

**MACEDONIAN STOCK EXCHANGE INC.
SKOPJE**

M E T H O D O L O G Y

**FOR CALCULATION OF THE INDEX OF
PUBLICLY HELD COMPANIES OF THE
MACEDONIAN STOCK EXCHANGE
(MBID)**

Skopje, December 2010

INDEX OF PUBLICLY HELD COMPANIES OF THE MACEDONIAN STOCK EXCHANGE

1. Name of the index

Full name: Index of publicly held companies of the Macedonian Stock Exchange

Short name: MBID

2. Composition of the index:

The MBID index is consisted of ordinary shares which are traded on the Market of publicly held companies on the Macedonian Stock Exchange selected according to this Methodology.

3. Type of the index:

MBID is a price index, which is calculated by using the average trading price of the securities.

4. Formula for calculation of the index:

$$MBID_t = MBID_{t-1} \times \left(1 + \left(\sum_{i=1}^n \left[\frac{P_{t,i}}{P_{t-1,i}} - 1 \right] \right) / n \right)$$

where:

i= 1.....n;

n= number of ordinary shares – components of the index;

t= trading day;

p_{t,i}= daily average price of the shares in the index, on the day t;

p_{t-1,i}= average price of the shares in the index, on the day t-1.

5. Criteria for including the shares as components in the index

The Index of the publicly held companies of the Macedonian Stock Exchange - MBID includes ordinary shares that are traded at the Market of publicly held companies of the Macedonian Stock Exchange, selected by the Stock Exchange Index Commission, according to the following criteria:

- number of trading days with the shares in a period between two revisions of the index and
- turnover of the shares in the period between two revisions of the index.

6. Basis of the index

The calculation of MBID will start on 18.06.2007.
The base value of MBID is 10,000, on 15.06.2007.

7. Revision of the Index

The Stock Exchange Index Commission is authorized for execution of revisions of the index.

Dates of regular revision of the index are: 15.06 and 15.12.

If the revision date is not a trading day, the revision of the index will be made on the first following trading day.

Dates of implementation of changes in the indices are: 30.06 and 30.12. If the implementation date is not a trading day, then the implementation is done on the next trading day.

In a case of extraordinary circumstances, the Stock Exchange Index Commission can perform an extraordinary revision of the index. If an extraordinary revision is made, changes are applied and become valid from the next trading day.