

Description	Content
<b>Registration number issued by the registry of the Commission:</b>	
<b>1. INFORMATION ABOUT THE ISSUER</b>	
Full and short company name	Bosnalijek, farmaceutska i hemijska industrija, dioničko društvo
Full address (postal code, city, street and number)	Jukićeva 53, 71000 Sarajevo
Telephone and fax	tel: +387 33 254 401; fax: +387 33 664 971
E-mail	info@bosnalijek.ba
Web site	www.bosnalijek.ba
Core business	Production and sales of pharmaceutical products
Number of employees	633
Number of business units and representative offices	2 offices in BiH, 2 companies abroad, 9 missions abroad, and 8 representatives abroad
External auditor name and headquarters	KPMG BH d.o.o., Sarajevo
Indication of whether the financial statements for the period are audited by external auditor	Yes
Board members of external auditor	
<b>2. SUPERVISORY BOARD AND MANAGEMENT BOARD</b>	
President and members of the Supervisory Board	Veljko Trivun - President; Rifat Klopić - member; Abdulhakim M.El Misurati - member; Abdul - Umid Šalaka - member; Edin Buljubašić - member
Names and functions of Management Board	Edin Arslanagić - Manager; Belma Abazović - Executive Director; Šefik Handžić - Executive Director; Nermin Zubčević - Executive Director.
Number of shares which members of the supervisory and management board own and it's participation in the total amount of shares in the capital	Supervisory board: Veljko Trivun - President 897 (at the beginning of period) and 897 (at the end of period); Rifat Klopić - member 0 and 0; Edin Buljubašić - member 1.391 and 2.500; Abdul - Umid Šalaka - member 13.857 and 14.229; Abdulhakim M.El Misurati - member 0 and 0; Management board: Edin Arslanagić - Manager 34.592 and 34.592; Belma Abazović - Executive Director 610 and 610; Šefik Handžić - Executive Director 11.590 and 11.940; Nermin Zubčević - Executive Director 1.120 and 1.120.
<b>3. STOCK DATA AND SHAREHOLDERS</b>	
Total number of shareholders at the end of reporting period	6.426
Number of issued shares and the nominal price per share at the end of reporting period	Number of shares: 7.596.256 ordinary shares and 233.731 shares to employees; Nominal value: 10,00 KM
Name of each person that owns more than 5% of shares with voting rights at the end of the reporting period	Federalno ministarstvo energije, rudarstva i industrije - 19,26 %; The Economic and Social Development Fund (LYBIA) - 8,78 %; International Finance Corporation (USA) - 8,37 %
<b>4. INFORMATION ON LEGAL ENTITIES OWNED BY THE COMPANY</b>	
Name of legal entity in which the company owns more than 10% of the shares at the end of the reporting period	
<b>5. DATA ON GENERAL MEETING OF THE SHAREHOLDERS DURING THE REPORTING PERIOD</b>	
Date and place	19.06.2010 godine, Bosnalijek d.d., Jukićeva 53, Sarajevo
Agenda	<ol style="list-style-type: none"> <li>1. Electing Assembly president and two verifiers of the Minutes;</li> <li>2. Adopting Annual Report on Company Operations for 2009, with reports of auditor, Supervisory Board and Auditing Board;</li> <li>3. Making Decision on allocating and the way of using profit gained according to Annual Report on Company Operations for 2009;</li> <li>4. Reaching Decision on allocating a part of income from year 2008 into the reserve fund;</li> <li>5. Adopting Business Plan for 2010;</li> <li>6. Voting on confidence in Supervisory Board members</li> </ol>
Important decisions made at the meeting	
<b>6. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD</b>	
Information on the securities and the use of capital obtained through the placement of securities in the reporting period;	There was no issue of securities to increase capital
Information on assets transactions in the extent greater than 10% of the total assets of the company	
Information on the reduction or increase in assets by more than 10% in comparison to the previous year report	
Information on the reduction or increase in net profit or loss by more than 10% in comparison to the previous year report	Net profit achieved is 4.2 million, which is confirmed by an independent auditor in his report on the financial operations of the Company in 2010. The difference in net profit, compared to the previous period of 53 percent, is the result of lower sales income than the previous year (7.2%) due to reductions in selling prices, which despite the increase in the number of sold packages of unit (3%) and internal savings of 3.2% could not be replaced. In addition, net profit was also affected by the events that were registered in February of 2011 which related to the business of year 2010. These events required the write-off of investment which can not be realized due to circumstances beyond the power of the Company and write off uncollectible receivables older than one year.

In Sarajevo on 28.04.2011.

