



REPUBLIKA E KOSOVËS - REPUBLIKA KOSOVO - REPUBLIC OF KOSOVO
AGJENCIA KOSOVARE E PRIVATIZIMIT - KOSOVSKA AGENCIJA ZA PRIVATIZACIJU - PRIVATISATION AGENCY OF KOSOVO



Privatisation Agency of Kosovo

Annual Report
January - December 2010





Republika e Kosovës - Republika Kosovo - Republic of Kosovo
Agjencia Kosovare e Privatizimit - Kosovska Agencija za Privatizaciju - Privatisation Agency of Kosovo

ANNUAL REPORT

2010

ANNUAL REPORT OF PRIVATISATION AGENCY OF KOSOVO
FOR THE PARLIAMENT OF REPUBLIC OF KOSOVO

CHAIRMAN'S STATEMENT

Honourable Mr President,

Honourable members of the Assembly of Republic of Kosovo,

I have the pleasure that on behalf of the Bord of Directors inform you regarding the activities, achievements and challenges of Privatisation Agency of Kosovo during 2010.

Privatisation Agency of Kosovo was founded by the Law on Privatisation Agency of Kosovo (Law No. 03/L-067) that stepped into force on June 15, 2008 (herein "Law"). This law sets out respective provisions of Comprehensive Proposal for Kosovo Status of dated March 26, 2007 (Appendix VII, Article 2) which is part of the Constitution of Republic of Kosovo (Article 145 of the Constitution of Republic of Kosovo).

Privatisation Agency of Kosovo as an independent public body carries out its functions and responsibilities in full autonomy. The Agency possesses full juridical personality and in particular the capacity to enter into contracts, acquire, hold and dispose of property and all competencies in order to carry out duties and powers conferred upon it by the present law; to sue and be sued on its own name.

Bord of Directors hereby presents Annual Report of Privatisation Agency of Kosovo (PAK) for calendar year of 2010 as obligation set out by article 20, item 20.2 of the Law which includes:

- a) *Agency's financial statements;*
- b) *Separately from Agency's accounts, financial statements of accounts and assets which are held in trust by the Agency;*
- c) *List of enterprises under Agency's direct administration in compliance to article 6.1;*
- d) *List of transactions accomplished in compliance to article 8 during the year being reported and transactions suspended;*
- e) *List of enterprises liquidated in compliance to article 9; and*
- f) *List of enterprises to which reorganization procedure is initiated.*

Year 2010 is considered to have been a successful year for PAK by accomplishing and exceeding business plan with impact of global financial crisis and challenges related to the Special Chamber of Supreme Court of Kosovo.

A summary of privatisation program shows that total income from paid spin offs and deposited into the bank reach the amount of € 501,000.042 million whereas total of income accomplished from the sale of assets through liquidation and deposited into the bank reach € 28,580.413 million.

PAK Bord of Directors continues to meet on regularly in order to carry out its functions and responsibilities foreseen by the applicable law. I would like to express my gratitude for what i consider to be quite productive and successful and that is the contribution of all the members of Agency's Bord of Directors.

I would also like to thank Agency's sole donor, European Commission Liaison Office in Kosovo for their constant support.

I wish to express my sincere gratitude to the management and Agency's personnel for their enormous efforts and dedication for the welfare of Agency's processes during these 12 months.

Finally, allow me to assure you that the Agency shall remain at your disposal any time to provide necessary additional clarifications.

Bord of Directors,
Dino Asanaj,
 Chairman
 Privatisation Agency of Kosovo
 February, 2011

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SUMMARY OF RESULTS FOR 2010

The Agency has carried out its work based on the Business Plan for 2010 approved by the Bord of Directors, applying it entirely and surpassing it. The following table shows summary of privatisation waves, number of NewCos created from socially-owned enterprises, number of bids as well as total amount achieved for respective wave.

Privatisation Wave	Total of SOEs	No. of NewCos	No of Bids	NewCos sold	Total bid price €'000
42	13	16	49	9	4.652
43	8	16	34	7	6.333
44	11	11	29	4	2.099
45	15	17	69	13	13.335
45A	11	13	44	11	22.677
46	13	15	62	12	6.437
SharrCem	N/A	N/A	N/A	N/A	30.1
47	12	18	34	13	4.561
Total 2010	83	106	321	69	90.194

Whereas, with regard to liquidation sale, results have been achieved in accordance to the business plan and the summary is the following:

Asset Liquidation Sale	No of Units	No of Bids	Units sold	Total bid price €'000
Sale 1	15	41	8	1.185
Sale 2	28	215	22	7.237
Sale 3	18	42	9	0.821
Sale 4	20	47	15	2.339
Sale 5	28	120	20	3.538
Total	109	465	74	15.12

ACTIVITIES OF BOARD OF DIRECTORS FOR 2010

PAK Board of Directors consists of eight Directors; five appointed by the Assembly of Republic of Kosovo and three international members appointed by the International Civilian Representative in conformity to the provision of the Law on PAK. Board meetings were also attended by the donor of the Agency as observers without voting rights. The Board enjoys all the competences of the Agency, which may delegate its authority to the management besides the competences reserved to the Board.

PAK Board Directors during 2010 was in this composition:

- Dino Asanaj, Chairman and Director
- Naser Osmani, Deputy – Chairman and Director
- Andrea Capussela, Director
- Bahri Shabani, Director
- Haxhi Arifi, Director
- Hubert Warsmann, Director
- Mohammed Omran, Director
- Slobodan Petrovic, Director
- Freek Janmat, Observer

During 2010 Board of Directors conducted its regular monthly meetings in which they performed their duties impartially with a view to the purposes of the Agency and exercised their independent business judgment in carrying out functions and responsibilities as stipulated under the present law.

AGENCY'S ACTIVITIES

ORGANIZATIONAL STRUCTURE

PAK Organizational Structure is divided into three operational parts: Asset Realization Division (AR); Corporate Governance Division (CG) and Executive Branch under direct supervision of Agency's management whilst Internal Audit Unit and Press and Public Relations Unit reports directly to Agency's management and in specific occasions to the Bord of Directors.

Asset Realisation Division includes two main departments: Sales Department and Liquidation Department.

Corporate Governance Division includes Trepça Unit, Control and Supervision Unit, Direct Administration Unit and Monitoring Unit.

Executive Branch consists of Regional Offices managed by Regional Coordination Department, Budget and Finance Department, Legal Department, Administration Department and Human Resources Department.

SPIN OFF SALE

Bid Day for Privatisation Wave 42 was held on March 10, 2010 consisting of thirteen (13) SOEs into sixteen (16) NewCos. Total bid number for regular spin offs was 49 with total amount of 4,652,838.00€.

Bid Day for Privatisation Wave 43 was held on April 12, 2010 consisting of sixteen NewCos. Total number of bids received for regular spin offs was 34 with total amount of 6,333,425.00€.

Bid Day for privatisation wave 44 was held on July 7, 2010 consisting of eleven (11) SOEs into eleven (11) NewCos. Total number of bids received for regular spin offs was 29 with total amount of 2,099,161.00€.

Bid Day for privatisation wave 45 was held on September 8, 2010 consisting of fifteen (15) SOEs into seventeen (17) NewCos. Total number of bids received was 69 with total amount of 13,335,756.00€.

Bid Day for privatisation wave 45 -A was held on October 27, 2010, consisting of eleven (11) SOEs into thirteen (13) NewCos. Total number of bids received for regular spin offs was 44 with total amount of 22,677,289.00€.

Bid Day for privatisation wave 46 was held on November 3, 2010, consisting of thirteen (13) SOEs into fifteen (15) NewCos. Total number of bids received for regular spin offs was 62 with total amount of 6,437,109.00€

Bid Day for privatisation wave 47 was held on December 15, 2010, consisting of twelve (12) SOEs into eighteen (18) NewCo. Total number of bids received for regular spin offs was 34 with total amount of 4,561,565.00€

Sale of Sharrcem, Cement Factory in Hani i Elezit was approved in December, which is assessed to be the largest privatisation sale in the history of Kosovo. Respecting the contract for lease, operation and management as well as recognition of the leaseholder's right to first refusal, the sale was done through direct negotiations for price together with other respective terms and conditions. For successful and transparent transaction, the Board of Directors had appointed a committee composed of board members, both international and local, an industry expert, as well as engagement of an external transaction advisor. In conclusion, in addition to purchase price of 30.1 million €, the buyer, Titan Group committed to invest another 35 million € during next five years as well as keeping all current employees for 3 years and 1 year for employees in social scheme. It is also worth mentioning that during commercialization period, direct foreign investment in Sharrcem until now has been € 22 million, an amount which was not been included in the transaction.

LIQUIDATION ASSET SALE

Bid Day for liquidation sale of assets 1 was held on April 7, 2010 consisting of fifteen (15) units. Total number of bids received for liquidation sale of assets was 41 with total amount of 1,995,422.00€.

Bid Day for liquidation sale of assets – 2 was held on June 16, 2010, consisting of thirty units. Total number of bids received for liquidation sale of assets was 217, with total amount of 8,288,298.00€

Bid Day for liquidation sale of assets – 3 was held on July 18, 2010, consisting of 18 units. Total number of bids received for liquidation sale of assets was 42, with total amount of 1,725,116.00€

Bid Day for asset sale – 4 was held on October 13, 2010, consisting of 20 units. Total number of bids received for liquidation sale of assets was 48 with total amount of 2,374, 653.00€.

Bid Day for asset sale – 5 was held on November 1, 2010, consisting of 28 units. Total number of bids received for liquidation sale of assets was 120, with total amount of 3,538,361.00€

WORKERS LISTS

Pursuant to Article 10.2 of UNMIK Regulation 2003/13 representative panel of workers of Socially-Owned Enterprises (SOE) in cooperation to Independent Trade Unions of Kosovo (ITUK) shall prepare the initial list on non-discriminatory basis for workers eligible for reception of 20% revenue of SOE sale and submit it together with relevant documentation of workers that are on the list of respective PAK Regional Office. Regional Office shall review the list and, if needed, make necessary amends. Workers List Unit monitors the entire process offering to SOE management clarification related to legal and procedural matters for the list to be drafted in complete compliance to applicable law and in order to secure a biased approach for workers from available distribution funds. Such list, controlled and approved by the Head of RO shall then be forwarded to Workers List Unit for further review and be published onto daily in Albanian and Serbian as well as PAK web page.

Workers List Unit remains devoted to further the process of distribution of 20% to eligible workers. Therefore, as of establishment of PAK Workers List Unit it has carried out extraordinary work in order to achieve Agency's commitments to expedite this very important process for economical development and improvement of economical welfare.

INTERIM DISTRIBUTION

PAK Bord of Directors has approved the resolution on Interim Distribution in a meeting held on January 28 and 29, 2010 whilst the interim distribution has begun on March 2010. As a result, a amount of € 12,718.756.83 was distributed although on several occasions (where no claims were filed at SCSC) the percentage has reached 75% whereas on some occasions it has been lower (such is the case with Ramiz Sadiku) whereby the distributed amount is 18, 20% from the total available amount.

It is worth emphasizing that in connection to the interim distribution, if one person in the list is disputed or the entire list, then that person or persons may not benefit in this phase until the case is not resolved with the Special Chamber. Until now there have been some cases whereby one person was disputed and one case where entire list was disputed (such is the case of SOE Pig Farm in Fushe Kosove) whereby none of the workers on the list benefited from the distribution of 20%.

Interim Distribution of 20% to workers March-December 2010

No	Name of SOE	Region	Amount distributed	%	No of beneficiaries
1	KHT Kosova, Prishtina	Prishtina	€ 1.326.558,83	49,63	692
2	Ramiz Sadiku, Prishtina	Prishtina	€ 835.282,29	18,20	536
3	NIN Ramiz Sadiku, Prizren	Prizren	€ 526.477,95	72,31	323
4	Factory for proc. mushrooms and forest products, Prishtina	Prishtina	€ 22.650,00	75,00	25
5	Energomontimi, Prishtina	Prishtina	€ 117.692,31	69,23	48
6	16 Juni, Decan	Peja	€ 48.133,20	75,00	16
7	Agriculture Station, Gjakova	Peja	€ 61.457,14	42,85	4
8	Aromatik, Prizren	Prizren	€ 84.700,00	68,75	22
9	Kosovatrans, Kamenica	Gjilan	€ 7.865,16	35,39	42
10	Peja Brewery, Peja	Peja	€ 1.263.369,70	53,88	508
11	Trasing, Prishtina	Prishtina	€ 446.932,57	66,97	242
12	Anamorava, Viti	Gjilan	€ 33.532,31	27,85	13
13	Kosovahidroteknika, Prishtina	Prishtina	€ 62.331,08	60,81	60
14	Veterinary Station, Prizren	Prizren	€ 3.386,04	*	5
15	Kllokot Spa, Kllokot	Gjilan	€ 720.262,11	*	255
16	Veterinary Station, Ferizaj	Gjilan	€ 40.549,45	*	13
17	Plantation , Ferizaj	Ferizaj	€ 67.275,93	30,95	26
18	Utva, Peje	Peja	€ 352.890,20	64,54	179
19	Mustaf Goga, Ferizaj	Gjilan	€ 218.364,03	51,53	112
20	Hotel Theranda, Prizren	Prizren	€ 192.720,77	53,16	56
21	Agromorava, Viti	Gjilan	€ 212.421,38	62,75	123
22	Krikos, Prishtina	Prishtina	€ 51.352,94	52,94	14
23	AC Vitia, Viti	Gjilan	€ 32.550,00	75,00	21
24	Vetfarm Viti	Gjilan	€ 13.689,75	75,00	5
25	Bentakos, Gjilan	Gjilan	€ 43.055,56	69,44	25
26	AC Mirusha, Gjilan	Gjilan	€ 20.475,00	75,00	8
27	AC Orllani, Orllan	Prishtina	€ 19.620,00	60,00	8
28	AC Skivjani, Gjakovë	Peja	€ 5.303,57	58,92	11
29	Metalografika, Ferizaj	Gjilan	€ 12.869,90	48,75	13

No	Name of SOE	Region	Amount distributed	%	No of beneficiaries
30	Prishtina, Prishtina	Prishtina	€ 88.106,29	73,42	93
31	Worker's University, Ferizaj	Gjilan	€ 79.569,64	32,14	3
32	AC Banja, Istog	Peja	€ 53.499,90	75,00	11
33	AC Ferizaj, Ferizaj	Gjilan	€ 79.462,50	37,50	8
34	Teuta Vrella, Vrella	Peja	€ 28.650,75	75,00	279
35	AC Decani, Decani	Peja	€ 35.545,94	53,12	17
36	Unikosprojekt, Prishtina	Prishtina	€ 146.666,85	66,00	22
37	Filigran, Prizren	Prizren	€ 106.941,88	62,15	45
38	Inginiering, Prishtina	Prishtina	€ 282.376,54	63,97	29
39	Qarkullimi, Gjilan	Gjilan	€ 71.974,65	71,83	68
40	Kulla/Ratko Mitrovic, Prishtina	Prishtina	€ 35.479,05	75,00	21
41	Town Cinema, Gjilan	Gjilan	€ 41.175,00	75,00	3
42	Exporting Slaughterhouse, Prizren	Prizren	€ 149.304,35	73,91	68
43	Agro-product, Mitrovicë	Mitrovicë	€ 17.698,66	31,73	22
44	Bashkimi, Xerxe	Prizren	€ 80.370,27	58,30	7
45	Produkti, Skenderaj	Mitrovicë	€ 157.907,70	75,00	132
46	Ferronikeli	Prishtina	€ 4.420.257,71	72,33	2008
	TOTAL		€ 12.718.756,83		6.241

Note: * Distribution for SOE "Veterinary Station" in Prizren, SOE "Banja e Kllokotit" in Kllokot and SOE "Veterinary Station" in Ferizaj is not related to Interim Distribution – this is a distribution of sale of additional assets.

