INSTRUCTIONS

Fundamental Analysis Module

Content:

1.	INTRODUCTION	3
	1.1 What is fundamental analysis?	
2.	COMPANY ANALYSIS	5
	2.1. COMPANY VIEW	
	2.3. Market data and ratios	
3.	COMPARATIVE ANALYSIS	10
4	STOCK SCREENER	12

1. Introduction

The Module "Fundamental analysis of shares" is a separate part of a package of services that are contained in the subscriber package" BestNetAnalitka". This module is designed to allow the user to make a fundamental analysis of companies and comparative analysis of indicators, rates and balance sheet positions at several companies.

As a special feature that works on the same platform of the module "Fundamental analysis of shares" is the option" Stock screener", which will help the end user, with a combination of previously set indicators, market (indicators) rates and balance sheet positions to select companies that meet his investment horizon.

1.1 What is fundamental analysis?

Fundamental analysis goes beyond the daily ups and downs of a stock and focuses on the company behind the stock. Fundamental analysis is about looking at the way a company does business, how sound it looks and what the future prospects of the company might be. Some of the factors to consider when analyzing the fundamentals of a company include:

- Is the company making a profit? This can be a tough one to consider right now, since so many companies are not making profits due to the recession. But you can get a feel for a company's performance by looking at what sort profits it was making before, and by looking into the reasons that the company's profits have tapered off. And there are some companies that are still making profits, even during the recession. Focusing on these right now could be a good idea. Related to profits are whether or not margins are growing, and whether revenues are increasing. You should also consider the competitive landscape to understand if the profits can be maintained in the future.
- Can the company repay its debt? All companies have debt. It's part of doing business. But you should look at how much debt the company has. And whether or not the company can repay its obligations. This can be done by carefully looking at the debt levels of the company, its cash flow and the amount of 'interest coverage', i.e. the ratio between the cash flow and the amount of interest the company owes on its debt in a year.
- Is there potential for growth? How likely is it that the company can maintain its position against or — even better — beat its competition? What are the future prospects for the company? Do you see potential for growth? Do the products and/or services offered offer quality or fulfill a need? Does the company adapt to the changing times? Can the company expand its market by selling globally?
- What is the management like? Does management try to do what's best for the company? Also, be aware of whether the management is qualified and competent. Look for the accounting practices used by

the company. Is management trying to "cook the books" with creative money shuffling? One of the ways to gauge how committed the management is to the success of the company is by looking at how much stock of the company does the management own as well as recent transactions. If you find that the management owns a large portion of the stock, and has been recently acquiring more stock, it is typically an indicator that the management believes that the company is well positioned for future growth and the stock price is attractive for investment. Having significant 'skin' in the game also ensures that the management will be focused on making decisions that increase shareholder wealth.

When you consider the fundamentals of a company, it is important to realize that there are quantitative issues and qualitative issues to consider. Quantitative issues are those that deal almost exclusively with numbers. This is looking at the way money flows through the company, understanding balance sheets and income statements, and considering the assets v. liabilities of a company in cold, hard numbers terms. The qualitative side of fundamental analysis requires that you look at the intangible aspects. What is the character of the company? Qualitative fundamental analysis requires that you look at the calibre of the management team and the ethical standards upheld by the company. Competitive advantage and the business model of the company are also qualitative factors.

Using fundamental analysis to make long-term investing decisions

Fundamental analysis is often used by buy and hold investors who want to own stock in companies that have long-term earning potential. A company with sound fundamentals and conservative accounting is more likely to be profitable in the long run. These are companies that make solid decisions that prepare them to survive economic down cycles and thrive afterward. A company with good capitalization, positive cash flow, a well-thought out business model and a management that is intelligent, competent and ethical is more likely to survive and offer solid returns over time. Of course, such companies also offer lower returns than some of the flashier companies. You trade the possibility of astounding short-term earnings for long-term solidity and a greater degree of security.