Report compiled by:

Dejan Đorđević

Director of Issuer:

Edin Arslanagić

Issuer: *Bosnalijek d.d.*  
**INCOME STATEMENT**

Form *OEI-PD*

Table *B*

For the period:

01.01.-31.12.2010.

In '000 KM

<i>Description</i>	<i>Previous period</i>	<i>Current period</i>
Sales income	109.551	101.659
Expenses for the sold	(38.891)	(39.515)
<b>Gross profit (loss)</b>	<b>70.660</b>	<b>62.144</b>
Distribution expenses		
Expenses of management and administration	(54.052)	(52.342)
Other operating expenses	(1.291)	(1.174)
<b>Profit (loss) from operating activities</b>	<b>15.317</b>	<b>8.628</b>
Net income/expense in the profit share of associated companies		
Net income/expense from investments in other affiliates		
Net financial income/expense, including interest expenses	(2.955)	(2.014)
Net income/expense from changes in value of fixed assets	(1.432)	(1.831)
Net income/expense from the sale of fixed assets	55	12
Net other income/expense	(1.996)	(614)
<b>Profit (loss) before taxes</b>	<b>8.989</b>	<b>4.182</b>
<b>Income tax</b>		
<b>Net profit (loss) for the period</b>	<b>8.989</b>	<b>4.182</b>

In Sarajevo on 28.04.2011.

Report compiled by:

Dejan Đorđević

Director of Issuer:

Edin Arslanagić

Description	Previous period	Current period
<b>ASSETS</b>		
<b>A. SUBSCRIBED UNPAID CAPITAL</b>		
<b>B. NON-CURRENT ASSETS</b>	<b>88.296</b>	<b>84.884</b>
Non-current intangible fixed assets	1.451	647
Real estate, facilities and equipment	85.501	82.488
Biological assets		
Other non-current tangible assets	765	<b>798</b>
Long-term financial investment and loans	480	617
Long-term receivables	1	293
Real estate investment		
Assets classified as assets intended for trade		
Non-current prepayment and accrued income	98	40
<b>C. CURRENT ASSETS</b>	<b>85.169</b>	<b>92.021</b>
Stocks	20.382	21.725
Trade receivables	56.579	59.048
Other current receivables	3.471	2.756
Current financial placements	712	258
Cash and cash equivalents	3.439	7.432
Accruals	585	802
<b>D. LOSS ABOVE THE VALUE OF CAPITAL</b>		
<b>TOTAL ASSETS</b>	<b>173.464</b>	<b>176.905</b>
<b>Off - balance records</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>A. EQUITY</b>	<b>113.893</b>	<b>118.075</b>
Shareholders equity	71.743	71.743
Sharehold premium	3.913	3.919
Revalued and transferred reserves		
Other reserves	24.433	30.331
Retained earnings	13.988	12.184
Retained losses		
Treasury shares	(183)	(101)
<b>B. NON-CURRENT LIABILITIES</b>	<b>5.371</b>	<b>6.813</b>
Non-current financial liabilities	4.384	5.257
Non-current prepayments and provisions for liabilities and charges	987	1.556
Non-current liabilities classified in the group with assets intended for trade		
<b>C. CURRENT LIABILITIES</b>	<b>54.200</b>	<b>52.017</b>
Current financial liabilities	20.666	20.097
Liabilities toward suppliers and other liabilities	25.436	22.815
Current liabilities classified in the group with assets intended for trade		
Deffered income	8.098	9.106
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>173.464</b>	<b>176.905</b>
<b>Off-balance records</b>		

In Sarajevo on 28.04.2011.

Report compiled by:

Dejan Đorđević

Director of Issuer:

Edin Arslanagić

On: **31.12.2010.**

In '000 KM

Description	Mark	Previous period	Current period
<b>Cash flow from operating activities</b>			
<b>Net income (loss)</b>		<b>8.989</b>	<b>4.182</b>
Adjustment for:			
Amortization/value adjustment of intangible assets	+	1.517	714
Losses (gains) on intangible assets	+/-		
Amortization/value adjustment of tangible assets	+	7.849	7.141
Losses (gains) on tangible assets	+/-		
Adjustment based on financial fixed assets	+/-		
Exchange rate differences	+/-		
Other adjustments for non-cash items and trends relating to investment and financing activities	+/-		
<b>Total</b>		<b>9.366</b>	<b>7.854</b>
Inventories decrease (increase)	+/-	1.962	(1.343)
Trade receivables decrease (increase)	+/-	(15.922)	(2.469)
Other receivables decrease (increase)	+/-	(708)	423
Decrease (increase) of accruals	+/-	(334)	(158)
Increase (decrease) in accounts payable	+/-	1.699	(1.292)
Increase (decrease) of other liabilities	+/-	2.726	(1.329)
Increase (decrease) of deferred income	+/-	4.643	1.577
<b>Total</b>		<b>(5.933)</b>	<b>(4.592)</b>
<b>A. Net cash flow from operating activities</b>		<b>12.422</b>	<b>7.444</b>
<b>Cash flow from investment activities</b>			
Acquisition (sale) of fixed intangible assets	-/+	(722)	90
Acquisition (sale) of fixed tangible assets	-/+	(9.078)	(4.161)
Acquisition (sale) of shares in subsidiarys	-/+		(82)
Acquisition (sale) of shares in associated companies	-/+	(4)	(5)
Given loans (repayment of loans) to companies in the group	-/+		
Given loans (repayment of loans) to other related companies	-/+		
Acquisition (sale) of other investments	-/+	(6)	()
Given loans (repayment of loans) to other companies	-/+	331	403
Other cash flows from investing activities	-/+		
<b>B. Net cash flow from investment activities</b>		<b>(9.480)</b>	<b>(3.754)</b>
<b>Cash flow from financing activities</b>			
Gain from issuance of shares and other forms of capital increase	+		5.904
Purchase of shares and other forms of capital	-		
Acquisition (sale) of treasury shares	-/+	(183)	82
Received borrowed funds	+	40.215	58.127
Return of borrowed funds	-	(39.200)	(57.824)
Dividends paid	-	(2.191)	
Other cash flows from financing activities	-/+	(197)	(5.985)
<b>C. Net cash flow from financing activities</b>		<b>(1.556)</b>	<b>303</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>		<b>1.387</b>	<b>3.994</b>
<b>Cash on the start of the period</b>		<b>2.051</b>	<b>3.439</b>
<b>Cash at the end of period</b>		<b>3.439</b>	<b>7.432</b>
<b>Difference</b>		<b>1.387</b>	<b>3.994</b>

In Sarajevo on 28.04.2011.

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Director of Issuer:  
Edin Arslanagić

Issuer: *Bosnalijek d.d.*

**STATEMENT OF CHANGES IN EQUITY**

Form OEI-PD

Table E

In '000 KM

Description	Shareholders equity	Sharehold premium	Revalued and transferred resrves	Other reserves	Retained earnings	Retained losses	Proprietary share	Total
<b>Balance on 31.12..2008.</b>	<b>71.743</b>			<b>23.415</b>	<b>11.938</b>			<b>107.095</b>
Effects of changes in accounting policy and corrections of errors								
<b>Again Balance on 31.12..2008 or on 01.01.2009.</b>	<b>71.743</b>			<b>23.415</b>	<b>11.938</b>			<b>107.095</b>
Effects of revaluation of tangible and intangible assets								
Effects of revaluation of long-term financial investments								
Exchange differences								
Other gains/losses of the period which are not included in the income statement								
Transfer (from) on				4.930	(4.930)			
Net profit/loss period expressed in the income statement					8.989			<b>8.989</b>
Dividends and other forms of profit distribution and loss coverage					(2.191)			<b>(2.191)</b>
Issue of shares and other forms of capital increase or reduction of capital					183		(183)	
<b>Balance on 31.12.2009.</b>	<b>71.743</b>			<b>28.345</b>	<b>13.988</b>		<b>(183)</b>	<b>113.893</b>
Effects of changes in accounting policy and corrections of errors								
<b>Again Balance on 31.12.2009. or on 01.01.2010.</b>	<b>71.743</b>			<b>28.345</b>	<b>13.988</b>		<b>(183)</b>	<b>113.893</b>
Effects of revaluation of tangible and intangible assets								
Effects of revaluation of long-term financial investments								
Exchange differences								
Other gains/losses of the period which are not included in the income statement								
Transfer (from) on				5.904	(5.985)			<b>(82)</b>
Net profit/loss period expressed in the income statement					4.182			<b>4.182</b>
Dividends and other forms of profit distribution and loss coverage								
Issue of shares and other forms of capital increase or reduction of capital							82	<b>82</b>
<b>Balance on 31.12.2010.</b>	<b>71.743</b>			<b>34.249</b>	<b>12.184</b>		<b>(101)</b>	<b>118.075</b>

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<i>Position on which comment or note refers</i>	<i>Comment or note</i>
Table A - Names and functions of Management Board	On the 30th July of 2010 Nedim Vilogorac ceased the mandate of the executive director for corporate finance and communication by the Agreement on termination of the powers, responsibilities and rights of the executive director for corporate finance and communications, signed at the request of Nedim Vilogorac.

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