INITIAL LIST

Since drafting lists is the responsibility of SOE management and of Independent Trade Unions of Kosovo (ITUK) (Ref. Article 10.2 of UNMIK Regulation 2003/13), whereas any change of list amendment may be done by PAK Regional Office, it is evident that workers list depend on the SOE Management and PAK Regional Office which means this unit may publish those list previously drafted by the SOE Management, controlled, amended and approved by the PAK RO. There are cases with conflicts or disapprovals within the SOE management on who should draft and sign the list. This was the case with SOE "Drenica" in Gllugoc, SOE "Auto Moto Start" in Gjakova, SOE "Mulliri" in Fushe Kosove, SOE AC "Drita" in Svecel (RO Prishtina). The list for SOE "Liria" in Prizren has been delivered too late to be controlled and processed for initial publishing.

In many occasions, according to information from the SOE management, lack of documentation for workers (documents missing during the war) make the entire process even more complicated.

Publishing Initial Workers Lists October – December 2010*

No	Name of SOE	Region	Date of publishing initial list	Deadline for claim submission within PAK	No of workers in Initial List
1	Primary Production-Ereniku	Peja	9 Oct 2010	30 Oct 2010	297
2	Flamme-ing, Prizren	Prizren	9 Oct 2010	30 Oct 2010	61
3	Elan, Vushtrri	Mitrovica	9 Oct 2010	30 Oct 2010	22
4	Letnica, Viti	Gjilan	9 Oct 2010	30 Oct 2010	41
5	Veterinary station Istog	Peja	9 Oct 2010	30 Oct 2010	6
6	AC Likovci	Mitrovica	9 Oct 2010	30 Oct 2010	12
7	Erozion, Peja	Peja	9 Oct 2010	30 Oct 2010	12
8	Pashtriku, Prizren	Prizren	9 Oct 2010	30 Oct 2010	16
9	AC Turiqevci, Turiqevc	Mitrovica	23 Oct 2010	15 Nov 2010	14
10	Hotel Mineral, Kamenice	Gjilan	23 Oct 2010	15 Nov 2010	29
11	Dardania/Sloga prevoz, Peja	Peja	23 Oct 2010	15 Nov 2010	13
12	Lavra/Brazda, Klina	Peja	23 Oct 2010	15 Nov 2010	23
13	Magjistrala, Prishtina	Prishtina	13 Nov 2010	4 Dec 2010	229
14	Agricultural Wealth, Ferizaj	Gjilan	13 Nov 2010	4 Dec 2010	50
15	25 Maji, Rahovec	Prizren	13 Nov 2010	4 Dec 2010	99
16	AC Runiku, Runik	Mitrovica	13 Nov 2010	4 Dec 2010	13
17	Agrokultura, Gjilan	Gjilan	20 Nov 2010	11 Dec 2010	63
18	TE Klina, Klina	Peja	20 Nov 2010	11 Dec 2010	63
19	Folk's Pharmacy Gjilan	Gjilan	20 Nov 2010	11 Dec 2010	18
20	Morava e Binques, Gjilan	Gjilan	20 Nov 2010	11 Dec 2010	544
21	Factory of furniture and construction-28 Nentori	Prishtina	27 Nov 2010	18 Dec 2010	57
22	AC Tankosiq, Tankosiq	Gjilan	27 Nov 2010	18 Dec 2010	10
23	Gadime Quarry, Gadime	Prishtina	27 Nov 2010	18 Dec 2010	68
24	MIM Goleshi, Golesh	Prishtina	4 Dec 2010	25 Dec 2010	544
25	Bec, Bec - Gjakovë	Peja	4 Dec 2010	25 Dec 2010	75
26	Shampinjoni, Klina	Peja	4 Dec 2010	25 Dec 2010	13
27	Tobacco, Prishtina	Prishtina	11 Dec 2010	31 Dec 2010	32
28	Kosov Vera, Krusha e Madhe	Prizren	11 Dec 2010	31 Dec 2010	79
29	Mirusha, Malisheve	Prizren	18 Dec 2010	8 Jan 2011	269
30	IMK Fabrika e Tubave Ferizaj	Gjilan	18 Dec 2010	15 Jan 2011	677
31	Agimi, Gjakove	Peja	18 Dec 2010	15 Jan 2011	220
32	Agimi-Peja	Peja	11 Dec 2010	31 Dec 2010	248

Whilst drafting and publishing Initial Lists depends on SOE Management and PAK RO, publishing Final List depends on the work of WLRC and Board approval for each list prior to it being published.

According to the Business Plan for 2010, 64 final lists were planned whilst 66 were published (see list below). This was achieved since WLRC has managed to review claims submitted by claimants for SOE listed below; PAK Board has approved claim reports and publishing of final lists whereas Legal Department has managed to prepare all necessary data for approved claimants and Data on Resolutions for rejected claimants.

Interim Distribution was accomplished for many of these cases and this is a process that shall continue during 2011.

Publishing final workers list March – December 2010

No	Name of SOE	Region	Date when initial list was published	Date when final list was published	Deadline for claim submission within SCSC	No of workers in the final list
1	Mirusha, Gjilan	Gjilan	5 Jul 2009	7 Aug 2010	30 Aug 2010	8
2	AC Vitia, Viti	Gjilan	5 Jul 2009	7 Aug 2010	30 Aug 2010	21
3	Vetfarm, Viti	Gjilan	5 Jul 2009	7 Aug 2010	30 Aug 2010	5
4	Bentakos, Viti	Gjilan	25 Jul 2009	7 Aug 2010	30 Aug 2010	25
5	AC Skivjani, Skivjan -Gjakove	Peja	9 May 2009	28 Aug 2010	20 Sep 2010	11
6	Prishtina, Prishtina	Prishtina	15 Sep 2007	28 Aug 2010	20 Sep 2010	93
7	AC Orllani, Orllan	Prishtina	9 May 2009	28 Aug 2010	20 Sep 2010	8
8	Workers University, Ferizaj	Gjilan	9 May 2009	28 Aug 2010	20 Sep 2010	3
9	Metalografika, Ferizaj	Gjilan	16 May 2009	28 Aug 2010	20 Sep 2010	11
10	AC Banja, Istog	Peja	4 Jul 2009	4 Sep 2010	27 Sep 2010	11
11	AC Deçan, Decan	Peja	22 Sep 2007	4 Sep 2010	27 Sep 2010	17
12	AC Ferizaj, Ferizaj	Gjilan	25 Jul 2009	4 Sep 2010	27 Sep 2010	8
13	Teuta - Vrella	Peja	4 Jul 2009	4 Sep 2010	27 Sep 2010	278
14	Filigran, Prizren	Prizren	16 May 2009	4 Sep 2010	27 Sep 2010	44
15	Unikos Projekt, Prishtina	Prishtina	8 Sep 2007	4 Sep 2010	27 Sep 2010	21
16	Qarkullimi/Promet, Gjilani	Gjilan	25 Jul 2009	11 Sep 2010	4 Oct 2010	68
17	Inginiering, Prishtina	Prishtina	6 Jun 2009	11 Sep 2010	4 Oct 2010	29
18	Exporting slaughterhouse	Prizren	15 Aug 2009	2 Oct 2010	23 Oct 2010	68
19	Bashkimi, Xerxe	Prizren	12 Sep 2009	2 Oct 2010	23 Oct 2010	7
20	Produkti, Skenderaj	Mitrovicë	29 Aug 2009	2 Oct 2010	23 Oct 2010	132
21	Kulla/Ratko Mitrovic	Prishtina	29 Aug 2009	2 Oct 2010	23 Oct 2010	21
22	Agroprodukti, Mitrovicë	Mitrovicë	5 Sep 2009	2 Oct 2010	23 Oct 2010	22
23	Town Cinema, Gjilan	Gjilan	12 Sep 2009	2 Oct 2010	23 Oct 2010	3
24	Non-metals Kaolini, Kamenice	Gjilan	4 Jul 2009	16 Oct 2010	8 Nov 2010	27

No	Name of SOE	Region	Date when initial list was published	Date when final list was published	Deadline for claim submission within SCSC	No of workers in the final list
25	AC Bujku - Rogana	Gjilan	4 Jul 2009	16 Oct 2010	8 Nov 2010	14
26	AC Talinocv, Ferizaj	Gjilan	25 Jul 2009	16 Oct 2010	8 Nov 2010	16
27	Vet. Station Skenderaj	Mitrovicë	1 Aug 2009	16 Oct 2010	8 Nov 2010	5
28	Plant protection station	Peja	25 Jul 2009	16 Oct 2010	8 Nov 2010	6
29	Printex, Prizren	Prizren	8 Sep 2007	30 Oct 2010	20 Nov 2010	1127
30	Pig Farm Miradi e Eperme	Prishtina	15 Sep 2007	30- Oct -2010	20 Nov 2010	12
31	Ferronikeli, Prishtina	Prishtina	6 Jun 2009	6 Nov 2010	27 Nov 2010	2012
32	Sek-Kos/Sirkos, Prishtina	Prishtina	22 Aug 2009	6 Nov 2010	27 Nov 2010	15
33	Banesa, Prizren	Prizren	15 Aug 2009	6 Nov 2010	27 Nov 2010	10
34	Armature Factory, Decan	Peja	29 Aug 2009	6 Nov 2010	27 Nov 2010	57
35	Seed Factory, Klina	Peja	18 Jul 2009	13 Nov 2010	4 Dec 2010	48
36	Fertrans Ferizaj	Gjilan	9 May 2009	4 Dec 2010	25 Dec 2010	15
37	AC Kosova Lipjan	Prishtina	18 Jul 2009	4 Dec 2010	25 Dec 2010	49
38	Standard, Istog	Peja	16 May 2009	4 Dec 2010	25 Dec 2010	115
39	XIQ Karaqeva, Kamenice	Gjilan	18 Jul 2009	4 Dec 2010	25 Dec 2010	465
40	ACI Agriculture, Gjilani	Gjilan	16 May 2009	11 Dec 2010	31 Dec 2010	266
41	Mulliri Gjakove	Peja	25 Jul 2009	11 Dec 2010	31 Dec 2010	87
42	AC Istog	Peja	18 Jul 2009	11 Dec 2010	31 Dec 2010	9
43	Pioniri, Kamenice	Gjilan	18 Jul 2009	11 Dec 2010	31 Dec 2010	179
44	Hidromont, Peje	Peja	01 Aug 2009	11 Dec 2010	31 Dec 2010	11
45	Agimi - Mishi Gjakovë	Gjakovë	25 Jul 2009	11 Dec 2010	31 Dec 2010	72
46	Prizrencoop, Prizren	Prizren	1 Aug 2009	18 Dec 2010	08 Jan 2011	16
47	Dardania, Prishtina	Prishtina	25 Jul 2009	18 Dec 2010	08 Jan 2011	177
48	Malishgan, Klina	Peja	18 Jul 2009	18 Dec 2010	08 Jan 2011	111
49	19 Novi, Glogovc	Prishtina	8 Sep 2007	18 Dec 2010	08 Jan 2011	67
50	Dobrusha, Istog	Peja	1 Aug 2009	25 Dec 2010	15 Jan 2011	11
51	IMF Meat industry F.Kosovë	Prishtina	25 Jul 2009	25 Dec 2010	15 Jan 2011	113
52	Poultry Farm Ereniku	Peja	19 Sep 2009	25 Dec 2010	15 Jan 2011	41
53	Kosovo Trade, Prishtina	Prishtina	25 Jul 2009	25 Dec 2010	15 Jan 2011	17
54	Bujku, Skenderaj	Mitrovicë	29 Aug 2009	30 Dec 2010	22 Jan 2011	25
55	BOAL Piston Pump Factory	Peja	22 Aug 2009	30 Dec 2010	22 Jan 2011	114

No	Name of SOE	Region	Date when initial list was published	Date when final list was published	Deadline for claim submission within SCSC	No of workers in the final list
56	Modeli, Gjakovë	Gjakovë	12 Sep 2009	30 Dec 2010	22 Jan 2011	177
57	Transporti, Prizren	Prizren	29 Aug 2009	30 Dec 2010	22 Jan 2011	27
58	Grafikos, Ferizaj	Gjilan	5 Sep 2009	30 Dec 2010	22 Jan 2011	56
59	AC Drita, Raushiq	Peje	19 Sep 2009	30 Dec 2010	22 Jan 2011	7
60	Kosovo Elektro/ Eletrotehna	Prishtina	22 Aug 2009	30 Dec 2010	22 Jan 2011	18
61	Artizanati, Prizren	Prizren	15 Aug 2009	30 Dec 2010	22 Jan 2011	34
62	Cycavica	Mitrovicë	19 May 2007	15 Apr 2010	8 May 2010	189
63	Agromorava, Viti	Gjilan	18 Aug 2007	15 Apr 2010	8 May 2010	123
64	Krikos, Prishtina	Prishtina	5 May 2007	15 Apr 2010	8 May 2010	12
65	Luboteni, Ferizaj	Gjilan	28 Apr 2007	15 Apr 2010	8 May 2010	4
66	Agriculture F.Kosovë	Prishtina	9 May 2009	7 Apr 2010	1 May 2010	51

COMMERCIALIZED ENTERPRISES

The following Commercialized Enterprises have been under PAK monitoring during 2010:

NO.	NAME OF SOE	COMMERCIALIZER	LOCATION
1	Food Industry	Abi – Elif19	Prizren
2	Sharr Cement	Sharr Beteiligungs GmbH	Hani i Elezit
3	Zdrukthtaria	Egi Bau	Prizren
4	Remont Servis	Euro Food	Prizren
5	Fapol	CRK	Podujevë
6	Poultry Farm	ADI	Lipjan
7	Termovent	Dajti	Lipjan
8	Fan Besiana	CRK	Podujëvë
9	Betonjerka	2K Group	Mitrovicë

During 2010, PAK Bord of Directors has approved termination of commercialization contract due to breach of commercialization terms pursuant to article IV, item C for the following enterprises:

- SOE "Betonjerka"
- SOE "Fan Besiana"
- SOE "Termovent"
- SOE "Poultry Farm", (PAK Bord of Directors granted 6 months to the leaseholder of this enterprise to release the premises of socially-owned enterprise, which expires on 15.01.2011).