Fundamental analysis can be used for more than just choosing stocks to invest in. It is possible to apply the big picture analysis to wider trends in economies, industries and sectors. Fundamental analysis can also be applied to funds, currencies and commodities.

1.2. What the Module "Fundamental analysis of stocks" offers you

The Module "Fundamental analysis of stocks", together with the other components of the package "BestNetAnalitika", "Technical analysis of stocks", "My portfolio" and the basic "BestNet" package, offers you a complete solution for monitoring the trading in shares of companies traded on the Macedonian Stock Exchange and a complete solution that will facilitate your analysis of the operations of companies and will enable you a well-founded investment decision.

The Module "Fundamental analysis of shares", offers you information's on

more than 100 companies traded on the Official market and the Market for joint stock companies with special reporting responsibilities registered in the Registry of the Securities and Exchange Committee.

In terms of depth of data the Module "Fundamental analysis of the shares" offers data form the audited annual financial statements and quarterly interim un-audited financial reports for the last 4 years.

The Module "Fundamental analysis of shares" contains more than 70 different financial indicators for companies and more than 40 indicators for banks.

The analysis of the company's financial statements gives an opportunity to monitor and compare the values for the last 3 years on an annual basis, to monitor the results by quarters, observe the data in MKD, EUR and USD, to analyse the annual changes in the balance sheet positions and to make analysis of the reports by using the "Common size Reporting tool.

Besides observing the financial performance of companies, the module "Fundamental analysis of stocks" offers you on a single platform a collected and processed data for the dividends paid to companies for the last 4 years, data about the largest shareholders of the company, the management of the companies as well as information about the member companies of the group.

The separate component of the module "Fundamental analysis of stocks" allows you to tract the performance of multiple companies and to make comparison of the values and financial indicators. The component "Comparative analysis" allows you to compare and follow large number of financial indicators from different companies and to track the indicators by sectors and industries. The module provides grouping and simultaneously monitoring numerous different analyses of several companies.

The option "Stock screener" which is separate part of the module "Fundamental analysis of shares", allows selection of the profile of the company in which you want to invest through a simple filtering of financial values and indicators for all companies tracked in the module "Fundamental analysis of shares". This represents a simplified solution for choosing of separate company's financial values and indicators that will lead you to a solid investment decision.

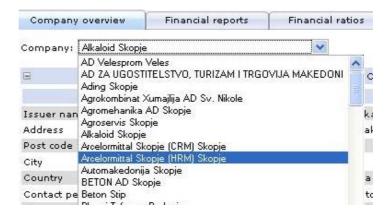
2. Company analysis

The option "Company analysis" includes five separate tabs, including:

- Company view
- Indicators
- Market data
- Corporate Actions

2.1. Company view

After first login to the user, as a default company that is set for analysis is the company Alkaloid AD Skopje. Users' thought the menu tab can choose a company that wants to analyze.



The first page of the module contains four sets of data, including:

- Basic information about company
- Data on securities
- Condensed financial report for last year
- Companies Financial rates

The first set of data is related to the essential company's data, such as address, contact phone numbers and e-mail addresses, brief description of activities and their industry classification of the company sorted according to the GISC (Global Industry Classification Standard) methodology.

Cor	npany data
Issuer name	Alkaloid Skopje
Address	Aleksandar Makedonski 12
Post code	1000
City	Skopje
Country	Republika Makedonija
Contact person	Viktor Stojcevski
Phone	+389 2 3104 305
Fax	+389 2 3104 036
e-mail	vstojcevski@alkaloid.com.mk
Web site	www.alkaloid.com.mk
Industry Classification	Pharmaceuticals
Sector	Health care
Established date	
Number of employees	1158

Alkaloid AD Skopje e kompanija koja raboti na proizvodstvo na lekovi, prerabotka na bilni surovini i proizvodstvo na kozmeticki i hemiski proizvodi. Kompanijata nudi nekolku iljadi razlicni farmacevtski, hemiski, kozmeticki i prehrambeni produkti, i The next display contains information about the securities issued by the company, as well as data from the last trading day with the securities and indicators for price movement of the security in the last 30 days, 3, 6 and 12 months and data about the average daily turnover for the last 3 and 12 months.

