



**JSC “BUDIMKA”  
Pozega**



## General Information

Full legal name	JSC "BUDIMKA", for production, processing and trade of fruit, vegetables and meat and for foreign trade business operations, Pozega
Address	Zlatiborska bb, 31210 Pozega
Identification Number	07303041
Core activity	Production of fruits and vegetable juices
Foundation Year	1947
Number of Employees	99



### Capital structure (in%)

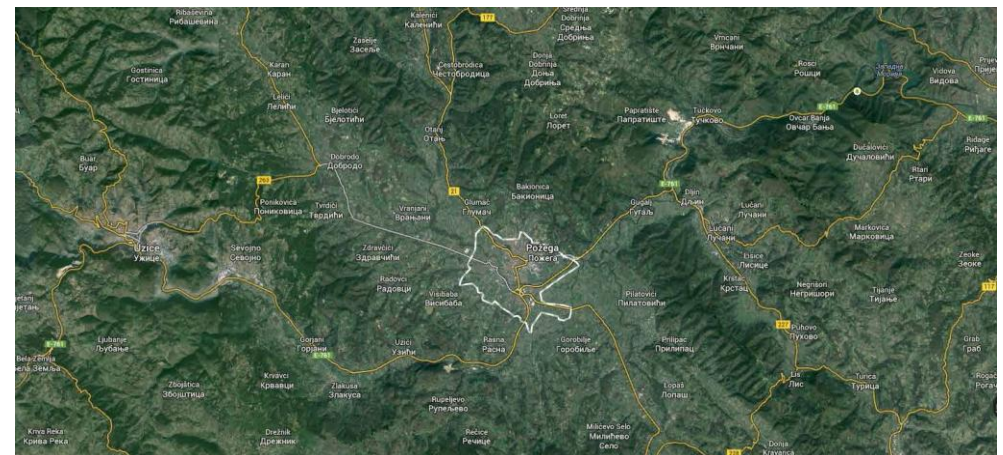
Shareholders' fund	0.19
Privatization Agency	56.00
Others	43.81

# General Information



## Distance from the Company to:

Belgrade	165 km
Regional Center	25 km
Main road	0 km
Port	165 km
Railway	2 km



# Location

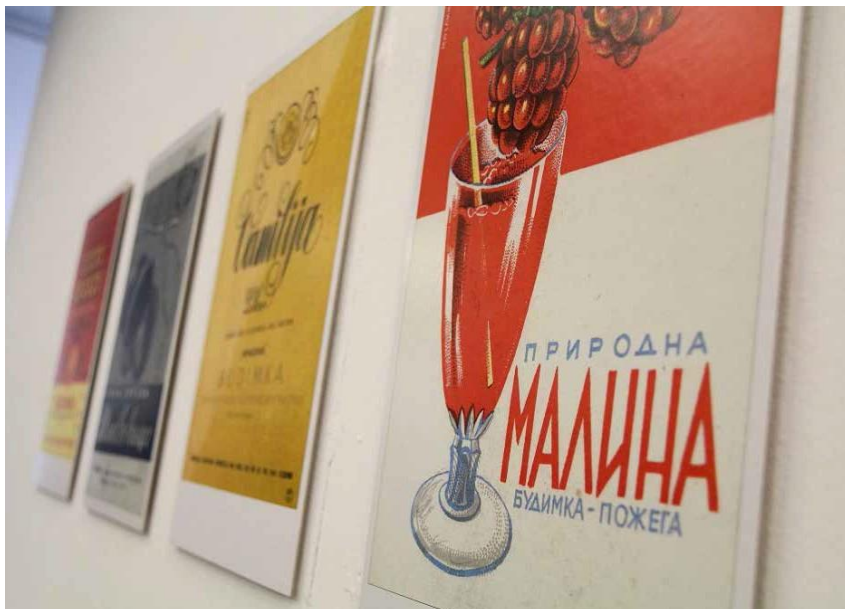


Pan-European Transport Corridors

Požega is situated on the main road and railway direction that connects Serbia, Montenegro and the whole region. The Company is located in Požega, in west parts of Republic of Serbia. Belgrade is some 165 km away and larger cities Beograd Užice, Čačak, Šabac, Loznica, Valjevo i Kraljevo are nearby, in radius of 100 km or less.



# History and tradition



The Company was founded in 1947 as „Budimka Canning Factory“. In May of 1990. The Company was organized as joint-stock company and in 1992. By entering the „YES Yugoeksport sistem holding“ DD the Company changes its name to „YES Budimka“. In 2000 the Company was registered as AD „Budimka“.

