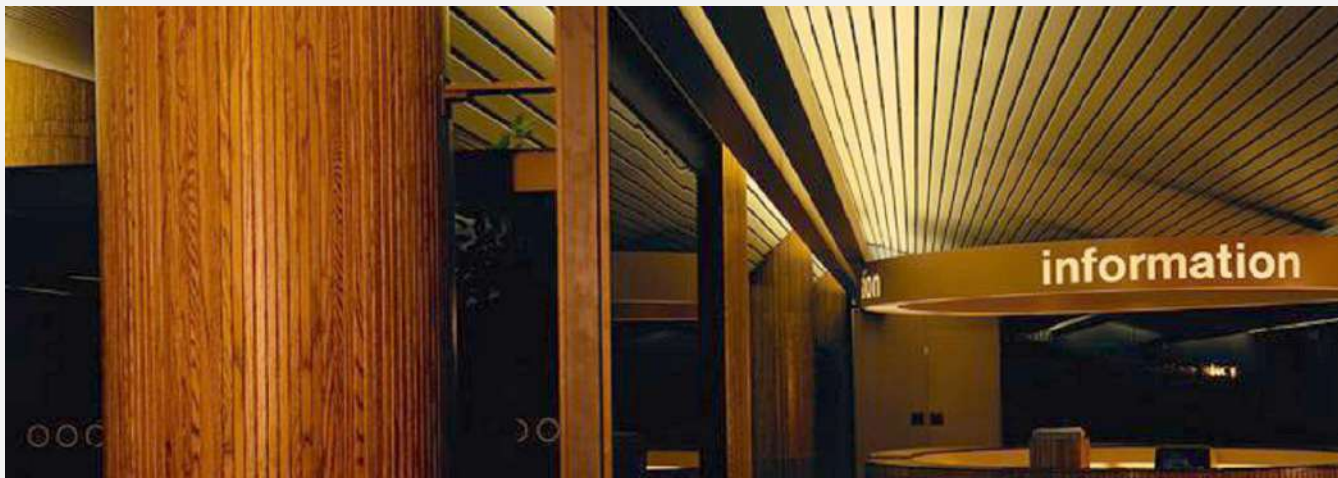


INVESTMENT PROJECT PROFILE



Project title	Acquisition of Furniture Production company “Konjuh JSC Živinice”
Sector	Wood industry
Location	Municipality of Zivinice
Location description	Konjuh JSC Zivinice is located in the North-eastern part of Bosnia and Herzegovina in the town of Zivinice. The micro location is characterized by both a wealth of wood resources and an excellent logistical infrastructure that enables transport by road and railway. The total area of land that belongs to the industrial complex of Konjuh JSC is around 174,000 m ² situated practically in the center of Zivinice at a very attractive location for future urban development.
Company description	<p>Konjuh JSC was founded back in 1885 by Austro-Hungarian entrepreneurs as a furniture production factory. Konjuh is one of the leading producers of wood products (veneer, chair pressings, solid wood glued panels for furniture production and parquet) and furniture (tables, chairs, office and school furniture) in Bosnia and Herzegovina.</p> <p>What makes Konjuh unique is its large-scale integrated wood processing and furniture production process situated at one location. One production line integrates the production of furniture from timber to the finished product, including sawmilling and the drying of wood, production of furniture elements and final furniture production. The other line integrates veneer production from veneer peeling and drying to veneer pressing production of furniture elements. Concerning the raw material, Konjuh has secured wood supply amounting to 25,000 m³ of timber from the local state forestry company. Konjuh used to maintain a database of more than 300 customers from the region, Western Europe and the USA.</p>
Project status	Feasibility study
Project description	<p>Konjuh is currently offered for sale by its major shareholders together with many small shareholders, the majority of which are current or former employees. The management estimates that it is possible to consolidate in excess of 70 percent of the share capital of the company.</p> <p>The aim of the management is to secure strategic and/or financial investment in order to ensure that the company's capacities are utilized at optimum</p>

	performance. Despite its current problems Konjuh has great potential to be rebuilt into a major regional player in wood processing and furniture production. All of the company's production facilities are fully functional and could be operational at full capacity in a matter of weeks after receiving new orders.
Estimated total investment cost	An investment by a potential buyer of 490.000 € for the acquisition of Konjuh
Inputs provided by local partner	The company has integrated wood processing facilities that include sawmilling, parquet and solid wood board production, veneer and pressings production as well as chair and table production. Konjuh's potential also lies in the considerable value that the company has locked in unused real estate (industrial land and unused buildings) at the company's headquarters located in Zivinice (Northeast Bosnia). The total estimated value of the locked real estate stands at 30,5 million € (book value 8,5 million €).
Inputs required from foreign partner	Acquisition of Konjuh JSC: 490.000 € Payment of liabilities: 11,5 million €
Form of cooperation with foreign partner	Acquisition of Konjuh JSC The takeover procedure at the Sarajevo Stock Exchange (SASE) requires that a potential buyer publishes a tender offer for the purchase of shares. It is possible under SASE regulations to place an offer that requires a minimum percentage of shares the buyer wishes to purchase under the offer. If that percentage is not met, then the buyer is not bound by the offer.
For additional information about this project, please contact by e-mail: info@coral-consulting-service.com	