



**BELGRADE INDUSTRY OF BEER,
MALT AND SOFT DRINKS JSC, Belgrade**



General Information

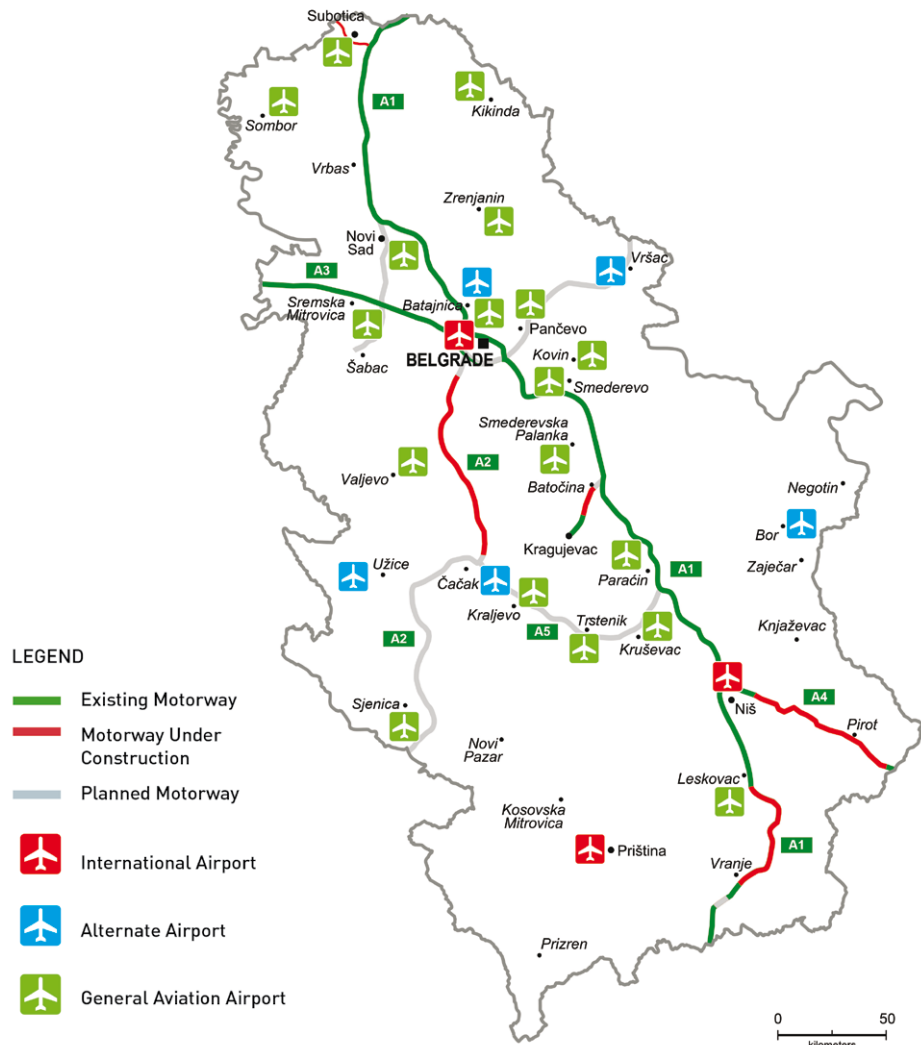
| | |
|-----------------------|---|
| Full legal name | Belgrade industry of beer, malt and soft drinks JSC – Belgrade |
| Address | No. 5, Bulevar Vojvode Putnika Street, Belgrade |
| Identification Number | 07013710 |
| Core activity | Production beer |
| Foundation Year | 1998 |
| Number of Employees | 542 |



Capital structure (in%)