Secu	rities
Symbol	ALK
Market segment	Oficijalen pazar
Market subsegment	Berzanska kotacija - obicni akcii
Security type	obicni akcii
ISIN	MKALKA101011
Total shares	1431353
Nominal value	25.56
Last trade	2/11/2010
Avg, Price in MKD	4,907.57
Volume	232
Value in MKD	1,138,557.00
% Change 1 month Ago	2.58%
% Change 3 month Ago	-16.11%
% Change 6 month Ago	10.81%
% Change 1 Year Ago	44.34%
Average daily turnover last 3 months	1,604,905.21
Average daily turnover in last 52 weeks	1,632,254.15

The third set of data contents data with the most important financial ratios of the company. The display at the start shows data about the period from which the indicators are calculated (often calculated from the annual audited consolidated financial statements) but the module has also entered data which are calculated on a rolling (trailing) 12 months data (eg. Calculations of the P / E and P / Sales ratios).

Financial ratios	
Reporting period	12/31/2008
Report type	Consolidated
Audit type	Audited
Return on equity 🖲	8.63%
Return on assets 🕖	7,10%
Operating margin 🕖	13.01%
Return on sales (ROS) ②	13,80%
Net earnings per share (EPS) 🕖	350.57
Book value per share ②	4,061.85
Sales per share ②	3,301.59
Quick ratio 😨	1.55
Total Assets / Equity 🕑	1.22
Debt to Equity ratio 🕐	0.22
Trailing Price to Earnings ratio 📵	14.49
Trailing Price to Sales ratio 🕝	1.56
Price to BVPS 📵	1.21
Altman Z-Score 🕑	5.25

The last set of data contents data from the latest annual audited or a halfyearly un-audited financial report.

Financial data is	n MKD
Reporting period	6/30/2009
Report type	Consolidated
Audit type	Non Audited
Total Assets	7,450,142,000.00
Non-Current assets	4,074,735,000.00
Current assets	3,375,407,000.00
Cash and cash equivalents	127,382,000.00
Receivables	1,714,470,000.00
Current liabilities	1,505,691,000.00
Long-term liabilities	45,246,000.00
Equity	5,899,451,000.00
Retained earnings	1,387,942,000.00
Sales Revenue	2,675,786,000.00
Operating Income	326,350,000.00
Net Financial Income	-20,281,000.00
Net Income	281,623,000.00

2.2. Financial ratio analysis

The Module "Fundamental analysis of shares" contains more than 70 different financial indicators for companies and more than 40 indicators for banks that are listed on the Official market of the Macedonian Stock Exchange and are traded on the Market for joint stock companies with special reporting responsibilities registered in the Register of the Securities and Exchange Commission. The formulas for calculating the indicators of the company are given at the end these Guidelines for using the module "Fundamental analysis of stocks".

Before you begin your analysis of the financial indicators of the company, it is necessary to choose the type of reports you want to analyze (non-consolidated or consolidated or audited or un-audited) and the period of analysis.



In short, your report looks like this:

Company overview	Financial reports	Financial ratios	Market data	Corparate actions		
Company: Alkaloid Skop Report Type: Oconsolidated Audit Type:	O Non-Consolidated		Starting period: Currency:	processor and a second		
Audited	Non-Audited					Show data
				2008	2007	2006
Profitability ratios						
Return on equity 🕑				8.63%	6.89%	6.599
Return on average equit	ty 🕑			8.90%	7.07%	6.749
Return on assets 🔞				7.10%	5.57%	5.259
Return on average asse	ts 🕐			7.26%	5.68%	5.389
Return on fixed assets (3			12.77%	9.30%	8.41%
Return on capital emplo	yed (ROCE) 🕖			11.13%	9,40%	7.99%
Revenue to assets ratio	②			0.71	0.62	0.58
Revenue to average ass	sets ratio 🕖			0.73	0.63	0.5
Sales to non-financial a	ssets ratio 🕐			0.70	0.62	0.5
Sales to Short-term Liab	oilities 🕜			3,90	3.36	4.2
Sales to Inventory 📵				3.76	4.03	3.5
Sales to Inventory 🕝				2.97	2.86	2,83
Working Capital turnove	er ②			2.45	2.66	2.2
Working Capital 🕖				1,929,067,000.00	1,513,271,000.00	1,602,449,000.0
Current Assets to Short-	term Liabilities ratio 🕙			2.59	2.26	2.9
Return on sales (ROS)	9			13,80%	13.00%	12.809
Total Assets / Equity 🕖				1.22	1.24	1.2
EBITDA 😨				885,982,000.00	522,838,000.00	633,839,000.0
EBITDA margin 🕑				17.67%	12.51%	16.929
EBITDA / Long Term Ass	sets 🕖			0.23	0.13	0.10
EBITDA / Total Assets @)			0.13	0.08	0.1
Dididend per share / EB:	ITDA ②			22.08%	30.42%	19.789
Operating profit (EBIT)	9			652,332,000.00	522,838,000.00	452,528,000.0
Operating margin (2)	(C)			13.01%	12.51%	12.089
Net profit ②				501,784,000.00	376,529,000.00	341,578,000.0
Net profit margin 🕖				10.01%		
Gross Profit (2)				2,257,021,000.00	1,854,693,000.00	1,405,563,000.0
Gross profit margin (2)				45.00%		
Dividend payout ratio (9)				38.99%	42,24%	36.709

2.3. Market data and ratios

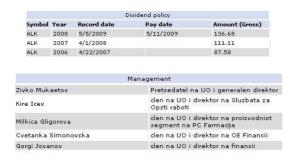
The tab related to the market data and indicators, displays the data from the last trading with the ordinary shares of the company; derived data for the price movement of the ordinary shares; indicators calculated based on the last trading price of the ordinary shares and data from the last audited and consolidated financial reports; Trailing (Rolling) Price to Earnings per share ratio calculated for the last 12 months.

View of the Market data and ratios tab:

Company: 1	Alkaloid Sko	pje				Trade da	ta
Currency:	MKD	~				Last trade date	2/11/2010
			Security d	escription		Open	4,850.00
Market seg	ment			Oficijal	en pazar	Close price	4,950.00
Market sub	segment			Berzanska kotacija - ob	icni akcii	Highest price	4,950.00
Security typ	e			Ordinar	y Shares	Lowest price	4,850,00
ISIN				MKALK	101011	*Avg Price in MKD	4,907.57
Total share	s				L431353	Volume:	232
Symbol					ALK	Turnover	1,138,557.00
Nominal va	lue			25	25.56 EUR Trades		21
52 weeks high			6,700.00	Price to Earnings ratio ③ Dividend Yield ②		24.9	
			Performance			Share ratios of the is:	suer
52 weeks low			2,445.00	Dividend Yield (2)		2.799	
					Price to	BVPS ②	1.1
% Change 1	117			2.58%	Price to Retained Earnings per share ②		5.0
% Change 3	month Ago			-16.11%	Price to Sales ratio 💿		2.6
% Change 6	month Ago			10.81%	Price to Cash Flow ratio ②		62.3
% Change 1	Year Ago			44.34%	200000000000000000000000000000000000000	EBIT ratio ②	21.5
Average daily	turnover this	mont	:h	1,464,755.64		EBITDA ratio 💿	15.6
Average daily turnover last 3 months			1,604,905.21	P/E 52 weeks high		34.0	
Average daily turnover this year			1,347,449.15	P/E 52 weeks low Trailing Earnings per share ②		12.4 338.6	
Average daily turnover in last 52 weeks			1,632,254.15	Trailing Price to Earnings ratio 🕖		14.4	

2.4. Corporate actions

Besides observing the financial performance of companies, the module "Fundamental analysis of stocks" offers you on a single platform a collected and processed data for the dividends paid to companies for the last 4 years, data about the largest shareholders of the company, the management of the companies as well as information about the member companies of the group.

