



Socially owned enterprise BORELI, Sombor



General Information

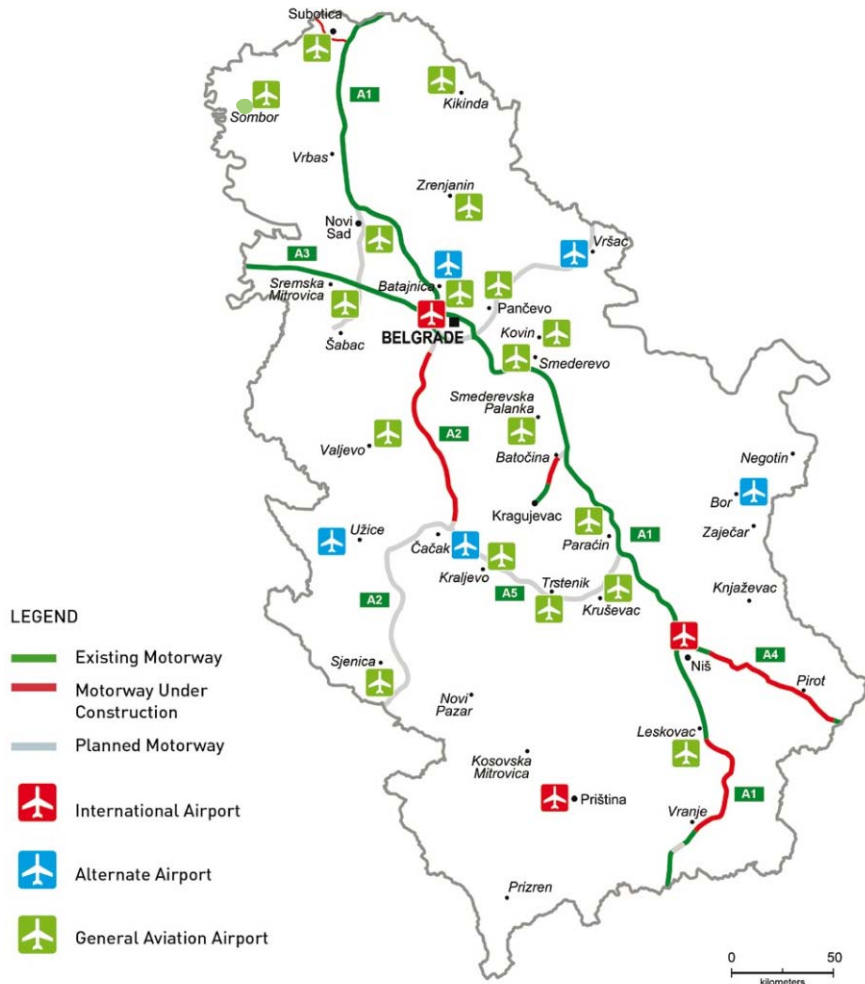
Full legal name	Socially owned enterprise for footwear production, domestic and foreign trade BORELI, SOMBOR
Address	Staparski put bb
Identification Number	08656185
Core activity	Manufacture of footwear
Foundation Year	1973
Number of Employees	518



Capital structure (in%)

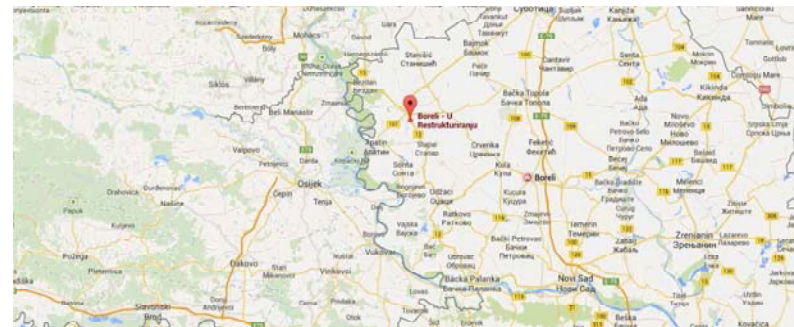
Socially-owned	100.00
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General Information



Distance form the Company to:

Belgrade	200 km
Regional Center	100 km
Main road	70 km
Port	20 km
Railway	4 km



Location



SOMBOR

Pan-European Transport Corridors

The City of Sombor is located in the northwest corner of Serbia between European corridors 7 and 10. Extensive network of local and regional roads and railway tracks connects these two corridors through Sombor and its surroundings. International port and customs services are located on the Danube river in Bezdan, just 25km from the center of the city. Sombor has several border crossings and lies 28km from Hungary and 25km from Croatia.