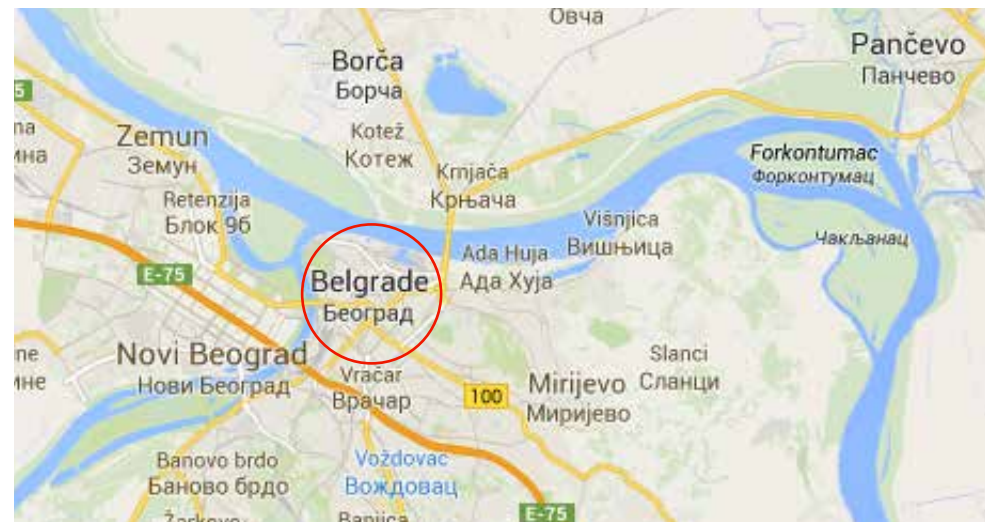
| | |
|----------------------|-------|
| Shareholders' fund | 0.07 |
| Privatization Agency | 51.90 |
| Others | 48.03 |

General Information

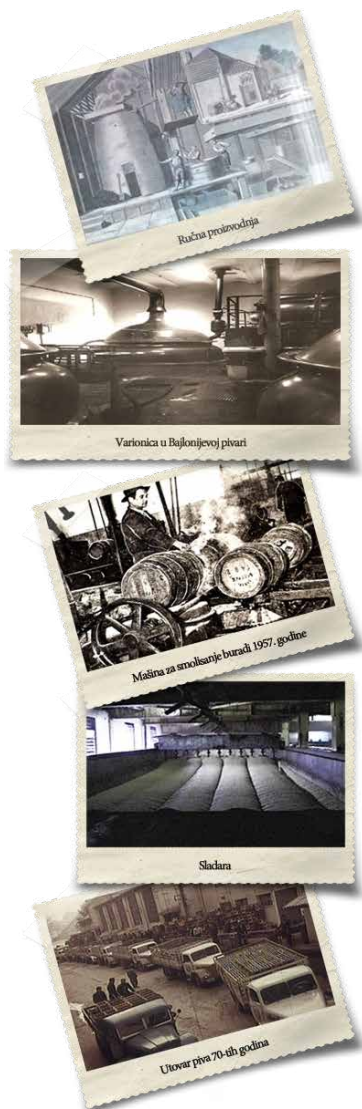


Distance form the Company to:

| | |
|-----------------|--------|
| Belgrade | 0 km |
| Regional Center | 0 km |
| Main road | 0.4 km |
| Port | 5 km |
| Railway | 3 km |



Long tradition and expertise



BIP - Belgrade Industry of Beer, Malt and Non-alcoholic Beverages reflects development of brewing industry in Belgrade, Serbia and former Yugoslavia. BIP's story is century and a half long. It speaks of tradition and business philosophy carefully nurtured by the founders and their successors.

Weifert Brewery is the core of contemporary BIP. The First Serbian Steam Brewery Georg Weifert was built in 1872 on foothills of the Topčider Hill in Belgrade, now on this location is the largest BIP factory, Mostar. Part of BIP history is Kren Brewery in Čačak, built in 1850 by Ferdinand Kren, Austrian, and brewery in Sremska Mitrovica.

After the World War II breweries were nationalized and delivered for management to the Food Directorate. At the beginning of the fifties the first workers' councils were elected. The joint session of breweries workers' councils was held in 1963 and decided to merge with the parent company. It was the first BIP merger that created the core of the contemporary BIP.

The period of expansion started in 1963: BIP has built malt house, new production lines were assembled, the vehicles fleet was further expanded, resorts in Budva and Zlatibor, electronic computing center, sale centers throughout former Yugoslavia were built. In 1971 BIP produced one million hectoliters of beer – the result that ranked the Company among the top European beer manufacturers. In former Yugoslavia, BIP was the first to introduce beer can packaging. Also, Company started production of the famous Russian “Kvass”. In this period, BIP had the largest market share of beer sales in Serbia, but lost ground to rivals back in 2000.