On the other hand, during 2010, PAK Bord of Directors has approved privatization of the following commercialized enterprises:

- SOE "Remont Servis"
- SOE "Zdrukhtaria"
- SOE "Sharr Cement"

Commercialized Enterprises remaining under the competency of PAK Monitoring Unit are:

- SOE "Food Industry"
- SOE "Fapol"

Intensive preparatory measures were undertaken during 2010 for the privatisation of "Food Industry" which is anticipated to be accomplished during 2011.

SPECIAL SPIN OFFS

Since the beginning of privatisation in Kosovo until now have been privatized 25 enterprises through Special Spin Off. On the other hand, 18 Special Spin Offs in 2010 have continued to be under PAK monitoring:

- M&Silosi - Xërxë
- Ballkani - Suharekë
- Hotel Iliria - Prishtina
- 7 Julu - Klinë
- KosovaTex - Prishtina
- Veraria - Rahovec
- IDGJ Tobacco - Gjiilan
- FAN - Podujevë
- Grand Hotel - Prishtinë
- Modeli - Gjakovë
- Mulliri - Fushë Kosovë
- NBI Suhareka - Suharekë
- IMK Fabrika e Gypave të Çeliktë - Ferizaj
- XIM Strezovci - Kamenicë
- MIM Goleshi - Magurë
- Fabrika e Bukës - Ferizaj
- Tullorja - Kamenicë
- Minex - Ferizaj

During 2010 the Bord of Directors has granted a 90 day time frame to find a solution to salvage the current situation respectively regarding the fulfilment of commitments for the following New Co-s

- AIC Suhareka
- Modeli
- FAN

On the other hand, as a consequence of the low level of fulfilment of the Commitment Agreement by the buyers, PAK Bord of Directors during 2010 has rendered a decision on imposing financial penalties for the four New Co-s: Hotel Grand, MIM Golesh, XIM Strezovc and IDGJ Tobacco.

Until 31/12/2010, the total amount of financial penalties imposed on these four (4) New Co-s is as follows:

1.	Hotel Grand	6,549,839 €
2.	MIM Golesh	6,357,094 €
3.	XIM Strezovc	5,457,119 €
4.	IDGJ Tobacco	3,937,890 €
		22,301,942 €

During 2010 the Board of PAK has approved the extension of the of the commitment period for capital investments and employment for the following New Co-s:

- New Co Hotel Iliria
- New Co Steel Welded Pipes Factory
- New Co Kosovatex

Based on all the external Auditors reports, the Bord of Directors of PAK, during 2010 has approved the release from the terms of the Commitment Agreement the following New Co-s in conformity with article 7.1.

NO.	NAME OF THE NEW CO	LOCATION	RELEASED ON:
1	New Co Veraria	Rahovec	April 2010.
2	New Co 7 July	Klinë	January 2010
3	New Co Ballkan	Suharekë	Jun 2010
4	New Co Bread Factory	Ferizaj	October 2010.
5	New Co Tullara	Kamenicë	October 2010
6	New Co IMK steel pipe factory.	Ferizaj	December 2010
7	New Co Hotel Iliria – released only for capital investments	Prishtinë	December 2010.

Note: in the December meeting the Bord of Directors has also approved the request of the buyer of the New Co "Hotel Iliria" for suspending the commitment period for employment taking into consideration renovation works in the enterprise, and extend this period for another two years starting from September 01st 2010 until September 01st 2012.

TREPÇA UNIT

“Trepça under PAK Administration” is the enterprise which administers many of the industrial and property assets and liabilities of KXMK Trepça, located in Kosovo. It is a Conglomerate consisted of 26 units, of which 20 categorized as Non-Core, since they are not directly related with ore production, while 6 of them are categorized as Core and are directly involved in ore excavation, production and processing. It is the largest SOE administered by PAK. Its head residency is in Mitrovica, the Company itself operates under two managements and managers - that of North and South administered as unique by PAK. The operating business of Trepça is limited with mining operations in need of investment, combined with many inactive assets, creditors’ and environmental liabilities.

Present situation of Trepça Enterprise:

Trepça under PAK Administration is still under the umbrella of the Moratorium Decision, issued by the Special Chamber of the Supreme Court of Kosovo on March 9, 2006 based on UNMIK Regulation 2005/48. This moratorium does not allow any sale, disposal, alienation, transfer, or rental of any land assets of the enterprise, and also forbids creation of pledges, mortgages, or other security against the property of the enterprise. This measure is for sure an obstacle for attracting investments.

The aim of the Moratorium decision was to protect Trepça from creditors’ claims, but it results that the prolongation of the moratorium has caused high depreciation rate of inactive assets, high maintenance costs, high costs for securing these same inactive assets, since investments that would’ve come with privatization of these enterprises are not allowed by moratorium, while lack of investments to restart the work and replace the aging technology and increase the productivity is more than obvious

On June 2010, the “Plan for Trepça Restructure, and preparation of Trepça for attracting foreign and domestic private Investors” was drafted by a joint group of experts from Ministry of Energy and Mining, Min. of Finance, Min. of Justice, Privatization Agency of Kosovo, Trepça Management, and Independent Committee for Mining and Minerals. This strategy was approved by the Government of Kosovo on October 2010, including here terms and plans how to recover this SOE and its main idea is to help Trepça to become sustainable and stabile enterprise, by absorbing investments from private sector through Public Private Partnerships (PPP).

In 2006, 9400 workers (6,500 Albanians, and 3,900 Serbs) were registered as Trepça former employees, of which 3400 receive early retirement, and 2300 receive stipends. Every month, Trepça is obliged to pay 39,000.00 € for pensions and 10,500.00€ for stipends. Average age of Trepça employees is above 53 years old. In Dec. 2010, the number of employees of Trepça was 2,250 (1314 South Trepça, and 936 North Trepça.)

Environmental liability is another issue worth mentioning. There is more than 60,000.000 t. of ore remains spread mainly along Kosovo river banks, polluting the environment. Kosovo Ministry for Environment does not have sufficient budget for dealing with these environmental liabilities, therefore all that Trepça and PAK can do is to try to absorb international funds for environmental projects from foreign donors.

As a consequence of wild and uncontrolled usage of mining during 1990, but also bad management of after-war period, the mining of Hajvalia, Badoc and Kishnica are submerged in water and are not in use. Liabilities inherited from the past, accumulated in the period of UNMIK, as consequence of KFOR and UNMIK personnel tenure in Trepça enterprises which have not paid utility obligations such as water and electricity supply.

On 28.09.2010 a “Settlement Agreement” was signed between Trepça and Electric Corporation of Kosovo (KEK) whereby Trepça agrees upon paying to KEK the debt accumulated from 01.04.2006 to Sep.2010 in the amount of 4,160,231.83 €. The obligation of KEK towards Trepça is deducted from this sum, therefore total debt is 4,032,549.10 €. Trepça agrees on paying this debt in the following manner: Trepça has made the initial payment of 160,000 €, and Trepça shall pay monthly instalments not less than 40,000 €, starting from 15.10.2010, until paying total debt.

Payment of monthly instalment by Trepça to KEK in the future shall have large influence in the cash flow of the enterprise. The amount of 40,000 € instalment and the electricity amounts that will be consumed, which are expected to be about 50,000 € per month will result in a total outcome of about 90,000 € per month - only for the power bill.

Production

Comparative Production Analysis of Stantërg mining: Ore exploitation of Stantërg mining during 2010 has increased compared to previous years 2008 and 2009. In 2008 this mine has produced 69,854 tons of ore while in 2009 ore production has reached 89,225 tons of ore.

In 2010, ore production in Stantërg has continued positive increasing trends even despite the fact that during January 2010 this mine did not produce any ore due to utilization license. In 2010 ore production in Stantërg mining reached 92,164 tons of ore, which compared to 2009 is 3.3 % higher, while compared to 2008 is 32 % higher.

In 2010, ore production in Stantërg has continued positive increasing trends even despite the fact that during January 2010 this mine did not produce any ore due to utilization license. In 2010 ore production in Stantërg mining reached 92,164 tons of ore, which compared to 2009 is 3.3 % higher, while compared to 2008 is 32 % higher.

Comparative Production Analysis of Artana mines: Ore exploitation of Artana mines during 2010 has increased compared to 2008 and 2009. In 2008, production of this mine has reached 20,963.8 t. of ore, while in 2009 ore production was 30,529.8 t. of ore.

In 2010, ore production in Artana has continued positive increasing trends even despite the fact that during January 2010 this mine did not have any ore production due to utilization license. In 2010 ore production in Artana mining reached 36,598.7 tons of ore, which compared to 2009 is 20 % higher, while compared to 2008 is 74.5 % higher.

Sales - Trepça's main incomes comes from the sale of Pb and Zn concentrate in international markets. This concentrate is the final product of these two flotation facilities for ore enrichment after processing the ore from Trepça mines: 1. First Tunnel flotation (processing the ore from Stantrg mine), 2. Kizhnica flotation (the ore from Artana mines).

Comparative analysis of Pb and Zn concentrate sales in both flotations. When comparing the sales through the years, from 2006 - as restarting year, until 2010, we can see that sales have an increasing trend, too. For detailed illustration see tables bellow:

Sales of Pb concentrate extracted from First tunnel flotation in years '06, '07, '08, '09, '10				
First Tunnel flotation	Moist Weight (ton)	Dry Weight (ton)	Paid amount – in \$	Paid amount – in €
Year 2008	2,851.662	2,661.336	3,156,707.494	2,108,105.095
Year 2009	3,629.370	3,374.263	4,613,253.577	3,179,125.208
Year 2010	3,563.330	3,333.240	4,973,737.754	3,856,279.276
TOTAL	14,402.932	13,389.989	17,948,264.289	13,012,168.387
Sales of Zn concentrate extracted from First tunnel flotation in years 2006, '07, '08, '09, '10				
First Tunnel flotation	MoistWeight (ton)	Dry Weigh (ton)	Paid Amount – in \$	Paid Amount – in €
Year 2008	1,995.980	1,878.568	618,306.061	405,780.505
Year 2009	7,465.120	6,847.590	1,824,220.514	1,267,271.230
Year 2010	3,974.030	3,639.420	1,697,997.809	1,315,523.685
TOTAL	19,562.160	17,941.758	8,458,564.023	6,266,843.729

Sales of Pb concentrate extracted from Kizhnica flotation in years '06, '07, '08, '09, '10				
Flotation in Kizhnica	Moist Weight (ton)	Dry Weigh (ton)	Paid Amount – in \$	Paid Amount – in €
Year 2006	837.290	764.173	542,021.687	429,630.465
Year 2007	222.780	200.383	317,005.940	228,017.877
Year 2008	711.370	642.151	625,314.723	420,646.314
Year 2009	461.960	428.970	731,024.897	498,520.556
Year 2010	609.130	559.853	1,112,809.839	855,442.225
TOTAL	2,842.530	2,595.530	3,328,177.086	2,432,257.437

Sales of Zn concentrate extracted from Kizhnica flotation in years 2006, '07, '08, '09, '10				
Flotation in Kizhnica	Moist Weight (ton)	Dry Weigh (ton)	Paid Amount – in \$	Paid Amount – in €
Year 2006	398.700	346.561	196,564.097	156,484.177
Year 2007	591.885	521.329	261,331.972	191,219.557
Year 2008	391.800	353.323	120,263.887	77,577.492
Year 2009	1,839.210	1,657.490	377,322.050	260,279.038
Year 2010	1,507.570	1,351.420	573,167.057	441,035.544
TOTAL	4,729.165	4,230.123	1,528,649.063	1,126,595.808

Level of self-financing for Trepça Mines and Trepça Enterprises in Mitrovica

Based on financial data for 2009, the level of self-financing for Trepça Mines and Trepça Enterprises in Mitrovica is as follows:

- Stantërg Mine with First Tunnel Flotation - self-financing: 68, 72%.
- Artana Mine with Kishnica Flotation - self-financing: 34, 14%.
- SOEs of Trepça in Mitrovica compounded of: Mitrovica Industrial Park – MIP, Battery Factory, 2. Chemical Industry, 3, Zinc Metallurgy) and Process Equipment Factory.

All these enterprises together have had self-financing of 89, 35%.

This high self-financing is result of income from Customs Terminal (768,300.32 €), as a supportive unit of Trepça in its property. Revenues from the sale of valuable scrap played an important role in the increase of this self-financing (595,489.88 €)

If we speak of self-financing in MIP, without revenue and expenses of Customs Terminal, this self-financing is 57.57%. If we speak of self-financing in MIP without revenue and expenses of Customs Terminal and sale of valuable scrap from Zn Metallurgy, this self-financing would be approximately 38 %.

Self-finance rate of these Trepça units has derived from financial statements of the same units. These statements do not include subsidies received from Kosovo Consolidated Budget for 2009.

Unfortunately due to lack of data we can not present any financial figures on financial self sustainability and self-financing of the northern part mines.

Foreign funded projects and Trainings

During months of October and November of 2010, a group consisting mainly of Trepça Engineers, have attended training within the project „Environmental Burdens Remediation Assistance “. Training was well designed in two modules: First module was held in MIP in Kosovo, and was focused more in theoretical teaching, while second module was study trip to the Czech Republic and demonstration of the gained theoretical knowledge by visiting Czech environmental remediation structures.

Czech Development Agency (CZDA) has funded the abovementioned project, as a result of cooperation between Czech Embassy in Kosovo and PAK - Trepça Unit.

Kosovo has been chosen as one of the target countries for development activities funded by CZDA. Therefore Trepça & PAK have applied by sending project proposal to the CZDA regarding remediation of an environmental issue in Kizhnica region, derived from Kizhnica mine operation. CZDA response regarding this issue should be known by Feb. 2011.

Another project that was initiated in 2010 is the cooperation with Japanese International Cooperation Agency (JICA) in the field of Occupational Safety. JICA response regarding this Project is to be known very soon – first quarter of 2011.

As a conclusion, Trepça Enterprise will be a consistent and stabile enterprise, from the moment of implementation of plan to restructure Trepça, which is approved by the Government of Kosovo. This plan shall commence implementation soon, based on the decision of the Government of Kosovo. The strategy to restructure the Enterprise Trepça has terms and plans how to recover the company, to be able to absorb investments from private sector, through Public Private Partnerships.