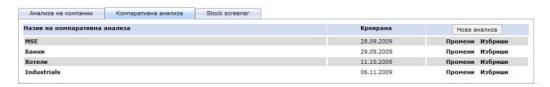


	Shareholders		
Name	Report date	% of total shares	
Zivko Mukaetov	7/1/2009	6.29	
Biljana Mukaetova	7/1/2009	5.04	
	Associated companies		
ALK&KOS Farmaceuticals Spk I	Pristine, kosovo		
Alkaloid Spk Tirana, Albania			
Alkaloid USA LLC Columbus, C	hio, USA		
Alkaloidfarm SA Friburg, Switze	erlad		
Alkaloid DOO Belgrad, Srbija			
Alkaloid DOO Zagreb, Hrvatsk	a		
Alkaloid DOO Lublana, Sloven	ija		
Alkaloid DOO Podgorica, Crna	Gora		
Alkaloid DOO Saraevo, Bosna	i Hercegovina		
Alkaloid EOOD Sofija, Bugarija			
Alkaloid Kons DOOEL Skopje,	Makedonija		
Alkaloid premazi DOO Skopje,	. Makedonija		
	usita		

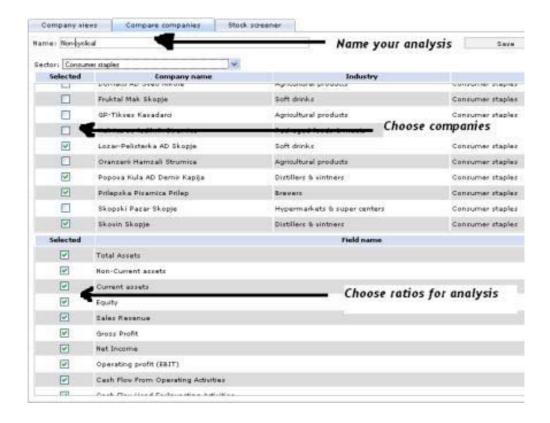
3. Comparative analysis

The special component of the module "Fundamental analysis of stocks" allows you to track the performance of several companies and to make a comparative analysis of their values and indicators. The component "Comparative analysis" allows you to compare and follow large number of financial indicators from different companies and to track the indicators by sectors and industries. The advantage of this tool is the user's ability to adapt its analysis for a number of individual securities and to a specific number of tests and to save the user predefined analysis for observing them in future.

Below is displayed the first page of the tab "Comparative analysis of shares". The module does not limit the number of tests you can make and save them for further analysis and monitoring. You can only track of 5 companies in one test in order the monitoring of the companies and their performance to be easier to monitor.



Choose your analysis, in 3 simple steps. At first specify the name of your analysis, and then by crossing-out the fields for a specific company choose the company that you want to monitor in the analysis and at the end by crossing-out the financial ratios fields you can select the type of analysis you want to make to the selected companies.