In 1991 this socially owned company changed status and continued business as Joint Stock Company. The joint stock company went afterwards through ownership transformation. In July 2007, the brewery was sold to the consortium consisted of “United Nordic Beverages AB” and Alita, but in 2010, the privatization was terminated, due to non-fulfillment of investment obligations.

Product portfolio



BIP - Belgrade Industry of Beer is a modern brewery with an annual production of 250,000 hl and market share of 5%. Product range includes beer, kvas, vinegar and soft drinks.



BIP LIGHT BEER

BIP LIGHT BEER is on market again from June 2010. Extremely light, with mild bitterness, stable foam which puts it among light and refreshing beer.

BG BEER

BG BEER launched in September 2003. It's quality is the result of 160 year experience and tradition, aimed to offer top quality and splendid taste.



Product portfolio



BiP RUSSIAN KVASS

This refreshing, healthy and natural beverage is produced since 1976.

BIPSI JUICES

Non-alcoholic refreshing beverages are in BiP production program since 2003.



BIPSI PLUS - ORANGE & COLA

This carbonated refreshing drinks have a 40 years long production history. Today two bestselling flavors are offered: orange and cola.

Product portfolio



BIPSI SYRUPS

Different types of syrups are in BIP production program since 1996. Today orange and lemon flavors are offered.



DRY BEER YEAST

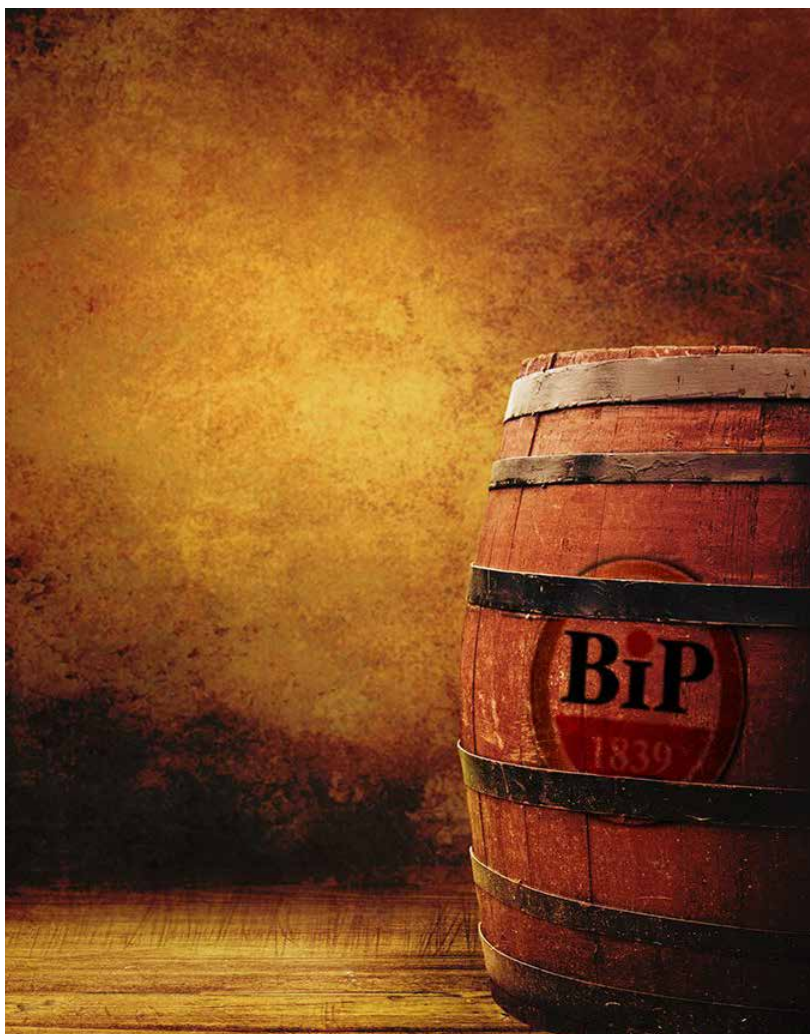
BIP is the sole manufacturer of Beer Yeast in Serbia. It is dietary product, rich in vitamin B complex, proteins and minerals. It has broad and specific medical effects.