Trepça Enterprise will be capable of becoming an economically viable enterprise only after:

- *Resolving all legal issues and creating sustainable legal grounds, to operate under market economy conditions;*
- *Being released from moratorium and claimants for Trepça;*
- *Enterprise will be allowed to operate with all of its assets;*
- *Enterprise is unified and is administered by a single Management;*
- *Enterprise is released from social categories (paid based on previous administrative direction through “early retirements” and “stipends”), that present a heavy burden for Trepça.*

LIST OF ENTERPRISES UNDER DIRECT ADMINISTRATION

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Challenges of the Social Enterprise	Management & issues of Corporate Governance	Future prospects
1	<p>SOE "EMIN DURAKU"</p> <p>DATE OF ENTRY: 09/04/2008</p> <p>Based on financial data of 31 December 2010:</p> <p>Income: 28,439.39 € Income from government grant: 8,674.05 € Expenses: 19,301.08 € Cash: 6,843.22 €</p>	<p>SOE "Emin Duraku" is a Joint Stock Company of the employees (so called Workers Assembly).</p> <ul style="list-style-type: none"> - Difficult in collecting rent - most of the workers refuse to cooperate with PAK - Presence of dangerous chemical materials in one department. - Continues threats from the so called Workers Assembly toward the management appointed by PAK 	<ul style="list-style-type: none"> - Situation in SOE Emin Duraku is kept under control by the security company "Security Code" contracted by PAK. - Right of access to the Management-Administration Building remains only through the enterprise's management of 5 persons and Union management of 3 persons. - Rent collection has improved and this pays regularly the management and periodically workers under social welfare. - In coordination with the PAK Regional Office in Peja three enterprise's assets were prepared for privatization and all of them sold. A preliminary injunction of SCSC was later received initiated by so-called Shareholder's Assembly with allegations that the enterprise is a Joint Stock Company 	<ul style="list-style-type: none"> - Waiting for verdict of SCSC to notify provisional buyers. - If SCSC announces this enterprise as a Joint Stock Company then the sale shall not commence. - Until SCSC verdict PAK is working with leaseholders to collect lease and secure payments to enterprise workers.
2	<p>SOE "JUGOTERM"</p> <p>DATE OF ENTRY: 28/05/2010</p> <p>Based on financial data on 31 December 2010:</p> <p>Income: 2,582,206.40 € Income from government grant: 0 € Expenses: 2,818,099.20 € Cash: 89,663.58 €</p>	<ul style="list-style-type: none"> - Former management's reluctance to cooperate; - Difficulty in collecting enterprise debts; - Inheritance of enterprise debts especially towards TAK; - Difficulty in securing the market; - Difficulty in securing raw materials; - Frequent power shortages. 	<ul style="list-style-type: none"> - Upon placing the enterprise under Direct Administration a new managing Board has been appointed. - The bank overdraft has been terminated; - The enterprise has 202 workers and monthly salaries are paid regularly. - SOE had problems in securing raw material because there was no contract in the beginning of the year. - During the year most of the enterprise's debts and regular liabilities were paid. The only debt remaining is the one for TAK in the amount of 200.000 euro. - DA has greatly reduced expenses and cash payments are stopped. - For the first time in this enterprise the audit was done and revealed many irregularities of this enterprise in the past. 	<ul style="list-style-type: none"> - Waiting for verdict of SCSC to notify provisional buyers. - If SCSC cancels the sale then the enterprise shall be re-entered very soon. - Until SCSC verdict SOE will continue to work in production and sale of radiators in order to maintain profit levels and secure salaries for enterprise workers.

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Challenges of the Social Enterprise	Management & issues of Corporate Governance	Future prospects
3	<p>SOE "AMORTIZATORËT (SHOCK ABSORBERS)" DATE OF ENTRY: 29/04/2010 Based on financial data on 31 December 2010: Income: 2,733,375.12€ Income from government grant: 0 € Expenses: 2,092,656.27 € Cash: 640,718.85 €</p>	<ul style="list-style-type: none"> - Enterprise does not manufacture; - Large number of employees 861; - Difficulty in collecting rent from leaseholders; - Large amounts of enterprise liabilities; - TAK dispute at SCSC; - Hostile attitude of enterprise workers against PAK; - Enterprise dispute with Prishtina municipality regarding enterprise space whereby "Tregu" is operating. 	<ul style="list-style-type: none"> - DA had great problems in implementing Direct Administration measures since there were objections by the workers. - DA appointed the new managing Board. - Managed to pay a part of debt towards TAK in the amount of 384,000 euro. - Culminant result of Direct Administration was retroactive collection of lease from August 2005 until June 2010 from UNMIK in the amount of 2.537.309,00 euro. - In cooperation with PAK regional office in Prishtina, DA has managed to prepare for sale two assets of this enterprise that were sold to provisional buyer. - After the approval of PAK Board all the enterprise's liabilities towards workers until June 30, 2010 have been cleared. 	<ul style="list-style-type: none"> - Waiting until payment by provisional buyers is done and signing the contract in order to propose withdrawal of the enterprise from Direct Administration and return it to Administration to PAK regional office Prishtina.
4	<p>SOE "UNIMONT" DATE OF ENTRY: 21/09/2006 Based on financial data of 31 December 2010: Lease revenues: 1,300.00 € Other revenues (government grant): 6,538.00 € Expenses: 7,962.74 € Bank balance account: 140.85 €</p>	<ul style="list-style-type: none"> - On June 2006, the general manager passed away. Since then, the enterprise had a complete lack of proper management. With the death of former general manager some information related to the agreements concluded with suppliers and clients remain unknown. - Furthermore, the enterprise has mortgaged some of its assets for its credit in the amount of 1.1 million € to the Financial Institution ABU. All the assets of the enterprise shall be subject to mortgage except for the Administration building and the immovable property which is its principal asset. - Continuous attempts of private entrepreneur to exploit the gravel from enterprise's area. - Continuous tendency of the Municipality to build communal buildings within enterprise's property. 	<ul style="list-style-type: none"> - Two responsible persons have been appointed by the enterprise to report to DA. - The Leaseholder has released the enterprise according to the agreement with the PAK. - It is achieved to re-tender the sale of one asset of this enterprise named "Administrative Building". - Regarding two other assets of this enterprise the security company "Security Code" is engaged in order to preserve the value of the enterprise. 	<ul style="list-style-type: none"> - To follow court procedures and to find a solution regarding the mortgaged assets and outstanding credit. - Attempts shall be made to update the data in the Prizren Cadastral Office and later to privatize any asset belonging to this enterprise.

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Challenges of the Social Enterprise	Management & issues of Corporate Governance	Future prospects
5	<p>SOE "ARTIZANATI" DATE OF ENTRY: 20/06/2006 Based on financial data of 31 December 2010: Revenues: 36,000.00 € Expenses: 30,097.34 € Cash: 8,754.39 €</p>	<p>The enterprise does not operate with its core business and its revenues arise by leasing the buildings in Prishtina.</p> <ul style="list-style-type: none"> - The documentation on property rights of the enterprise is missing. - In the last 20 years, the management has failed to document the ownership status of the enterprise. 	<ul style="list-style-type: none"> - On 31st of June 2006, the building was leased to the Ministry of Internal Affairs for a period of two years with a possibility of extension for another year in the amount of 3,000.00 € per month, plus VAT. - The contract has been renewed several times and the current contract expired on 31st of December 2010, however, attempts shall be made in order to extend the contract until 30th of June 2011. - Lease revenues are used to pay the salary of 14 employees of the enterprise. - In 2010, the enterprise did not show any significant activity. 	<ul style="list-style-type: none"> - Identification and clarification of ownership rights as well as preparations for privatization process. - Attempts shall be made to privatize the enterprise during 2011.
6.	<p>SOE "YOUTH AND SPORTS CENTRE" DATE OF ENTRY: 24/05/2006 Based on financial data of 31 December 2010: Revenues: 1,678,313.67 € Expenses: 1,061,705.44 € Cash: 394,258.25 € Investments: 109,411.83 € Accounts receivable: 408,929.99 €.</p>	<ul style="list-style-type: none"> - The biggest problem with the enterprise is the claim filed by 15 claimants with the Special Chamber of the Supreme Court, who claimed to have suffered losses due to the fire of a part of the Centre that occurred on 2000 - Another problem is the non determination of the status of the enterprise. - The aging of the building and the need for continuous repairs. 	<ul style="list-style-type: none"> - Last year's positive trend of business has continued this year as well. - The enterprise managed to clear all its obligations and currently it is a prepaid customer of municipal utilities and taxes. - Enterprise's revenues derive mainly out of lease, cultural activities, commercial activities (advertisements), parking lot and fairs. - Limitation of expenses - A great number of shows, programs, manifestations and other activities have been held. - Two sport halls have been renovated and renovation of the basketball hall has begun. - Employees salaries increased by 20%. - The decision to dismiss the preliminary injunction for amend the status of the Centre issued by SCSC was received. 	<ul style="list-style-type: none"> - To control and monitor the bank account. - The cooperation with the Special Chamber of the Supreme Court of Kosovo in the legal protection of the Youth and Sports Centre against the Claims filed by 15 claimants who claimed to have suffered losses due to the fire in the Centre. - To continue with enterprise's investment plan, mainly on renovation. - Work on determining the status of the enterprise. - Prior to the closure with the Special Chamber of the Supreme Court of Kosovo, PAK can not take any steps to amend the status of the Youth Centre.

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Challenges of the Social Enterprise	Management & issues of Corporate Governance	Future prospects
7	<p>SOE "DFP-DREJTORIA LAVËRTARIA DHE BLEGTORI"</p> <p>DATE OF ENTRY: 20/07/2006</p> <p>Based on financial data of 31 December 2010: Revenues: 90,318.96€ Expenses: 72,202.46 € Cash: 8,324.65 €</p>	<p>- The enterprise covers an approximate surface of 2,000 ha which is not registered in the name of the enterprise but it is registered in the name of the former Combine AIC "Progres". The enterprise claims to be the legal successor of this combine. Cadastral issues are connected to the background of the Combine and the way the land was acquired by confiscating and occupying the private agricultural land in the region.</p> <p>As of the end of the conflict in 1999, the enterprise faced a great number of claims and court decisions in connection with the confiscated/occupied land.</p> <p>- Outstanding taxes unpaid for a long time.</p> <p>- Missing of the exact register of enterprises assets.</p> <p>- Missing of cadastral documents in Prizren.</p>	<p>- Most of enterprise's outstanding debts to suppliers have been paid and it is also achieved to reduce the outstanding debt to the employees' unpaid salaries.</p> <p>- A great number of court procedures are held and are being held in order to clear the assets of the enterprise.</p> <p>- An asset of the enterprise "Administrative Building" (Hotel Tirana) in Prizren was privatized during this year; however, the provisional buyer withdrew for reasons unknown to PAK.</p> <p>- An increase on lease collection has been achieved while reducing of the expenses at the same time.</p> <p>- "Animal farm" in Arbana of Prizren is handed over to the Buyer.</p> <p>- Investments in wheat cultivation shall continue for 2010/2011. Agricultural land with a surface of 100 ha is cultivated.</p>	<p>- The strict control of the financial situation and cadastral transfers.</p> <p>- To clear contentious cases</p> <p>- During 2010, the following assets of the enterprise shall be prepared for privatization;</p> <ol style="list-style-type: none"> 1) Hotel "Tirana" (re-tender) 2) Restaurant "Pojata" 3) Baruthana. 4) Building "Directorate Building". <p>- In the second half of 2011 liquidation of the enterprise shall be proposed.</p>

SITUATION OF ENTERPRISES UNDER DIRECT ADMINISTRATION
01 January – 31 December 2010

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of the Socially Owned Enterprise	Management & Corporate governance issues	Future prospects
1	<p>SOE "EMIN DURAKU"</p> <p>DATE OF ENTRY: 09/04/2008</p> <p>Based on financial data of 31 December 2010</p> <p>Income: 28,439.39 €</p> <p>Income from government grant: 8,674.05 €</p> <p>Expenses: 19,301.08 €</p> <p>Cash: 6,843.22 €</p>	<ul style="list-style-type: none"> -SOE "Emin Duraku" is considered to be a Joint Stock Company by the employees (so called "Shareholder's Assembly); -Difficulty in collecting rent; -Refusal to cooperate with PAK by most of workers; -Many theft attempts for enterprise's equipment; -Presence of dangerous chemical materials in one department; - Constant threats by the so-called Shareholder's Assembly to the management selected by PAK 	<ul style="list-style-type: none"> - Situation in SOE Emin Duraku is kept under control by the security company "Security Code" contracted by PAK. - Right of access to the Management-Administration Building remains only through the enterprise's management of 5 persons and Union management of 3 persons. - Rent collection has improved and this pays regularly the management and periodically workers under social welfare. - In coordination with the PAK Regional Office in Peja three enterprise's assets were prepared for privatization and all of them sold. A preliminary injunction of SCSC was later received initiated by so-called Shareholder's Assembly with allegations that the enterprise is a Joint Stock Company. 	<ul style="list-style-type: none"> - Waiting for verdict of SCSC to notify provisional buyers. - If SCSC announces this enterprise as a Joint Stock Company then the sale shall not commence. - Until SCSC verdict PAK is working with leaseholders to collect lease and secure payments to enterprise workers.
2	<p>SOE "JUGOTERM"</p> <p>DATE OF ENTRY: 28/05/2010</p> <p>Based on financial data on 31 December 2010</p> <p>Income: 2,582,206.40€</p> <p>Income from government grant: 0 €</p> <p>Expenses: 2,818,099.20 €</p> <p>Cash: 89,663.58 €</p>	<ul style="list-style-type: none"> - Former management's reluctance to cooperate; - Difficulty in collecting enterprise debts; - Inheritance of enterprise debts especially towards TAK; - Difficulty in securing the market; - Difficulty in securing raw materials; - Frequent power shortages. 	<ul style="list-style-type: none"> - Upon placing the enterprise under Direct Administration a new managing Board has been appointed. - The bank overdraft has been terminated. - The enterprise has 202 workers and monthly salaries are paid regularly. - SOE had problems in securing raw material because there was no contract in the beginning of the year. - During the year most of the enterprise's debts and regular liabilities were paid. The only debt remaining is the one for TAK in the amount of 200,000 euro. - DA has greatly reduced expenses and cash payments are stopped. - For the first time in this enterprise the audit was done and revealed many irregularities of this enterprise in the past. 	<ul style="list-style-type: none"> - Waiting for verdict of SCSC to notify provisional buyers. - If SCSC cancels the sale then the enterprise shall be re-tendered. - Until SCSC verdict SOE will continue to work in production and sale of radiators in order to maintain profit levels and secure salaries for enterprise workers.

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of the Socially Owned Enterprise	Management & Corporate governance issues	Future prospects
3	<p>SOE " AMORTIZATORËT (SHOCK ABSORBERS)"</p> <p>DATE OF ENTRY: 29/04/2010</p> <p>Based on financial data on 31 December 2010: Income: 2,733,375.12€ Income from government grant: 0 € Expenses: 2,092,656.27 € Cash: 640,718.85 €</p>	<ul style="list-style-type: none"> - Enterprise does not manufacture. - Large number of employees 861; - Difficulty in collecting rent from leaseholders; - Large amounts of enterprise liabilities; - TAK dispute at SCSC ; - Hostile attitude of enterprise workers against PAK; - Enterprise dispute with Prishtina municipality regarding enterprise space whereby "Tregu" is operating. 	<ul style="list-style-type: none"> - DA had great problems in implementing Direct Administration measures since there were objections by the workers. - DA appointed the new managing Board. - Managed to pay a part of debt towards TAK in the amount of 384,000 euro. - Culminant result of Direct Administration was retroactive collection of lease from August 2005 until June 2010 from UNMIK in the amount of 2.537.309, 00 euro. - In cooperation with PAK regional office in Prishtina, DA has managed to prepare for sale two assets of this enterprise that were sold to provisional buyer. - After the approval of PAK Board all the enterprise's liabilities towards workers until June 30, 2010 have been cleared. 	<ul style="list-style-type: none"> - Waiting until payment by provisional buyers is done and signing the contract in order to propose withdrawal of the enterprise from Direct Administration and return it to the Administration of PAK regional office in Prishtina.

