



PUBLIC ENTERPRISE FOR THE MANAGEMENT OF RESIDENTIAL AND COMMERCIAL PROPERTY OF THE REPUBLIC OF MACEDONIA

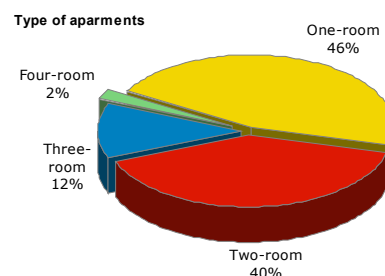
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Activities

The core business activity of the public enterprise is management of residential and commercial real estate, property of the Republic of Macedonia.

Housing management

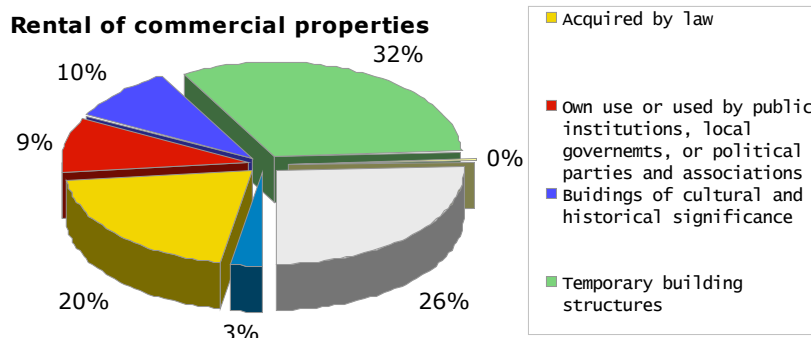
The number of apartments under the management of the public enterprise in 2007 was 5048, of which 68.75% are buildings made of solid materials, 11.35% are prefabricated structures and 14.54% are sub-standard structures.



Management of commercial properties

The public enterprise manages a total of 2.556 commercial properties with a total of 180.172 m². Of these, 434 with a total area of 43.481m² are available for sale.

The remaining portion of these properties cannot be put up for sale due to legal restrictions, however, they are rented.



Construction

Construction and sale of apartments and office space is an important part of the enterprise operation. With regard to the number of buildings under construction, the purposes for which they are built and the complexity of their management, construction activities are organized in several projects, as summarized below:

1. Previous construction projects

In the previous years the public enterprise began the development of several properties, which are expected to complete in 2008.

PREVIOUS CONSTRUCTION PROJECTS	AREA (M ²)
Residential (6 buildings with 351 apartments)	20.969 m ²
Commercial	982 m ²



2. New construction

Planned construction consists of the following properties, located in Skopje, Bitola, Ohrid and Strumica, expected to be finished in 2009.

NEW CONSTRUCTION	AREA (M2)
Residential (8 buildings with 280 apartments)	15.906 m2
Commercial	2.392m2

3. Housing for young couples

Under this program, which spans several years of time, planned construction includes the properties listed below. All buildings are located in Skopje and their completion is expected in 2009.

HOUSING FOR YOUNG COUPLES	AREA (M2)
Residential (6 buildings with 321 apartments)	19.867 m2
Commercial	3.685 m2

4. Phare programme and Council of Europe Project 1340 – Fund for development of housing for rent to persons with low wages

Completion of one building with 38 apartments and 1.127m2 in 2008. This project is implemented by the Ministry of transport and communications, through the Public enterprise.

5. Social housing

The social housing project includes construction of apartments in Skopje, Gevgelija, Bitola, Ohrid, Prilep, Kičevo, Makedonska Kamenica, Kočani, Berovo, Kriva Palanka, Štip, Kavadarci, Strumica, Gostivar and Debar. The construction of these apartments is underway and the project is scheduled to complete in 2009.

SOCIAL HOUSING PROJECT	AREA (M2)
Residential (20 buildings with 1.045 apartments)	42.028 m2
Commercial	1.714 m2

6. Buyout of apartments (pursuant to the provisions of the Denationalization Law and the Law on special rights of members of the Armed Forces of the Republic of Macedonia and their families)

By Resolution of the Government of the Republic of Macedonia, the public enterprise is required to buy a total of 121 apartments in Skopje, Bitola, Ohrid, Kumanovo, Štip, Tetovo, Gostivar and Veles.

7. Other construction (by Resolutions of the Government of the Republic of Macedonia)

In compliance with a number of Resolutions of the Government of the Republic of Macedonia, the public enterprise will begin and/or complete the construction of a several properties throughout the country. The disposition of these estates reflects the intentions of the government to balance the spatial development and the housing standards

Stadium

The public enterprise is also responsible for the management of the City Stadium in Skopje (authorized by FIFA). Only the South stand of the stadium is covered. Currently, the construction of the North, East and West Stands is underway. It is planned to complete the entire project worth 15 million euro by the end of 2011.



City Shopping Center (GTC - Gradski Trgovski Centar)

The enterprise is the majority shareholder in the City Shopping Center Ltd. the largest and most attractive shopping centre in the Republic of Macedonia.



Corporate governance

In its current form, the Public enterprise for management of the residential and commercial property of the Republic of Macedonia exists since 1994.

The public enterprise has a two-tier corporate governance structure:

- Management Board
- Supervisory Board

The Management Board has 11 members, appointed by and representing the Government of Republic of Macedonia, for a term of four years. The Management Board elects a president and a deputy president from within its membership.

The Supervisory Board oversees the financial operations of the enterprise. This Board consists of 5 members, also appointed by the Government of Republic of Macedonia.

The Supervisory Board is required to inspect the annual financial statements and the annual report of the enterprise and submits an opinion to the Management Board. Members of the Supervisory Board can attend the meetings of the Management Board.

The chief executive officer of the enterprise is the Director. The Director is appointed by the Government of Republic of Macedonia for term of four years.

Other members of the management team include: Assistant Directors and Directors of Branch Units. These positions are appointed by the Director of the enterprise.

Organizational structure

The management board makes decisions regarding the internal structure of the enterprise.

The enterprise is organized into headquarters and 12 branch units: Bitola, Kavadarci, Kičevo, Kočani, Kumanovo, Ohrid, Prilep, Skopje, Štip, Strumica, Tetovo and Veles. The branch units do not exist as legal entities, but their activities, rights and liabilities in the legal trade are registered in the trade register.

Currently, the enterprise has approximately 400 employees.

Transparency

At least twice a year, the public enterprise submits a report on its operation to the Parliament of the Republic of Macedonia. The enterprise website <http://www.jpssdp.gov.mk> is regularly updated with information on public tenders and other matters related to the operation of the enterprise.