BIP VINEGAR

Natural alcoholic vinegar 9% stong.

Capacity overview



HEATING

- Steam boiler

Termoelektro, Belgrade, 1968. / Capacity: 32/25 t/h of saturated steam

- Steam boiler

Termoelektro, Belgrade, 1973. / Capacity: 10/8 t/h of saturated steam

COOLING

| | | | |
|----------------|--------------------|------|---------|
| NH3 compressor | STAHL, 567 – 1D, | 1971 | 1300 kW |
| NH3 compressor | STAHL, 571 – 26A, | 1983 | 1100 kW |
| NH3 compressor | STAHL, 567 – 1D, | 1971 | 1300 kW |
| NH3 compressor | STAHL, 571E – 34A, | 1987 | 1100 kW |
| NH3 compressor | STAHL, 571E – 42, | 1984 | 1100 kW |

SILOS

| | | |
|-------------|--------|----------|
| Lager silos | 11 pcs | 2976,7 t |
| Daily silos | 5 pcs | 540 t |

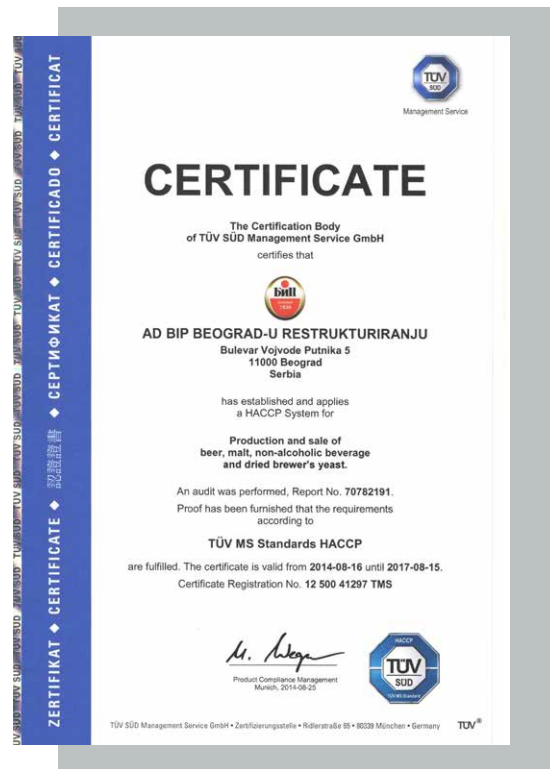
BREWHOUSE

| | | | |
|----------------------|-------|---------------|-------------------|
| Mills | 2 pcs | Milmaster 100 | 13,8 t/h |
| Brewhous | | Ziemann | 1.250.000 hl/year |
| Process water | | | |
| Process water pool | 1 pc | | 260 m3 |
| Warm water tanks | 3 pcs | | 300 m3 |
| Cold water tanks | 4 pcs | | 300 m3 |

FERMENTATION

| | | | |
|-------------------|--------|--------|-----------|
| Fermentation tank | 835 hl | 40 pcs | 33.400 hl |
|-------------------|--------|--------|-----------|

Certificates



Quality assurance certificate ISO 9001

Company owns quality assurance
certificate ISO 9001.

Ecology

According to applicable regulations,
the requirements for environment
protection are fulfilled.

Production and Capacity

| Product | Unit | Quantity | | | Value in EUR | | |
|-------------------|------|----------|---------|---------|--------------|-----------|-----------|
| | | 2011 | 2012 | 2012 | 2011 | 2012 | 2013 |
| Beer | hl | 236,640 | 244,726 | 193,378 | 7,683,229 | 8,445,026 | 6,625,001 |
| Melt | hl | 8,991 | 10,335 | 12,185 | 573,447 | 730,744 | 759,773 |
| Sparkling apples | hl | 8,883 | 6,942 | 5,886 | 243,671 | 192,704 | 209,618 |
| Alcoholic vinegar | hl | 22,621 | 23,818 | 24,143 | 756,607 | 978,673 | 919,025 |