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of the Socially Owned Enterprise	Management & Corporate governance issues	Future prospects
4	<p>SOE "UNIMONT"</p> <p>DATE OF ENTRY: 21/09/2006</p> <p>Based on financial data of 31 December 2010:</p> <p>Lease revenues: 1,300.00 €</p> <p>Other revenues (government grant): 6,538.00 €</p> <p>Expenses: 7,962.74 €</p> <p>Bank balance account: 140.85 €</p>	<p>- On June 2006, the general manager passed away. Since then, the enterprise had a complete lack of proper management.</p> <p>With the death of former general manager some information related to the agreements concluded with suppliers and clients remain unknown.</p> <p>- Furthermore, the enterprise has mortgaged some of its assets for its credit in the amount of 1.1 million € to the Financial Institution ABU. All the assets of the enterprise shall be subject to mortgage except for the Administration building and the immovable property which is its principal asset. Continuous attempts of private entrepreneur to exploit the gravel from enterprise's area. Continuous tendency of the Municipality to build communal buildings within the enterprise's property.</p>	<p>- Two responsible persons have been appointed by the enterprise to report to DA.</p> <p>- Leaseholder released the enterprise in agreement with the PAK.</p> <p>- It is achieved to re-tender the sale of one asset of this enterprise named "Administrative Building".</p> <p>- Regarding two other assets of this enterprise the security company "Security Code" is engaged in order to preserve the value of the enterprise.</p>	<p>- To follow court procedures and to find a solution regarding the mortgaged assets and outstanding credit.</p> <p>- Attempts shall be made to update the data in the Prizren Cadastral Office and later to privatize each asset belonging to this enterprise.</p>

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of the Socially Owned Enterprise	Management & Corporate governance issues	Future prospects
5	<p>SOE "ARTIZANATI"</p> <p>DATE OF ENTRY: 20/06/2006</p> <p>Based on financial data of 31 December 2010: Revenues: 36,000.00 € Expenses: 30,097.34 € Cash: 8,754.39 €</p>	<p>The enterprise does not operate with its core business and its revenues arise by leasing the buildings in Prishtina.</p> <ul style="list-style-type: none"> - The documentation on property rights of the enterprise is missing. - In the last 20 years, the management has failed to document the ownership status of the enterprise. 	<ul style="list-style-type: none"> - On 31st of June 2006, the building was leased to the Ministry of Internal Affairs for a period of two years with a possibility of extension for another year in the amount of 3,000.00 € per month, plus VAT. The contract has been renewed several times and the current contract expired on 31st of December 2010, however, attempts shall be made in order to extend the contract until 30th of June 2011. - Lease revenues are used to pay the salary of 14 employees of the enterprise. - In 2010, the enterprise did not show any significant activity. 	<ul style="list-style-type: none"> - Identification and clarification of ownership rights as well as preparations for privatization process. - Attempts shall be made to privatize the enterprise during 2011.
6.	<p>SOE "YOUTH AND SPORTS CENTRE"</p> <p>DATE OF ENTRY: 24/05/2006</p> <p>Based on financial data of 31 December 2010: Revenues: 1,678,313.67€ Expenses: 1,061,705.44 € Investments: 109,411.83 € Accounts receivable: 408,929.99 €</p>	<ul style="list-style-type: none"> - The biggest problem with the enterprise is the claim filed by 15 claimants with the Special Chamber of the Supreme Court, who claimed to have suffered losses due to fire in one part of the Centre that occurred on 2000. - Another problem is the non determination of the status of the enterprise. - The aging of the building and the need for continuous repairs. 	<ul style="list-style-type: none"> - Last year's positive trend of business has continued this year as well. - The enterprise managed to clear all its obligations and currently it is a prepaid customer of municipal utilities and taxes. - Enterprise's revenues derive mainly out of lease, cultural activities, commercial activities (advertisements), parking lot and fairs. - Limitation of expenses - A great number of shows, programs, manifestations and other activities have been held. - Two sport halls have been renovated and renovation of the basketball hall has begun. - Employees salaries increased by 20%. - The decision to dismiss the preliminary injunction to amend the status of the Centre issued by SCSC received. 	<ul style="list-style-type: none"> - To control and monitor the bank account. - To work with the Special Chamber of the Supreme Court of Kosovo in the legal protection of the Youth and Sports Centre against the Claim filed by 15 claimants who claimed to have suffered losses due to the fire in the Centre. - To continue with enterprise's investment plan, mainly on renovation. - To work on determining the status of the enterprise. - Prior to the closure with the Special Chamber of the Supreme Court of Kosovo, PAK can not take any steps to amend the status of the Youth Centre.

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of the Socially Owned Enterprise	Management & Corporate governance issues	Future prospects
7	<p>SOE "DFP- DREJTORIA LAVERTARIA DHE BLEGTORI"</p> <p>DATE OF ENTRY: 20/07/2006</p> <p>Based on financial data of 31 December 2010:</p> <p>Revenues: 90,318.96€</p> <p>Expenses: 72,202.46 €</p> <p>Cash: 8,324.65 €</p>	<p>- The enterprise covers an approximate surface of 2,000 ha which is not registered in the name of the enterprise but it is registered in the name of the former Combine AIC "Progres". The enterprise claims to be the legal successor of this combine. Cadastral issues are connected to the background of the Combine and the way the land was acquired by confiscating and occupying the private agricultural land in the region.</p> <p>As of the end of the conflict in 1999, the enterprise faced a great number of claims and court decisions in connection with the confiscated/occupied land.</p> <p>- Outstanding taxes unpaid for a long time.</p> <p>- Missing of the exact register of enterprises assets.</p> <p>- Missing of cadastral documents in Prizren.</p>	<p>- Most of enterprise's outstanding debts to suppliers have been paid and it is also achieved to reduce the outstanding debt to the employees' unpaid salaries.</p> <p>- A great number of court procedures are held and are being held in order to clear the assets of the enterprise.</p> <p>- An asset of the enterprise "Administrative Building" (Hotel Tirana) in Prizren was privatized during this year, however, the provisional buyer waived for reasons unknown to PAK.</p> <p>- An increase on lease collection has been achieved while reducing of the expenses at the same time.</p> <p>- "Animal farm" in Arbana of Prizren is handed over to the Buyer.</p> <p>- Investments in wheat cultivation shall continue for 2010/2011. Agricultural land with a surface of 100 ha is cultivated.</p>	<p>- To exactly control the financial situation and cadastral transfers.</p> <p>- To clear contentious cases</p> <p>- During 2010, the following assets of the enterprise shall be prepared for privatization;</p> <ol style="list-style-type: none"> 1) Hotel "Tirana" (re-tender) 2) Restaurant "Pojata" 3) Baruthana. 4) Building "Directorate Building"; <p>- In the second half of 2011 liquidation of the enterprise shall be proposed.</p>

No. of SOE	Name of SOE & Direct Administration mandate	Challenges of socially-owned enterprise	Management & Corporate governance issues	Future prospects
8.	<p>SOE "NEREZINA" DATE OF ENTRY: 8/02/2006 Based on financial data of 31 December 2010: Revenues: 960.00 € Other revenues (Government grant): 8,860.00 € Expenses: 9,338.25 € Cash: 1,425.07 €</p>	<p>-There are three entities claiming to be enterprise's owners: a. Ballkan, b. Municipality, c. Zelengora; -There is a valid court decision concerning the land status, where the building of the enterprise is located in, which decision acknowledges the ownership right to the municipality of Suhareka.</p>	<p>- Subsequent to being leased out, enterprise "Nerezina" is one of the most modern and productive textile companies in Kosovo. It owns modern machinery dating from 1992. - The enterprise was given for lease to ArtaTex with a monthly rent of 80.00 €. Leaseholder pays the monthly salary to 20 employees of the enterprise (150.00€ each) in total of 3,000.00 €. Lease contract ends on the 31st of December 2010. - The contract shall be extended until 30th of June 2011. - Despite the fact that the enterprise is being leased, the building is being secured from the employees of the enterprise with the total expenditure of 740.00 €. - DA has submitted an action request to PAK Legal Department to review the issues related to the ownership of the enterprise.</p>	<p>- To monitor the leaseholder who is responsible to pay the lease and the 20 employees and to keep the debts minimal until the privatization of the enterprise. - To work with Legal Department in order to determine the status of ownership of the enterprise. - Upon determination of the ownership status the enterprise may be released by Direct administration since there are no other issues.</p>
9.	<p>SOE "VINEYARD" LANDOVICA DATE OF ENTRY: 14/07/2004 Based on financial data of 31 December 2010: Revenues: 0.00 € Other revenues (Government grant): 23,657.25 € Expenses: 23,657.25 € Cash: 0.00 €</p>	<p>- Problems of Kosovavera are legal matters. - Due to the lack of financial sources, the vineyards with an approximate surface of 1,000 ha were not maintained. - Great number of claims filed by persons requesting compensation for their land. - The highway Vermicë-Merdare covers large parts of the land of this enterprise. - Numerous illegal occupations by persons.</p>	<p>Currently, the vineyards are being secured by the security guards of the enterprise in order not to be damaged and stolen. -17 employees of the enterprise are being paid by the money donated by government that is 1,895.25 € per month. In order to protect the assets from being damaged/ malfunctioning and to provide a permanent protection of the vine yards by any party subject to damage, PAK Direct Administration has engaged 16 security guards as well as the coordinator of the enterprise who shall prepare the list of assets requested by PAK Direct Administration. Seventeen employees of the enterprise are being paid by Kosovo Consolidated Budget.</p>	<p>-The main aim is to protect the assets from being damaged and to provide protection to vine yards from any irresponsible party. -Assets of the enterprise considered to be legally cleared with cooperation of PAK RO Prizren shall be proposed for privatization in the following manner: <ul style="list-style-type: none"> • Tarazhda e Mamushës • Arbanasi i Epërm • Uji i bardhë -This enterprise shall be proposed for liquidation in the second half of 2011.</p>

Wave	Date of Sale	No. of NewCos	No. of New Cos with no bids receive	No. of Received Bids	Total Price of bids [EUR]	Withdrawals Cancellations €	Total price €	No of NewCos cancelled by the BoD, withdrawals	No. Completed sales	No. of Uncompleted sales - remaining
Wave 42	10.03.2010	16	3	49	4,654,838.00		4,257,088	4 New Co Tender cancel by BoD	8 New Cos payment completed	1 New Co pending (Gjykat)
Wave 43	12.04.2010	16	6	34	6,333,425.00	2 New Co withdrew (deposit forfeited)	5,232,428	2 New Co cancel by BoD	6 New Cos payment completed	1 New Co pending (Gjykat)
Wave 44	07.07.2010	11	1	29	2,099,161.00		929,685	6 New Co cancel by BoD	4	
Wave 45	08.09.2010	17		69	13,335,756.00	1 New - deposit was not paid from the only bidder tender cancel 1 New Co withdrew (intimidation deposit refunded)	9,368,108	2 New Co cancel by BoD	12	1 New Co - payment ongoing
Wave 45-A	27.10.2010	13	1	44	22,677,289.00		863,000	2 New Co cancel by BoD	3	5 New Co - payment ongoing 2 New Co pending (Gjykat)

Wave 46	03.11.2010	15	1	62	6,437,109.00		2,967,387	1 New Co cancel by BoD 1 New Co – tender cancel – the only bidder was not qualified (forma e cimit nuk eshte plotesu)	9	1 New Co pending (Gjykat) 2 New Co – payment ongoing
Wave 47	15.12.2010	18	5	34	4,561,565.00	1-New Co withdrew first bidder deposit forfeited – second ongoing		6 New Co cancel by BoD		4 New Co kane perfundu pagesen 25% - ongoing pagesa 75% 2 New Co – 25% ongoing
Total		106		321	60,099,143.00					

**Privatisation of SOE-s
Liquidation Asset Sale**

Asset Sale	Date of Sale	No. of assets on sale	No. of New Cos with no bids receive	No. of Received Bids	Total Price of bids [EUR]	Withdrawals Cancellations [EUR]	Total price [EUR]	No of sales cancelled by the BoD withdrawals	No. Completed sales	No. of Uncompleted sales - remaining
1	07.04.2010	15	3	41	1,995,422.00	2 New Co withdrew (deposit forfeited)	1,185,512	1 New Co withdrew (intimidation deposit refunded) BoD tender cancel 1 New Co cancel by BoD	8	
2	16.06.2010	28	2	217	8,288,298.00	2 New Co withdrew (deposit forfeited)	7,237,153	3 New Co cancel by BoD	22	
3	18.08.2010	18	4	42	1,725,116.00	1 New Co withdrew deposit refunded intimidation 1 New Co withdrew (deposit forfeited)	821,868	3 New Co cancel by BoD	9	
4	13.10.2010	20	4	48	2,374,653.00	1 New Co withdrew (deposit forfeited)	997,504	1 New Co cancel by BoD	12	2 New Co – payment ongoing
5	01.12.2010	28	8	120	3,538,361.00		12,710	1 New Co cancel by BoD	2	16 New Co – payment ongoing 1 New Co pending –KL decision
Total		111		468	17,921,850.00					

LIST OF LIQUIDATED ENTERPRISES

SALES THROUGH LIQUIDATION

During 2010 PAK has managed to close the SOE DEN/DES. The Liquidation procedure for this SOE has commenced with the initiation of the liquidation procedure on March 16th 2006, when the liquidation committee was appointed by the Managing Director of former Kosovo Trust Agency in accordance with the decision of the Bord of Directors of KTA on February 8th 2006.