Sombor has a great potential of becoming one of the most important commercial and transportation hubs in Serbia and in the wider region as well. Being mostly agriculture environment, companies positioned in Sombor could be able to produce a variety of healthy and organic food products and transport them to the whole of Europe in no more than 24 hours.



Tradition and expertise



“Boreli” Company operates in the footwear industry. The history and tradition of the Company origins long before the actual founding of the company. Our history is more than 60 years long and rich. It is based on experiences that date to the time of “Bata” and “Borovo” to this day. “Boreli” shoes have been exported to the markets of Russia, Germany, France and Italy, as well as throughout the ex-Yu countries. Today uniquely designed and manufactured footwear by „Boreli“ is exported to Bosnia and Herzegovina, Croatia and Hungary. The award-winning portfolio includes numerous awards at international fairs for quality and design of footwear.

In partnership with “Lenci” from Italy, and “Kopitarna” from Slovenia, footwear produced in “Boreli” is distributed around the European Union, including Austria, Germany and all ex-Yu countries. The co-production with these two companies formed a “lohn” variant trademark, where all models and creations are designed by „Lenci“ and „Kopitarna“, and the final product is manufactured in „Boreli“.

In business communication we are open to various forms of cooperation:

- “lohn” variant;
- combined variant;
- export our product (gross exports);
- appearance on third markets (especially Russia);
- another variant that corresponds to potential partners.

“Boreli” shoes production and retail operations consist of three segments:

- Manufacturing and commercial sector,
- the retail sector and
- joint service that serves these two sectors.



Activities



English Scale	Inches	American Scale	French Scale	Metric Scale
			2/3 cm. 1	1
			2	2
			3	3
			4	4
			5	5
			6	6
			7	7
			8	8
			9	9
			10	10
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			99	99
			100	100

The Company's activities include the production of footwear and the operation of retail shoe stores, as well as sourcing and marketing of footwear for women, men and children.

Boreli" prides itself in its developed so-called "Gulliver" program that specializes in comfortable shoes in extreme sizes for men and women. In addition, Company also produces footwear for special use such as safety footwear and footwear for military and police. Daily production capacity varies between 1300 and 2000 pairs of finished footwear and depends on existing seasonal trends.



Product portfolio



- WoMen's ColleCtion
- Men's ColleCtion
- speCial ppe
- CoMBat BRI
- BoRelino - Kids shoes
- gULiVeR pRogRaM



Certificates



Quality assurance certificate ISO 9001
Company does not own 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
Shoes	pair	265,112	181,235	144,280	2.237.000	3.196.000	2.684.000
Shoes LOHN	pair	109,402	143,351	147,606	493.000	671.000	696.000

Capacity utilization

Machine (production line)	Installed capacity	Real capacity	% of utilization		
			2011	2012	2013
Machines for manufacturing of shoes	100%	90%	86	71	68

The sales network covers more than one hundred stores in dozens of cities across Serbia and can be seen on the following map of retail stores:



Realization



Movement in sale volume

Product/service	Unit	Quantity sold			Value in eUR		
		2011	2012	2013	2011	2012	2013
Shoes own production	pair	79,561	78,017	68,688	2.772.000	2.498.000	2.329.000
shoes purchased	pair	39,875	34,413	21,459	642.000	582.000	371.000
Shoes for commission	pair	34,311	41,895	33,908	674.000	708.000	470.000
Additional assortment	pcs	39,951	19,230	11,554	174.000	92.000	66.000
TOTAL :					4.262.000	3.880.000	3.236.000