Production and Capacity

Capacity utilization

| Machine (Production line) | Unit | Installed capacity | Real capacity | % of utilization | | |
|--|----------------|--------------------|---------------|------------------|-------|-------|
| | | | | 2011 | 2012 | 2013 |
| Boiling house Ziemann | hl/god. | 1,000,000 | 750,000 | 31.25 | 32.32 | 30.66 |
| Line decantation Krones (glass containers) | bottle 0.5l/hl | 40,000 | 35,000 | 35.30 | 35.10 | 34.90 |
| Line decantation KOSME (PET) | bottle 0.5l/hl | 5,000 | 3,000 | 20.27 | 18.21 | 17.49 |



Realization

Movement in sale volume

| Product/service | Unit | Quantity sold | | | Value in EUR | | |
|-----------------|------|---------------|---------|---------|-------------------|-------------------|-------------------|
| | | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Beer | hl | 237,916 | 215,824 | 194,248 | 10,327,272 | 8,865,952 | 9,079,422 |
| Juice | hl | 22,132 | 20,699 | 14,363 | 1,278,066 | 1,261,406 | 969,487 |
| Rusian melt | hl | 8,811 | 9,936 | 11,956 | 735,200 | 767,616 | 936,270 |
| Vinegar | hl | 22,483 | 24,091 | 24,213 | 1,035,035 | 991,274 | 998,673 |
| Melt | t | 0 | 0 | 42 | 0 | 0 | 20,237 |
| Brewer's yeast | kg | 11,539 | 11,860 | 8,700 | 49,952 | 42,263 | 35,528 |
| TOTAL | | | | | 13,425,525 | 11,932,512 | 12,039,617 |

Sales structure

| Sales structure in % | 2011 | 2012 | 2013 |
|----------------------|---------------|---------------|---------------|
| Domestic market | 96.17 | 96.51 | 96.03 |
| Foreign market | 3.83 | 3.49 | 3.97 |
| TOTAL : | 100.00 | 100.00 | 100.00 |

Distribution channels

| Distribution channels | % of share |
|-----------------------|------------|
| Direct sale | 12.03 |
| Wholesale | 84.74 |
| Retail | 3.23 |
| Intermediaries | 0.00 |



Organization

EMPLOYEES



Number of employees

| | |
|------------------------------------|------------|
| Working | 541 |
| Paid leave | 0 |
| Unpaid leave | 1 |
| Other (sick leave, vacation, etc.) | 0 |
| TOTAL NUMBER OF EMPLOYEES | 542 |

Age structure of employees

| Age | -25 | 25-35 | 35-40 | 40-45 | 45-50 | 50-55 | 55+ |
|--------|-----|-------|-------|-------|-------|-------|-----|
| Number | 9 | 41 | 92 | 127 | 98 | 87 | 88 |

Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

| Year | Gross | Net |
|------|-------|-----|
| 2011 | 503 | 361 |
| 2012 | 549 | 393 |
| 2013 | 570 | 409 |

Assets Overview

| | Value in EUR | | |
|--------------------|--------------|------------|------------|
| | 31/12/2011 | 31/12/2012 | 31/12/2013 |
| CURRENT ASSETS | 7,372,000 | 4,344,000 | 3,465,000 |
| NON-CURRENT ASSETS | 14,934,000 | 18,051,000 | 21,992,000 |



A) Information contain in this document is based on the data recieved from the company, and as such has not been verified by the Privatization Agency. Accordingly, the Privatization Agency shall have no liability with respect to the accuracy and validity of the information contained here in.

B) Pursuant to the law, enterprises from the Republic of Serbia were obliged as of 2004 to prepare Financial Statements in accordance with the International Standards of Financial Reports (ISFR).