In short, your analysis will look like this:

Анализа на компании Компаративна	анализа Stock scre	ener			
				Назад к	он листа со анализи
	Алкалонд АД Скопје (2008)	БЕТОН АД Скопје (2008)	Гранит Скопје (2008)	Македонски Телеком Скопје (2008)	Скопски Пазар Скопј (2008)
□ Сметководствени податоци					
Вкупно средства	7.071.455.000,00	2.741.810.000,00	5.085.050.000,00	31.382.695.000,00	2.273.353.000,0
Постојани средства	3.929.897.000,00	716.717.000,00	2.537.585.000,00	17.045.815.000,00	1.922.687.000,0
Вкупно тековни средства	3.141.558.000,00	2.025.093.000,00	2.547.465.000,00	14.336.880.000,00	350.666.000,0
Главнина	5.813.945.000,00	1.848.330.000,00	2.857.524.000,00	26.430.520.000,00	648.709.000,0
Приходи од продажба	4.725.737.000,00	1.350.109.000,00	2.989.676.000,00	18.603.199.000,00	2.083.163.000,0
Бруто профит ②	2.257.021.000,00				
Нето добивка 🕜	501.784.000,00	20.051.000,00	400.508.000,00	6.253.536.000,00	52.420.000,0
Оперативна добивка (EBIT) ②	652.332.000,00	16.992.000,00	190.473.000,00	6.527.150.000,00	123.491.000,0
Парични тек од оперативни активности	705.100.000,00	-33.416.000,00	441.065.000,00	9.551.710.000,00	-88.374.000,0
Парични тек од инвестициони активности	-395.219.000,00	-31.416.000,00	-154.084.000,00	-5.385.765.000,00	-199.019.000,0
Парични тек од финансиски активности	-329.171.000,00	378.403.000,00	-168.645.000,00	-9.783.071.000,00	226.500.000,0
⊞ Показатели за активата					
□ Показатели за ликвидноста и профитабилноста					
Тековен индикатор 🕐	2,59	2,27	1,35	3,41	0,4
Брз индикатор ②	1,55	1,98	0,89	3,35	0,2
Маргина на солвентност ②	0,59	0,08	0,28	1,87	0,1
Стапка на поврат од продажба (ROS) 🕐	13,80%	1,26%	6,37%	35,09%	5,939
ЕВІТОА маржа ②	17,67%	4,84%	11,47%	47,90%	10,549
Оперативна маргина ?	13,01%	1,22%	5,19%	32,84%	5,739
Нето профитна стапка ②	10,01%	1,43%	10,90%	31,46%	2,439
Бруто профитна стапка 🔞	45,00%				
Принос на просечен капитал (ROAE) ②	8,90%	1,14%	15,04%	22,18%	6,639
Принос на вкупните просечни средства (РОАА) ?	7,26%	0,78%	8,22%	19,20%	2,35%
Принос на постојани средтсва (ROFA) ②	12,77%	2,80%	15,78%	36,69%	2,739
Altman Z-Score ②	9,14	2,39	2,79	10,04	2,1
□ Пазарни показатели					
Пазарна капитализација	15.193.125.045,56	1.909.670.000,00	6.449.891.700,00	62.593.266.258,91	3.440.444.500,0
% промена во посл. 30 дена	51,81%	23,98%	34,76%	60,17%	35,619
% промена во посл. 1 година	106,14%	105,71%	99,90%	104,31%	103,099
Нето добивка по акција 🕜	350.57	367,49	130,40	65.25	738.97

4. Stock Screener

The option "Stock screener" which is separate part of the module "Fundamental analysis of shares", allows selection of the profile of the company in which you want to invest through a simple filtering of financial values and indicators for all companies tracked in the module "Fundamental analysis of shares". This represents a simplified solution for choosing of separate company's financial values and indicators that will lead you to a well-founded investment decision.

In order to make your analysis easier to monitor, the maximum number of financial values and indicators that can be inserted into the analysis is limited to 11.

On your right upper part of the screen you can enter financial statement values and indicators. Deleting any of the financial data and indicators is done simply by selecting the field boxes. Through specific scroll buttons that are located on the upper-left corner of the screen or directly by entering a value in the left or right display value boxes, you can filter your results and gradually reduce the number of companies.

The initial display of the tab "Stock screener" is by an alphabetical order of the companies. The analysis tool "Stock screener" allows sorting data by columns in ascending and descending order, showing the greatest magnitude as first (regardless of the type of analysis).