There were 93 claims related to this enterprise, in the total amount of € 306,741.00. The liquidation committee is awaiting the execution of the payment order from PAK Department for Budget and Finance where the total amount to be distributed to all creditors is € 21,852.9, which was approved by the Bord of Directors of PAK on September 24th 2010 (see the table)

Socially Owned Enterprise	Number of Claims	Claim's value €	Total value to be distributed to creditors approved by the BoD €	Remaining value of the SOE in €
DEN/DES	93	€ 306,741.00	€ 21,859.9	€ 397,803

Table 1: STATUS OF ACCOUNTS BASED ON CATEGORY		AMOUNT	AMOUNT	AMOUNT	AMOUNT
1	Privatization Proceeds	49,331,572.99	229,202,513.80	221.92	278,534,086.79
2	Liquidation Proceeds	9,577,271.92	204,903,198.33		214,480,470.25
3	SOE Trust Funds	509,373.08	5,181,775.07	31.82	5,691,148.15
4	SOE Commercialization Trust Funds	122,288.95	3,397,737.12		3,520,026.07
5	Employees Trust Funds (transferred from privatization and liquidation proceeds)	1,164,310.72	8,498,524.91	2.60	9,662,835.63
6	Privatisation Bid Deposits	2,562,307.72	576,919.21		3,139,226.93
7	Privatisation Bid Submission Fee	310,782.57	1,581,613.28		1,892,395.85
8	Liquidation Bid Deposit	1,295,859.96	75,207.11		1,371,067.07
9	Liquidation Bid Submission Fees	75,447.53	120,398.13		195,845.66
10	Liquidation Review Committee Deposits	8,518.88	-		8,518.88
11	PAK Initial Capital	25,303.81	1,070,373.82		1,095,677.63
12	PAK Reserves Funds	103,835.42	2,488,109.36		2,591,944.78
13	Donor Funds	193.08	8,165.64		8,358.72
14*	Current Account Funds in Time Deposit accounts	1,696.12			1,696.12
15	Total Trust Funds in Current Account	65,088,762.75€	€ 457,104,535.78	€ 256.34	€ 522,193,298.53
16	Total Time Deposits Transferred from CBK to their account to maturity	€ 457,104,535.78			
17=15+16	TOTAL TRUST FUNDS (time deposits and current accounts)	€ 522,193,298.53			

Table 2: SUMMARY OF PRIVATISATION PROCEEDS IN TRUST		AMOUNT
A=Σ(D:I)	Privatization Trust Funds (up to now proceeds) including the interest	€ 501,000,041.80
	Privatization Trust Funds (proceeds up to now) NO INTEREST	€ 480,117,308.00
	Ordinary Spin Off Proceeds (no interest)	387,609,062.38
	Acquired interest from ordinary spin-off proceeds	16,840,129.31
	Funds of NewCo shares from Ordinary Spin-Off and transferred to MEF	676,000.00
	Special Spin-Off Proceeds (no interest)	91,800,995.62
	Acquired interest from special spin-off proceeds	4,042,604.49
	Money of NewCo shares from Special Spin-Off and transferred to MEF	31,250.00
B=A*80%	AMOUNT of proceeds (80% of proceeds) without funds belonging to employees	400,800,033.44
C=A*20%	Funds belonging to employees (20% of proceeds)	100,200,008.36
D	Paid to employees (transferred to BSPK) direct from privatization trust fund	31,675,287.35
E	Transferred to Trust Accounts for funds belonging to employees	9,544,861.67
F	Money of NewCo shares paid from bidders and transferred to MEF	707,250.00
G	Transferred to liquidation accounts (80% sale of special NewCo)	180,538,334.07
H	Privatisation trust funds transferred in time deposit accounts	229,202,735.72
I	Privatisation Trust Funds (CURRENTLY IN BANK)	€ 49,331,572.99
	Privatisation Trust Funds (CURRENTLY in time deposit and current accounts)	€ 278,534,308.71

Table 3: SUMMARY OF PRIVATISATION PROCEEDS (wave reference point)		AMOUNT
Privatisation proceeds (UP TO NOW)		€ 501,000,041.80
Privatisation Trust Funds (CURRENTLY in time dep. and current accounts)		278,534,308.71
Privatisation Trust Funds (in current accounts)		49,331,572.99
Privatisation trust funds transferred in time deposit accounts		229,202,735.72
Transferred in liquidation Trust Accounts (80% of NewCo sale)		180,538,334.07
Paid to employees (transferred to BSPK) direct from Privatisation Funds		31,675,287.35
Transferred to Trust Accounts for funds belonging to employees		9,544,861.67
Funds of NewCo shares paid by bidders and transferred to MEF		707,250.00

Signed Contracts	451,907,603.71
Pending Contracts	48,366,655.03
Rejected Tenders	18,533.06
Funds of NewCo shares paid to bidders and transferred to MEF	707,250.00
TOTAL PRIVATISATION PROCEEDS SO FAR	501,000,041.80

Table 4: SUMMARY OF EMPLOYEES PAYMENTS (BSPK) 20% from all liquidation and privatization proceeds		AMOUNT
A+B	GRAND TOTAL paid to employees	33,427,126.36 €
A=A1+A2+A3	Paid from Privatisation Proceeds	31,942,161.26
A1	Paid from Ordinary Spin-Off Proceeds	21,731,269.36
A2	Paid from Special Spin-Off Proceeds	9,944,017.99
A3	Paid by Trust Funds belonging to Employees (Privatisation Proceeds)	266,873.91
B=B1+B2+B3	Paid by liquidation Proceeds	1,484,965.10
B1	Paid by Liquidation proceeds (directly from liquidation accounts)	1,484,965.10
B2	Paid from Trust Funds Employees Entitlement (liquidation proceeds)	-
B3	Paid from Employees Entitlement (SOE Trust Funds proceeds)	-

Table 4a: GRAND TOTAL Transferred to Trust Accounts for Employees Entitlement		€ 9,906,074.26
Employees Entitlements transferred into Employees Trust Account from PRIVATIZATION proceeds		9,544,861.67
Employees Entitlements transferred into Employees Trust Account from LIQUIDATION Proceeds		361,212.59
Employees Entitlement transferred to Employees trust account from SOE Trust Funds Proceeds		1,474.74

Funds of NewCo shares (1,250) paid by bidders and transferred to MEF	€ 707,250.00
Transferred deposits from Privatisation bid deposit account to Privatisation trust account	€ 17,367,500.00
Transferred deposits privatisation bid deposit account to liquidation trust account	€ 1,470,450.00

Number of Privatization Accounts	690
Number of Privatization Accounts from which we have transferred 80% of liquidation account	169
Number of Privatisation Accounts from which were not transferred 80% in liquidation accounts	521

ITEM	MIS DATA TABLE	AMOUNT
6	Privatization funds (proceeds up to now) including interest	€ 501,000,041.80
6a	Privatization Funds (without employees 20%)	400,800,033.44
6b	Employees Funds (20%)	100,200,008.36
6c	Paid to BSPK from Privatization Proceeds	31,942,161.26
6d	Status of employees trust funds minus transfers to BSPK from these accounts	9,277,987.76
6d-6c	Remained to be transferred to BSPK (from privatization proceeds)	68,257,847.10
6e	Transferred to liquidation accounts (80% of respective sale with privatization)	180,538,334.07
6f	Funds of NewCo shares paid by bidder and transferred to MEF	707,250.00
6h	Privatization Trust Funds transferred to Current Account	229,202,735.72
6g	Privatization Funds (bank status)	49,331,572.99
6g+6h	Privatization Trust Funds (CURRENTLY in Time Deposits and Current Accounts)	278,534,308.71
21	Total of proceeds from liquidation sales received at bank	28,580,412.98
22	Paid to BSPK from liquidation proceeds	1,484,965.10

Table 1a: Types of Accounts in CBK	Number of Active Accounts	Number of closed accounts	Opened
Privatisation Funds	690	62	752
Liquidation Funds	145	4	149
SOE Trust Funds	124	6	130
Commercialized SOE Trust Funds	16	1	17
Trust Funds of Employees Entitlement (transferred from liquidation and privatisation accounts)	69	2	71
Privatisation Bid Deposit	1	-	1
Privatisation Bid Submission Fee	1	-	1
Liquidation Bid Deposit	1	-	1
Liquidation Bid Deposit Fee	1	-	1
Liquidation Review Committee deposit	1	-	1
PAK Initial Capital	1	-	1
PAK Reserves Fund	1	-	1
Donor Funds	1	-	1
Time Deposit Accounts	6	-	6
TOTAL number in CBK Accounts	1,058	75	1,133

INTEREST ACQUIRED FROM PAK ACCOUNTS IN CBK	AMOUNT
Privatisation Funds	20,903,976.47
Liquidation Funds	5,151,444.10
SOE Trust Funds	310,037.83
Commercialized SOE Trust Funds	238,588.08
Trust Funds of Employees Entitlement (transferred from privatisation and liquidation accounts)	22,195.54
Privatisation Bid Deposit	579,658.85
Privatisation Bid Submission Fee	62,813.88
Liquidation Bid Deposit	75,923.57
Liquidation Bid Submission Fee	2,653.57
Liquidation Review Committee Deposit	2.76
PAK Initial Capital	105,100.40
PAK Reserve Fund	93,613.16
Donor Funds	362.78
TOTAL ACQUIRED INTEREST (from July 2003 up to now)	€ 27,546,370.99

Interest paid based on time deposit fee to time deposit accounts	308,730.30
Interest paid based on current account fee but in time deposit account	1,439.78
Total Interest paid in Time Deposit Account	310,170.08

MAIN SUMMARY OF PROCEEDS/RECEIPTS AND EXPENSES/DELIVERIES IN LIQUIDATION

4%	A	Liquidation Trust Funds (currently in current accounts)	€ 9,577,271.92
96%	B	Liquidation Trust Funds (in time deposit accounts)	€ 204,903,198.33
100%	C=A+B	TOTAL Liquidation Trust Funds	€ 214,480,470.25

%

Code	Table 1:	MAIN TOTAL Proceeds up to now in Liquidation Accounts (All Liquidation Accounts)	€ 218,250,112.49
=i1 (liq.sale) +i3(deposits)	Income / Receipts	Liquidation proceeds from ASSET SALE (includes deposits on contractual sales)	28,580,412.98
i2	Income / Receipts	Acquired interest with liquidation accounts	5,151,444.10
i4	Income / Receipts	Value Added Tax (VAT) – imposed on sale price	532,714.35
i5	Income / Receipts	VAT reclaimed from Tax Administration of Kosova (TAK)	-
i6	Income / Receipts	80% Transfers from Privatisation special accounts to liquidation accounts	180,538,334.07
i7	Income / Receipts	SOE Trust Funds held by PAK and transferred to liquidation accounts	386,647.25
i8	Income / Receipts	Funds Deposits from SOE cash to liquidation accounts	23,203.85
i9	Income / Receipts	Transfers from SOE bank accounts to liquidation accounts	2,528,670.49
i10	Income / Receipts	Receipts from SOE debtors	-
i11	Income / Receipts	Receipts from SOE actions in other companies	-
i12	Income / Receipts	Annual Lease Proceeds during liquidation process	505,017.28
i13	Income / Receipts	Other Operative Proceeds during liquidation process	3,668.12

Code	Table 2:	TOTAL expenses from Liquidation Trust Fund Accounts (ALL Liquidation Accounts) based on TYPE OF EXPENSES	€ 3,769,642.24
e1	Expenses	Bank charges	4,306.50
e33	Expenses	Employees (BSPK) 20% Transfer from proceeds with sales during liquidation.	1,484,965.10
e34	Expenses	20% Transfer in Employees Trust Account from sales during liquidation	361,212.59
e15+e16	Expenses	Paid Rent	32,710.67
e8+e9	Expenses	Service Providers	810,429.57
e2:e7+e12:13+e17:18	Expenses	Goods, services, advertisements, notifications	371,040.09
e14	Expenses	Services of property and asset protection	117,886.74
sum(e19:e22)	Expenses	Monthly expenses (electricity, water, wastes, telecommunications)	39,251.03
e10+sum(e23:e29)	Expenses	Tax payments (Income Tax, Tax on Property, VAT, etc)	540,125.54
e11	Expenses	Pension Contribution (Employer and Employee)	-
e30	Expenses	Expenses on reorganisation took place during liquidation	-

e31	Expenses	Administrator Expenses as secured creditors	-
e32	Expenses	Compensations set out by the Special Chamber of Supreme Court of Kosova	-
sum(e35:e56)	Expenses / Distributions	SOE Creditor Payments	7,714.41
e57	Expenses / Distributions	Creditors – owners, shareholders, founders, participants or partners with the SOE	-
e58	Expenses / Distributions	Surplus of Transferred Funds to Kosovo Government	-
j=Σe(59:64)	Time Deposits	Currently in Time Deposit Accounts	€ 204,903,198.33

Code	Table 3:	MAIN TOTAL EXPENSES from Liquidation of the Accounts of Funds in Trust (all Liquidation Accounts) based on the type of claims	€ 3,769,642.24
a=Σe(1:6)	Expenses / Distributions	Expenses for sale or realization of property or assets	340,341.47
b=Σe(7:32)	Expenses / Distributions	Expenses for Liquidation Committees and any supporting Advisor	1,575,408.67
c=Σe(33:34)	Expenses / Distributions	Means belonging to the employees (20%) from liquidation sales	1,846,177.69
d=e35	Expenses / Distributions	Secured creditors for those cases that were realized from the security of those assets	-
e=e36	Expenses / Distributions	Creditors of specific assets including immovable property	-
f=Σe(37:39)	Expenses / Distributions	Request for gross salaries for three months and indemnity payments unpaid at the beginning of Liquidation	6,799.40
g=Σe(40:56)	Expenses / Distributions	Unsecured Creditors	915.01
h=e57	Expenses / Distributions	Creditors: Owners, Shareholders, Founders, Participants or Partners in SOE	-
i=e58	Expenses / Distributions	Surplus transferred to Kosovo's Government	-
j=Σe(59:64)	Time Deposits	Currently into the Accounts of Time Deposits	204,903,198.33

DETAILED ANALYSES OF THE INCOME/RECEIPTS AND EXPENSES/DISTRIBUTIONS IN LIQUIDATION

4%	A	Liquidation funds in trust (currently in current accounts)	€ 9,577,271.92
96%	B	Liquidation funds in trust (in accounts of time deposits)	€ 204,903,198.33
100%	C=A+B	TOTOAL Liquidation money in trust	€ 214,480,470.25

%

Code	Table 4:	TOTAL INCOME up to now in Liquidation Accounts (all liquidation accounts)	€ 218,250,112.49
i1	Income (Receipts)	Liquidation Income from Asset Sale	27,109,962.98
i2	Income (Receipts)	Gained interest in liquidation accounts	5,151,444.10
i3	Income (Receipts)	Transferred deposits from the account of liquidation deposits as part of liquidation sale	1,470,450.00
i4	Income (Receipts)	Value Added Tax (VAT) – charged on the sale price	532,714.35
i5	Income (Receipts)	VAT returned from Tax Administration of Kosovo (TAK)	-
i6	Income (Receipts)	Transfers of 80%-it from the separate accounts of privatization into liquidation accounts	180,538,334.07
i7	Income (Receipts)	SOEs funds in trust kept from PAK and transferred into liquidation accounts	386,647.25
i8	Income (Receipts)	Deposits of the money from the safes of SOEs in liquidation accounts	23,203.85
i9	Income (Receipts)	Transfers from bank accounts of SOEs in liquidation accounts	2,528,670.49
i10	Income (Receipts)	Receipts from SOE debtors'	-
i11	Income (Receipts)	Receipts from the SOE shares in other companies	-
i12	Income (Receipts)	Annual rent income during the liquidation process	505,017.28
i13	Income (Receipts)	Other operational income during the liquidation process	3,668.12

