Correction after the audit at the starting position	98,357	(98,357)			-
Other changes		5,870	4,838		10,708
Distribution of the re-valor.		4,838	(4,838)		-
Net income for 1999				673	673
Position 31.12.1999	248,771	(80,601)	-	6,445	174,615
Position 01.01.2000	185,525	17,537		5,772	208,834
Other changes	(21,780)	2,127	9,164	30,250	19,761
Distribution of the re-valor.		9,164	(9,164)		-
Net income for 2000				53,613	53,613
Position 31.12.2000	163,745	28,828	-	89,635	282,208
Position 01.01.2001	163,745	28,828		89,635	282,208
Other changes		4,581			4,581
Distribution of the revalor.					-
Net income for 2001				15,506	15,506
Position 31.12.2001	163,745	33,409	-	105,141	302,295

**\*The data has been extracted from the Auditors' reports for 1999/2001.**

**CASH FLOW STATEMENT\***

in 000 MKD

	<b>2001</b>	<b>2000</b>
-Cash flow from operations		
<b>NET INCOME</b>	30.547	70.634
Depreciation of long-term assets	16.513	12.784
Increase/decrease/of current assets	27.538	<b>(203.140)</b>
Account receivables from customers	(53.813)	(73.988)
Inventory	7.731	(45.525)
Other receivables	73.145	(85.645)
Pre paid expenses	475	2.018
<b>Increase/decrease/of current assets</b>	<b>29.754</b>	<b>197.682</b>
Short-term credits	7.500	(2.549)
Accounts payable to suppliers	3.446	63.786
Other liabilities	18.808	136.445
<b>Net cash flow from operations</b>	<b>104.352</b>	<b>77.960</b>
-Cash flow from investment activities		
Purchasing (alienation) of long-term assets	(226.820)	(41.916)
Payments for liabilities and other investments	39.172	(33.871)
<b>Net changes from investment activities</b>	<b>(187.648)</b>	<b>(75.787)</b>
-Cash flow from financial activities		
Equity and reserves	(10.460)	2.740
Long-term financial investments	-	(3.104)
Inflow of long-term credits	90.620	
<b>Net cash flow from financing activities</b>	<b>80.160</b>	<b>(364)</b>
<b>Net increase (decrease) of the cash</b>	<b>(3.136)</b>	<b>1.809</b>
<b>Cash at the beginning of the year</b>	<b>10.021</b>	<b>8.212</b>
<b>Cash at the end of the year</b>	<b>6.885</b>	<b>10.021</b>

**\*The data has been extracted from the Auditors' reports for 1999/2001.**

The Financial Statements of VITAMINKA AD – Prilep for 1999 were audited KPMG DOOEL – Skopje and had the following stated opinion:

-According to our opinion, aside from the effects of the correction, if there are any, that would be established as necessary if we could assure ourselves in the physical quantities of the inventory, the Balance Sheet realistically and objectively show the financial condition of the Corporation on December 31, 1999, according to the International Accounting Standards that are applied in the Republic of Macedonia and the Macedonian laws.

In 2000 and 2001 VITAMINKA AD – Prilep's audit was conducted by the auditing company PELAGONISKA REVIZORSKA KUKA DOO – Prilep and the stated opinion is:

**-for 2000** – According to our opinion, the financial statements realistically and objectively, in all significant aspects show the financial condition of VITAMINKA AD – Prilep on 31.12.200, according to the International Accounting Standards and the Macedonian laws.

**-for 2001** – According to our opinion, the financial statements realistically and objectively, in all significant aspects show the financial condition of VITAMINKA AD – Prilep on 31.12.2001, according to the International Accounting Standards and the Macedonian laws.

-Copies of the opinions of the Auditor's opinions for 1999 and 2000 are provided in the attachments.

**Patron of the listing**

**MAKOS INVEST BROKER AD SKOPJE**

**Mito Hadzivasilev br. 20**

**Skopje**