SWOT Analysys

STRENGTHS:

Loyal consumers;
The traditional way of production with the natural process of fermentation;
Yeast, unique on the market;
High quality products;
Expertise and experience of staff;



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WEAKNESS:

Small numerical distribution;
Lack of education of consumers about the product in the case of yeast;
The production volume of vinegar is less than consumption;
Obsolete packaging and labels;
Bad marketing;



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OPPORTUNITIES:

Increase production and market share;
Aggressive marketing and media presence;



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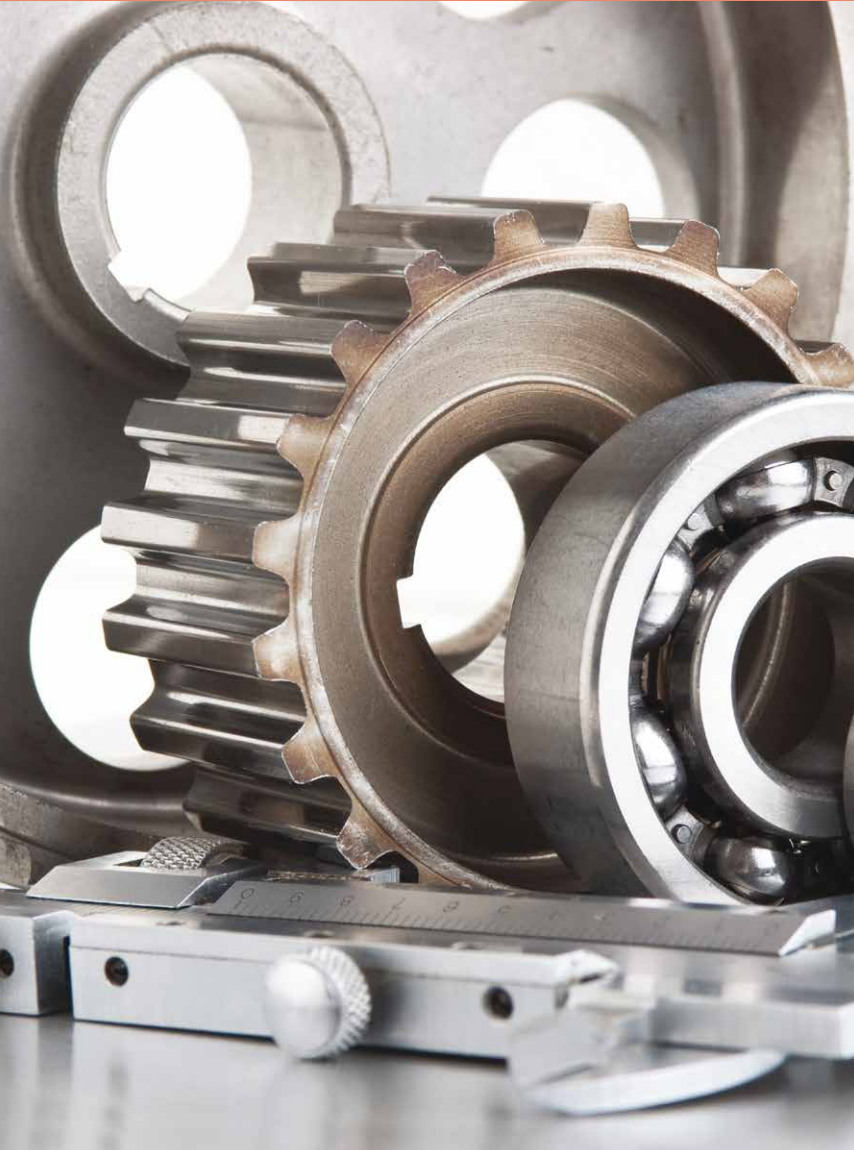
THREATS:

Timely investment in the reconstruction of the plant;
The low level of debt collection;



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Advantages of Investing in Serbia



Favorable geographic position, owing to which any shipment can reach any location in Europe within 24 hours

Highly educated and cheap labor force

Restructured and stable financial system

Simple procedures for a company start-up and registration

Simple procedures for foreign trade transactions and foreign investments

Several free trade agreements have been signed, ensuring supply of goods to nearly 800 million consumers:

- In March 2012 Serbia was granted the candidates status by the EC
- CEFTA
- Agreement with the EFTA members
- Autonomous trade preferences granted by the EU in December 2000, and implementation of the Interim Trade Agreement with the EU started in February 2010
- Agreement with the Russian Federation, Belarus and Kazakhstan
- Agreement with Turkey

Contact



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