Code	Table 5:	MAIN TOTAL EXPENSES from Liquidation Accounts of Funds in Trust (all Liquidation Accounts) based on the category of expenses	€ 3,769,642.24
e1	Expenses	Bank fees	4,306.50
e2	Expenses	Advertisement expenses (sale adverts, liquidation appointment, creditors etc)	262,741.89
e3	Expenses	Cost of liquidation asset sale	300.00
e4	Expenses	Administrative expenses, postal fee	-
e5	Expenses	Maintenance, transportation of SOE data	-
e6	Expenses	Other small liquidation expenses (petty cash)	72,993.08
e7	Expenses	Court expenses	857.58
e8	Expenses	Service Providers (gross payment)	798,999.57

e9	Expenses	Service Providers (net payment)	11,430.00
e10	Expenses	Taxes on Personal Income	2,997.50
e11	Expenses	Pension Contribution (Employee and Employer)	-
e12	Expenses	Fees for professionals (lawyers, financial experts, evaluation of creditors, other experts)	28,617.58
e13	Expenses	Services for asset maintenance	2,774.20
e14	Expenses	Services for protection of property and assets	117,886.74
e15	Expenses	Rent payment (gross)	5,325.60
e16	Expenses	Rent payment (net from the taxes on rent)	27,385.07
e17	Expenses	Goods	1,825.76
e18	Expenses	Services	930.00
e19	Expenses	Water	1,727.26
e20	Expenses	Electricity	30,941.38
e21	Expenses	Waste	360.24
e22	Expenses	Telecommunication (Internet, phone)	6,222.15
e23	Expenses	Monthly wage withholding and remittance and paid based on the paid rent	2,230.72
e24	Expenses	Taxes paid on the received rent	5,799.20
e25	Expenses	Municipal property tax	14,242.00
e26	Expenses	Tax on the received interest during the liquidation	-
e27	Expenses	Corporation tax	-
e28	Expenses	VAT paid on the liquidation expenses and trade	-
e29	Expenses	Value Added Tax (VAT) paid to the Tax Administration of Kosovo (TAK)	514,856.12
e30	Expenses	Reorganization expenses which occurred during liquidation	-
e31	Expenses	Administrator's expenses as a secured creditor	-
e32	Expenses	Compensations determined by the Special Chamber of the Supreme Court	-
e33	Expenses	Transfer of 20% to the workers (BSPK) from the income of liquidation sale	1,484,965.10
e34	Expenses	Transfer of 20% into the accounts in trust of workers from the liquidation sales	361,212.59
e35	Expenses – Distributions	Claims - Secured Creditors	-
e36	Expenses – Distributions	Claims - Asset Property	-
e37	Expenses – Distributions	Claims - Preferred Creditors - Salaries (only net payment)	-
e37a	Expenses – Distributions	Claims – Preferred Creditors – Indemnity payments (only net payments)	6,799.40
e38	Expenses – Distributions	Claims – Tax Administration – Personal Income Tax (payments for preferred creditors)	-
e39	Expenses – Distributions	Claims – Kosovo Pension Trust Fund – pension contributions (payments of preferred creditors)	-
e40	Expenses – Distributions	Claims – Unsecured Creditors – Loans	-
e41	Expenses – Distributions	Claims – Unsecured Creditors – received advances in cash from SOEs	-

e42	Expenses – Distributions	Claims – Unsecured Creditors - Salaries (only net payments)	-
e43	Expenses – Distributions	Claims - Tax Administration – Personal Income Tax (Unsecured Creditors payments)	-
e44	Expenses – Distributions	Claims – Unsecured Creditors – Local Supplier	-
e45	Expenses – Distributions	Claims – Unsecured Creditors – International Supplier	-
e46	Expenses – Distributions	Claims – Unsecured Creditors – Tax on Municipal Property	-
e47	Expenses – Distributions	Claims - Unsecured Creditors – Tax Administration – tax on rent	-
e48	Expenses – Distributions	Claims – Unsecured Creditors – Tax Administration – Corporate Tax	-
e49	Expenses – Distributions	Claims – Unsecured Creditors – Tax Administration – Value Added Tax	-
e50	Expenses – Distributions	Claims – Unsecured Creditors – Tax Administration – presumptive tax	-
e51	Expenses – Distributions	Claims – Unsecured Creditors – Kosovo Pension Trust Fund	-
e52	Expenses – Distributions	Claims – Unsecured Creditors – Electricity	140.01
e53	Expenses – Distributions	Claims – Unsecured Creditors – water	-
e54	Expenses – Distributions	Claims – Unsecured Creditors – waste	-
e55	Expenses – Distributions	Claims – Unsecured Creditors – telecommunication and internet	-
e56	Expenses – Distributions	Claims – Unsecured Creditors – other	775.00
e57	Expenses – Distributions	Claims – Owners, Shareholders, Founders, participants or partners in the SOE	-
e58	Expenses – Distributions	Surplus transferred to the Kosovo Government	-

Code	Table 6:	TOTAL Currently in the Time Deposits Accounts	204,903,198.33
e59	Time Deposits	Time Deposits 12 months	62,603,680.92
e60	Time Deposits	Time Deposits 6 months	-
e61	Time Deposits	Time Deposits 3 months	41,092,624.02
e62	Time Deposits	Time Deposits 2 months	-
e63	Time Deposits	Time Deposits 1 month	84,968,682.96
e64	Time Deposits	Time Deposits on various days	16,238,210.43

SUMMARY CASH FLOW STATEMENT AS PER TYPE OF ACCOUNTS
**Cash Flow 1 July 2003
until 31 Dec 2010**
SUMMARY CASH FLOW STATEMENT

	OPENING BALANCE	INFLOWS	OUTFLOWS	CLOSING BALANCE
Current Accounts	0.00	960,564,254.74	438,372,395.99	522,191,858.75
Time Deposit Accounts	0.00	1,337,389,407.11	1,794,493,942.89	(457,104,535.78)
Current interest paid on time deposit accounts	0.00	0.00	1,439.78	(1,439.78)
Total	0.00	2,297,953,661.85	2,232,864,899.10	65,088,762.75
from Detailed Cash Flow		2,297,953,661.85	2,232,864,899.10	65,088,762.75
Error check		0.00	0.00	0.00

31-Dec-10

Cash Flow 1 July 2003 until Period above

		1-Jul-03	CURRENT ACCOUNTS		
		1	2	3	4=2-3
Type of Accounts Category in Central Bank of Kosovo		OPENING BALANCE	INFLOWS	OUTFLOWS	CLOSING BALANCE
1	Privatisation	-	548,328,063	269,793,755	278,534,309
2	Liquidation	-	225,420,459	10,939,989	214,480,470
3	SOE Money in Trust	-	12,152,309	6,461,129	5,691,180
4	Commercialisation	-	4,681,393	1,161,367	3,520,026
5	Employees Entitlement	-	9,933,653	270,815	9,662,838
6	Privatisation Bid Deposits	-	138,635,688	135,496,461	3,139,227
7	Privatisation Tender Submission Fee	-	2,772,696	880,300	1,892,396
8	Liquidation Bid Deposits	-	14,522,656	13,151,589	1,371,067
9	Liquidation Registration Fee	-	289,066	93,221	195,846
10	Liquidation Review Committee deposit	-	9,656	1,137	8,519
11	PAK Charter Capital	-	1,118,300	22,623	1,095,678
12	PAK Reserve Fund	-	2,691,951	100,006	2,591,945
13	Donor	-	8,365	6	8,359
14	Time Deposit	-	-	-	-
TOTAL		€ 0.00	€ 960,564,254.74	€ 438,372,395.99	€ 522,191,858.75

31-Dec-10

Cash Flow 1 July 2003 until Period above

TIME DEPOSIT ACCOUNTS

		5	6	7=5-6
	Type of Accounts Category in Central Bank of Kosova	INFLOWS	OUTFLOWS	CLOSING BALANCE
1	Privatisation	6,416,137	235,618,873	(229,202,736)
2	Liquidation	489,524	205,392,722	(204,903,198)
3	SOE Money in Trust	13,537	5,195,344	(5,181,807)
4	Commercialisation	-	3,397,737	(3,397,737)
5	Employees Entitlement	6	8,498,533	(8,498,528)
6	Privatisation Bid Deposits	-	576,919	(576,919)
7	Privatisation Tender Submission Fee	-	1,581,613	(1,581,613)
8	Liquidation Bid Deposits	-	75,207	(75,207)
9	Liquidation Registration Fee	-	120,398	(120,398)
10	Liquidation Review Committee deposit	-	-	-
11	PAK Charter Capital	-	1,070,374	(1,070,374)
12	PAK Reserve Fund	-	2,488,109	(2,488,109)
13	Donor	-	8,166	(8,166)
14	Time Deposit	1,330,470,204	1,330,468,507	(1,696)
	TOTAL	€ 1,337,389,407.11	€ 1,794,492,503.11	-€ 457,106,488.24

		31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10	
		CURRENT ACCOUNTS			Current account and TIME DEPOSITS	
		8=1+2-3+5-6	9=1+4+7	10=-7-11	11=-7-10	12=9+10
	Type of Accounts Category in Central Bank of Kosova	CLOSING BALANCE	CLOSING BALANCE	CLOSING BALANCE	Deposits to return to individual acc.	CLOSING BALANCE
1	Privatisation	49,331,573	49,331,573	229,202,514	222	278,534,087
2	Liquidation	9,577,272	9,577,272	204,903,198	0	214,480,470
3	SOE Money in Trust	509,373	509,373	5,181,775	32	5,691,148
4	Commercialisation	122,289	122,289	3,397,737	0	3,520,026
5	Employees Entitlement	1,164,311	1,164,311	8,498,525	3	9,662,836
6	Privatisation Bid Deposits	2,562,308	2,562,308	576,919	-	3,139,227
7	Privatisation Tender Submission Fee	310,783	310,783	1,581,613	-	1,892,396
8	Liquidation Bid Deposits	1,295,860	1,295,860	75,207	-	1,371,067
9	Liquidation Registration Fee	75,448	75,448	120,398	-	195,846
10	Liquidation Review Committee deposit	8,519	8,519	-	-	8,519
11	PAK Charter Capital	25,304	25,304	1,070,374	-	1,095,678
12	PAK Reserve Fund	103,835	103,835	2,488,109	-	2,591,945
13	Donor	193	193	8,166	-	8,359
14	Time Deposit	1,696	1,696		(1,696)	1,696
	TOTAL	€ 65,088,762.75	€ 65,088,762.75	€ 457,104,535.78	-€ 1,439.78	€ 522,193,298.53

CASH FLOW STATEMENT

For the period ended on 31st December 2010

Name	Opening Balance 1 Jan 2010	Receipts	Payments	Balance on 31 Dec 2010
Petty Cash from Kosovo Budget	-	13,004.12	13,004.12	€ -
Bank Accounts (CBK)	451,041,297.19	160,605,601.09	89,453,599.75	€522,193,298.53
Bank Accounts (PCB)	122,839.70	71,888.00	87,922.00	€ 106,805.70
Bank Accounts (RZB)	0.02	-	0.02	€ -

BANK ACCOUNTS	CENTRAL BANK OF KOSOVO (CBK)	
	Opening balance on 1 Jan 10	451,041,297.19
Receipts and interest	1 Jan - 31 Dec 2010	160,605,601.09
Expenditures/ distributions	1 Jan - 31 Dec 2010	546,558,135.53
Cash Flow	1 Jan - 31 Dec 2010	- 385,952,534.44
	Balance on time deposit accounts	457,104,535.78
	<u>Balance on 31 Dec 2010</u>	<u>€ 522,193,298.53</u>

BANK ACCOUNTS	PROCREDIT BANK	
	Opening balance on 1 Jan 10	122,839.70
Receipts and interest	1 Jan - 31 Dec 2010	71,888.00
Expenditures/ distributions	1 Jan - 31 Dec 2010	87,922.00
Cash Flow	1 Jan - 31 Dec 2010	- 16,034.00
	<u>Balance on 31 Dec 2010</u>	<u>€ 106,805.70</u>

BANK ACCOUNTS	RAIFFEISEN BANK	
	Opening balance on 1 Jan 10	0.02
Receipts and interest	1 Jan - 31 Dec 2010	-
Expenditures/ distributions	1 Jan - 31 Dec 2010	0.02
Cash Flow	1 Jan - 31 Dec 2010	- 0.02
	<u>Balance on 31 Dec 2010</u>	<u>€ -</u>

BANK ACCOUNTS		Cash Flow Statement in all three banks(CBK, PCB and RZB)	
A		Opening balance on 1 Jan 10	451,164,136.91
B	Receipts and interest	1 Jan - 31 Dec 2010	160,677,489.09
C	Expenditures/ distributions	1 Jan - 31 Dec 2010	89,541,521.77
D=B-C	Cash Flow	1 Jan - 31 Dec 2010	71,135,967.32
E=A+B-C		<u>Balance on 31 Dec 2010</u>	<u>522,300,104.23</u>

Receivables and cash payment statement

For year ended on December 31, 2010

Notes	31-Dec-10				31-Dec-09				31-Dijetor-2008			
	Treasury Single Account		THV	third party payments	Treasury Single Account		THV	third party payments	Treasury Single Account		THV	third party payments
	KCB	€			KCB	€			PAK Trust Funds	€		
RECEIVABLES												
2	Receivables from General Fund	8,054,461.30			10,322,327.10				3,345,256.03			
3	Receivables from Dedicated Purposes Fund											
3	Donor Grants	2,952,686.26			2,430,813.29				425,430.44			
4	Other receivables											
4a	PAK Trust Funds			611,841,626			528,040,669.39				408,673,860.66	
	Total Receivables	€ 11,007,147.56	€ -	€ 611,841,626.00	€ 12,753,140.39	€ -	€ 528,040,669.39	€ -	€ 3,770,686.47	€ -	€ 408,673,860.66	€ -
PAYMENTS												
	Operations											
5	Salaries and Wages	3,141,851.32			2,583,291.09				446,963.47			
6	Goods and Services	2,439,201.88			2,164,383.69				372,888.20			
7	Public Services	82,197.94			62,102.37				4,951.85			
	Total Operations	€ 5,663,251.14	€ -	€ -	€ 4,809,777.15	€ -	€ -	€ -	€ 824,803.52	€ -	€ -	€ -
	Transfers											
8	Transfers and Subsidies	3,153,771.26			4,791,970.24				984,058.00			
	Capital Expenses											
9	Property, Buildings and Equip	2,190,125.16			3,151,383.00				1,961,824.95			
	Payments/Other outcome			89,541,522			76,876,532				5,127,890	
	Total Payments	€ 11,007,147.56	€ -	€ 89,541,521.77	€ 12,753,140.39	€ -	€ 76,876,532.48	€ -	€ 3,770,686.47	€ -	€ 5,127,890.63	€ -
	Amounts presented in payments present those amounts made from Kosovo Budget, grants and trust funds.											
	Status of unspent receivables	€ -	€ -	€ 522,300,104.23	€ -	€ -	€ 451,164,136.91	€ -	€ -	€ -	€ 403,545,971.03	€ -

Comparison Statement of budgetary and current amounts

For year ended 31 December 2010

	Note	31-Dec-10			Difference between initial and current D=C-A	31-Dec-09	31-Dec-08
		Initial Budget	Final Budget	Current cash			
		A €	B €	C €			
Cash income in treasury account							
Taxation	12						
Own source	13						
Grants and aid	14	3,779,532.40	3,779,532.40	3,779,532.40	3,604,923.24	1,499,949.00	
Capital receivables	15						
Other	17						
Total receivables accumulated for FKK		€ 3,779,532.40	€ 3,779,532.40	€ 3,779,532.40	€ 3,604,923.24	€ 1,499,949.00	
Cash outcome from treasury accounts							
Salaries and wages	18	3,979,304.40	3,977,308.40	3,141,851.32	2,583,291.09	1,535,687.00	
Goods and Services	19	3,578,922.00	2,989,862.00	2,439,201.88	2,164,383.69	1,972,560.00	
Public services	20	141,480.00	85,480.00	82,197.94	62,102.37	34,055.00	
Transfers and Subsidies	21	3,182,870.00	3,162,870.00	3,153,771.26	4,791,970.24	984,058.00	
Capital expenses	22	2,308,978.00	2,215,781.00	2,190,125.16	3,151,393.00	2,052,189.00	
Other	24						
Total from FKK through LIVTh		€ 13,191,554.40	€ 12,431,301.40	€ 11,007,147.56	€ 12,753,140.39	€ 6,578,549.00	

Amounts presented in pavments (column C) present amounts made from Kosovo budget and grants.