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	70.00	82.70	79.40
Foreign market	30.00	17.30	20.60
TOTAL :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	5.95
Wholesale	8.08
Retail	65.39
Intermediaries	20.58



Organization



EMPLOYEES



Number of employees

Working	410
Paid leave	4
Unpaid leave	1
other (sick leave, vacation, etc.)	84
TOTAL NuMbEr Of EMPLOYEES	499

age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	6	106	66	95	123	84	19

average salaries in Eur

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	297	217
2012	310	225
2013	286	210



Assets Overview



	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	6.401	4.903	6.046
NON-CURRENT ASSETS	8.890	8.049	15.854



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:

- Own retail and export transactions
 - Trained staff
- Extensive experience and production technology
- Ability to adapt program to the needs of customers

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WEakNESS:

- Required investments in renovating premises
- Delay in payment by customers
- Technological equipment

OppOrTuNITIES:

- Product development in cooperation with customers

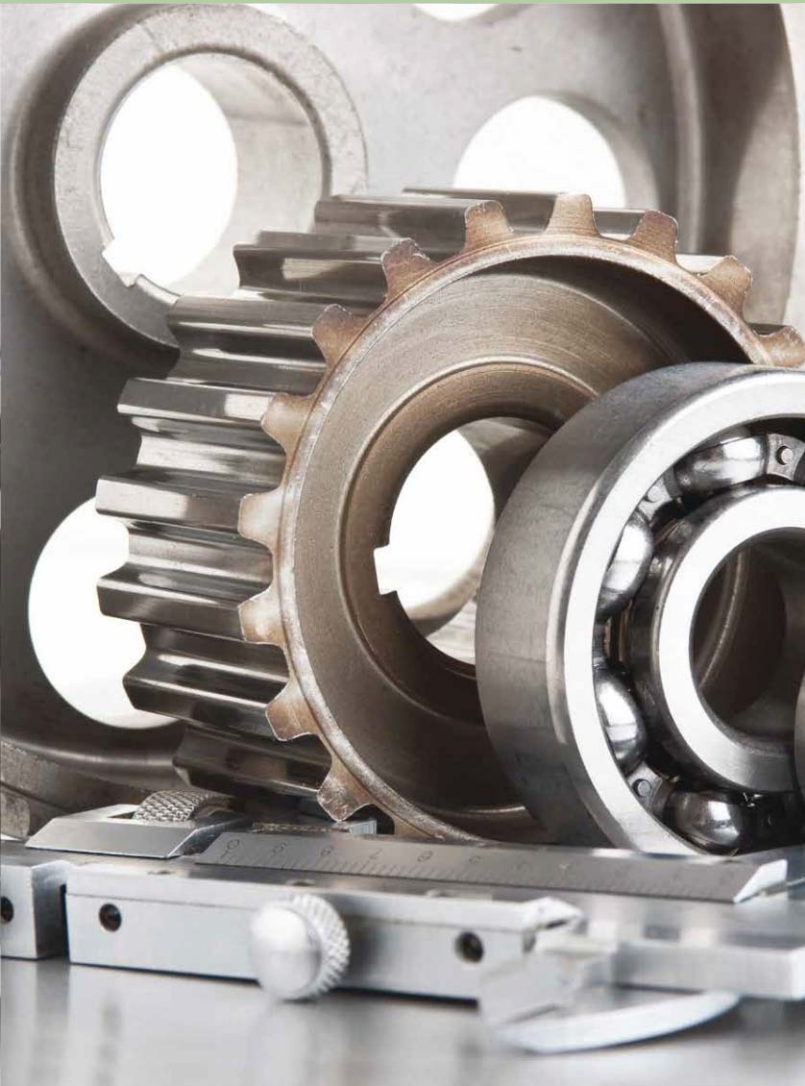
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ThrEaTS:

- Great debts
- Aggressiveness of competition
- Poor liquidity of buyers
- Economic crisis on the global level
- Market volatility

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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