Budgetary Report (Consolidated Kosovo Budget)

For year ended on 31 December 2010

Description	Original Budget (Law 03/L-177)	Semi-annual Reviewed Budget (Law L-218)	Final Budget (31 December 2010)	Difference in %	Difference in %	Difference in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Budget 2010	€ 9,412,022.00	€ 9,229,573.00	€ 8,651,769.00	98%	92%	94%
Salaries and wages	199,772.00	197,774.00	197,776.00	99%	99%	100%
Goods and Services	3,578,922.00	3,471,062.00	2,989,862.00	97%	84%	86%
Utility Expenses	141,480.00	141,480.00	85,480.00	100%	60%	60%
Subsidies and Transfers	3,182,870.00	3,182,870.00	3,162,870.00	100%	99%	99%
Capital Investments	2,308,978.00	2,236,387.00	2,215,781.00	97%	96%	99%

Budgetary Report (donor grants)

Description	Original Budget (Law 03/L-177)	Semi-annual Reviewed Budget (Law L-218)	Final Budget (31 December 2010)	Difference in %	Difference in %	Difference in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Budget 2010	€ 3,779,532.40	€ 3,779,532.40	€ 3,779,532.40	100%	100%	100%
Salaries and wages	3,779,532.40	3,779,532.40	3,779,532.40	100%	100%	100%
Goods and Services	-	-	-			
Utility Expenses	-	-	-			
Subsidies and Transfers	-	-	-			
Capital Investments	-	-	-			

Budgetary Report (Consolidated Kosovo Budget including donor grants)

Description	Original Budget (Law 03/L-177)	Semi-annual Reviewed Budget (Law L-218)	Final Budget (31 December 2010)	Difference in %	Difference in %	Difference in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Budget 2010	€ 13,191,554.40	€ 13,009,105.40	€ 12,431,301.40	99%	94%	96%
General Grant	€ 9,412,022.00	€ 9,229,573.00	€ 8,651,769.00	98%	92%	94%
Own source 2010	€ -	€ -	€ -			
Own source transferred from 2009	€ -	€ -	€ -			
Domestic grants	€ -	€ -	€ -			
Foreign Grants	€ 3,779,532.40	€ 3,779,532.40	€ 3,779,532.40	100%	100%	100%

Budget Execution Report (Consolidated Kosovo Budget including donor grants)

For year end 31 December 2010

Description	No.	Original Budget (Law 03/L-177)	Reviewed Semi- annual Budget (Law L-218)	Final Budget 31Dec 2010	Payments	Progress in %	Progress in %
a		b		c	d	e=d/b	f=d/c
Total	1+2+3+4	€ 13,191,554.40	€ 13,009,105.40	€ 12,431,301.40	€11,007,147.56	89%	89%
Total	1+2+3+4	€ 13,191,554.40	€ 13,009,105.40	€ 12,431,301.40	€ 11,007,147.56	89%	89%
Salaries and wages		3,979,304.40	3,977,306.40	3,977,308.40	3,141,851.32	79%	79%
Goods and Services		3,578,922.00	3,471,062.00	2,989,862.00	2,439,201.88	82%	82%
Utilities expenses		141,480.00	141,480.00	85,480.00	82,197.94	96%	96%
Subsidies and Transfers		3,182,870.00	3,182,870.00	3,162,870.00	3,153,771.26	100%	100%
Capital Investments		2,308,978.00	2,236,387.00	2,215,781.00	2,190,125.16	99%	99%
Payments from General Grant	1	€ 9,412,022.00	€ 9,229,573.00	€ 8,651,769.00	€ 8,054,461.30	86%	93%
Salaries and wages		199,772.00	197,774.00	197,776.00	189,165.06	95%	96%
Goods and Services		3,578,922.00	3,471,062.00	2,989,862.00	2,439,201.88	68%	82%
Utilities expenses		141,480.00	141,480.00	85,480.00	82,197.94	58%	96%
Subsidies and Transfers		3,182,870.00	3,182,870.00	3,162,870.00	3,153,771.26	99%	100%
Capital Investments		2,308,978.00	2,236,387.00	2,215,781.00	2,190,125.16	95%	99%
Own source payments 2010	2	-	-	-	-		
Salaries and wages		-	-	-	-		
Goods and Services		-	-	-	-		
Utilities expenses		-	-	-	-		
Subsidies and Transfers		-	-	-	-		
Capital Investments		-	-	-	-		
own source payments transferred from 2009	3	-	-	-	-		
Salaries and wages		-	-	-	-		
Goods and Services		-	-	-	-		
Utilities expenses		-	-	-	-		
Subsidies and Transfers		-	-	-	-		
Capital Investments		-	-	-	-		
Total from donor grants	4	€ 3,779,532.40	€ 3,779,532.40	€ 3,779,532.40	€ 2,952,686.26	78%	78%
Salaries and wages		3,779,532.40	3,779,532.40	3,779,532.40	2,952,686.26	78%	78%
Goods and Services		-	-	-	-		
Utilities expenses		-	-	-	-		
Subsidies and Transfers		-	-	-	-		
Capital Investments		-	-	-	-		

PRIVATISATION AGENCY OF KOSOVO

MAIN OVERVIEW FROM KOSOVO BUDGET FUNDS

as of 31-Dec-10

Budget Line Name	A. Budget Appropriation	B. Allocations	C. Commitments	D. Expenditures	E=A-D Unspent Budget	F=B-D Unspent Allocations	G=B-C Not Committed Allocations	H=C-D Unspent Commitments	C/A Percentage Committed vs Budgeted	D/A Percentage Spent vs Budgeted	C/B Percentage Committed vs Allocated	D/B Percentage Spent vs Allocated
Central Administration	1,578,871.00	1,578,871.00	1,559,317.44	1,440,164.21	138,706.79	138,706.79	19,553.56	119,153.23	98.76%	91.21%	98.76%	91.21%
Internal Audit	241,988.00	241,988.00	237,969.00	205,735.98	36,252.02	36,252.02	4,019.00	32,233.02	98.34%	85.02%	98.34%	85.02%
Legal	19,544.00	19,544.00	14,560.45	14,535.45	5,008.55	5,008.55	4,983.55	25.00	74.50%	74.37%	74.50%	74.37%
Corporate Governance	241,693.00	241,693.00	232,248.56	200,006.02	41,686.98	41,686.98	9,444.44	32,242.54	96.09%	82.75%	96.09%	82.75%
Liquidation	716,079.00	716,079.00	692,315.99	621,266.65	94,812.35	94,812.35	23,763.01	71,049.34	96.68%	86.76%	96.68%	86.76%
Privatisation	833,993.00	833,993.00	829,592.74	554,682.15	279,310.85	279,310.85	4,400.26	274,910.59	99.47%	66.51%	99.47%	66.51%
Trepca	5,019,601.00	5,019,601.00	5,019,590.12	5,018,070.84	1,530.16	1,530.16	10.88	1,519.28	100.00%	99.97%	100.00%	99.97%
TOTAL	€ 8,651,769.00	€ 8,651,769.00	€ 8,585,594.30	€ 8,054,461.30	€ 597,307.70	€ 597,307.70	€ 66,174.70	€ 531,133.00	99.24%	93.10%	99.24%	93.10%

Budget Line Name	A. Budget Appropriation	B. Allocations	C. Commitments	D. Expenditures	E=A-D Unspent Budget	F=B-D Unspent Allocations	G=B-C Not Committed Allocations	H=C-D Unspent Commitments
Wages & Salaries (11000)	197,776.00	197,776.00	189,194.53	189,165.06	8,610.94	8,610.94	8,581.47	29.47
Goods & Services (13000)	2,989,862.00	2,989,862.00	2,943,220.53	2,439,201.88	550,660.12	550,660.12	46,641.47	504,018.65
Public Services (13200)	85,480.00	85,480.00	85,437.78	82,197.94	3,282.06	3,282.06	42.22	3,239.84
Subsidies & Transfers (21000)	3,162,870.00	3,162,870.00	3,153,779.26	3,153,771.26	9,098.74	9,098.74	9,090.74	8.00
Capital Outlays (30000)	2,215,781.00	2,215,781.00	2,213,962.20	2,190,125.16	25,655.84	25,655.84	1,818.80	23,837.04
TOTAL	€ 8,651,769.00	€ 8,651,769.00	€ 8,585,594.30	€ 8,054,461.30	€ 597,307.70	€ 597,307.70	€ 66,174.70	€ 531,133.00

Budget Line Name	No. of commitments	No. of payments	Reconciled Payments	Advance Payments	Payments Pending Reconciliation
Central Administration	738	1,118	1,117	-	1
Internal Audit	6	19	19	-	-
Legal	16	14	14	-	-
Corporate Governance	52	302	302	-	-
Liquidation	277	579	579	-	-
Privatisation	224	377	371	-	6
Trepca	33	36	36	-	-
TOTAL	1,346	2,445	2,438	-	7

TOTAL TRANSACTIONS per working day		15.10
TOTAL TRANSACTIONS in fiscal year		3,791.00
Payments per working day		9.74
Commitments per working day		5.36
Total payments in current year		2,445.00
Total commitments in current year		1,346.00
Working Days in current year		251
Calendar Days in current year		365
Public holidays		(10)
Weekend days		(104)

PRIVATISATION AGENCY OF KOSOVO

REPORT AS PER ECONOMIC CODES FOR KOSOVO BUDGET FUNDS

Programme Code	Economic Code, Category and Budget Line Name	A. Budget Appropriations	B. Budget Allocations	C. Commitments	D. Expenditures	E=A-D Unspent Budget	F=B-D Unspent Allocations	G=B-C Not Committed Allocations	H=C-D Unspent Commitments
22800	30000 Capital expenditure	1,936,731.00	1,936,731.00	1,936,720.12	1,935,200.84	1,530.16	1,530.16	10.88	1,519.28
	Trepca	€ 5,019,601.00	€ 5,019,601.00	€ 5,019,590.12	€ 5,018,070.84	€ 1,530.16	€ 1,530.16	€ 10.88	€ 1,519.28
Code	Economic Category	A. Budget Appropriations	B. Budget Allocations	C. Commitments	D. Expenditures	E=A-D Unspent Budget	F=B-D Unspent Allocations	G=B-C Not Committed Allocations	H=C-D Unspent Commitments
11000	Wages & Salaries (11000)	197,776.00	197,776.00	189,194.53	189,165.06	8,610.94	8,610.94	8,581.47	29.47
13000	Goods & Services(13000)	2,989,862.00	2,989,862.00	2,943,220.53	2,439,201.88	550,660.12	550,660.12	46,641.47	504,018.65
13200	Utilities (13200)	85,480.00	85,480.00	85,437.78	82,197.94	3,282.06	3,282.06	42.22	3,239.84
21000	Subsidies and transfers (21000)	3,162,870.00	3,162,870.00	3,153,779.26	3,153,771.26	9,098.74	9,098.74	9,090.74	8.00
30000	Capital expenditure (30000)	2,215,781.00	2,215,781.00	2,213,962.20	2,190,125.16	25,655.84	25,655.84	1,818.80	23,837.04
	Total	€ 8,651,769.00	€ 8,651,769.00	€ 8,585,594.30	€ 8,054,461.30	€ 597,307.70	€ 597,307.70	€ 66,174.70	€ 531,133.00

REPORT FOR THE DONATION BY EUROPEAN COMMISSION LIASION OFFICE TO KOSOVO PRIVATISATION AGENCY OF KOSOVO

Organization Code	239	Programme Code	Fondi Burimor	49
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CENTRAL ADMINISTRATION BUDGET OVERVIEW - PER ECONOMIC CATEGORY

Budget Code	Economic Code	Economic Category	A. Budget Appropriation	B. Budget Allocation	C. Commitments	D. Expenditures	E=B-C Uncommitted Allocations	F=C-D Unspent Commitments
	11000	Wages & Salaries	3,779,532.40	3,779,532.40	2,952,686.26	2,952,686.26	826,846.14	0.00
	13000	Goods & Services	-	-	-	-	-	-
	21000	Subsidies & Transfers	-	-	-	-	-	-
	30000	Capital Outlays	-	-	-	-	-	-
		Subtotal	€ 3,779,532.40	€ 3,779,532.40	€ 2,952,686.26	€ 2,952,686.26	€ 826,846.14	€ 0.00

as of 31-Dec-10

CENTRAL ADMINISTRATION BUDGET OVERVIEW - PER BUDGET LINE ITEM

Budget Item No.	Economic Code	Economic Category	Budget Description	A. Budget Appropriation	B. Committed	C. Paid	D=B-C Unspent Commitments	E=A-B Available to commit	F=B/A % Committed against the budget
1	11000	Wages & Salaries	Gross salaries for PAK staff funded by European Commission	3,779,532.40	2,952,686.26	2,952,686.26	-	-	-
			TOTAL	€ 3,779,532.40	€ 2,952,686.26	€ 2,952,686.26	€ 0.00	€ 0.00	78.12%



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AGJENCIA KOSOVARE E PRIVATIZIMIT - KOSOVSKA AGENCIJA ZA PRIVATIZACIJU - PRIVATISATION AGENCY OF KOSOVO

No.8 Ilir Konushevci Street
10 000 Pristina, Kosovo
Tel: +381 (0) 38 500 400
Tel: +381 (0) 38 248 076
www.pak-ks.org