Although the Company has had a rise of production capacity and production assortment from its founding, period after 2000 was marked by frequent discontinuity of production. In 2002 the production was almost terminated and by the 2005 it was on very low. The Company was privatized through process of auction privatization in 2008 and due to failure to meet contractual obligations by the buyer Privatization Agency terminated the Contract in 2010. The Privatization Agency brought forth the Decree on restructuring on March 30, 2010.



# Product portfolio



Company predominant activity is Fruit and vegetables juices production. The Company is engaged in production, processing and storing fruit, vegetables and meat products.

- **MarMalades - apricot, peach Mixed**
- **JaMs & partially-processed JaMs („pekMez“)**
- **Fruit concentrates & Marks**
- **Juices – Fruit Juices 100% & nectars**
- **canned vegetables –papprika, pickles, pickled chili peppers, beetroot, toMatoes, chutney& pepper spread „ajvar“**
- **Frozen programables**



# Product portfolio



## basic agricultural production

In addition to processing and manufacturing, company “Budimka” is moreover partly involved in primary agricultural production. In 2011 a newly planted area of apple orchards was formed in its Pozega property, covering the surface of 11.5 hectares. Apple is planted in a dense plant spacing of 3.0 x 0.8 m, which provides 3,600 plants per hectare, which is the basic precondition for high and stable yields. Also, “Budimka” has experimental plantings of raspberries in indoor space (greenhouses).



## cattle-Fattening Farm

Farm in village Zdravčiči near Požega has the capacity of 2,000 animals per turnum of 250-450 kg, with possibility of two cycles per year. The slaughterhouse has deboning unit, processing unit, semi durable smoked meat products processing. Modernization of these production capacities requires significant investments.



# Product portfolio



## services

Beside sale of products, the Company offers following services to its customers:

- Service production of concentrate – production of concentrates and semi concentrates of apple, blackberry, sour cherry, raspberry and other fruit
- Cold storage services
- Seed removal and sour cherry freezing
- Picking, packaging, storing and freezing of blackberries
- Plum cutting
- Picking, packaging and freezing of raspberries





# Certificates



- Company does not own quality assurance certificate ISO 9001.
- 2012, implemented HACCP standard
- 2011, Company received GlobalGAP certification

## Ecology

According to applicable regulations, the requirements for environment protection are not fulfilled.

# Tehnological Feasibilities



## Production takes place in several production lines:

- Fruit concentrates, fruit juices and jellied products production line;
- Vegetables processing line;
- Slaughterhouse with meat processing and
- Farm

Fruit processing includes production of fruit juices, warm processing (mashes and marks), jellied products (marmalades, jams, compotes, partially-processed jams („pekmez“)), dried fruit, fruit syrup and fruit concentrates (apple, quince, sour cherry).

Vegetables processing is mainly focused on production and processing of cucumbers, peppers, beetroot, pepperoni, tomatoes, chutney and ajvar as well as frozen program and dried vegetables program.

The slaughterhouse with meat processing is currently out of function. The Company used to produce canned meat, semi durable meat products, boneless meat and it also provided slaughtering of livestock.



# Tehnological Fasibilities



The technical production capacity, based on storage capacity, in fruit processing reaches 34,000 tons, 4,000 tons in vegetables processing, 2,000 tons in cold storage per single filling and 3,900 tons in meat processing.

Fruit processing capacities are the capacities are significantly increased by use of recumbent cooling basements with recumbent tanks of stainless steel (80 25t pieces) and by the use of basement with standing tanks (28 75t pieces).

The refrigeration plant has the capacity of 1,600,000 kg per single reception of goods for freezing, processing, packaging and storing of products.



# Production and Capacity



Product	Unit	Quantity			Value in EUR		
		2011	2012	2012	2011	2012	2013
apple juice-concentrated	kg	1,225,166	383,441	770,226	2.107.493	573.215	705.448
fruit juice	kg	0	780,456	950,308	0	377.468	418.433
marmelade and jam	kg	455,775	880,011	974,372	369.444	975.050	1.058.581

## Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Line for productio of fruit concentrates	t	2000	2000	80.00	90.00	95.00
Line for production of jelly	lit	15000000	12960000	60.00	70.00	75.00
Line for production of fruit juices	t	4000	3600	35.00	45.00	50.00
Line for production of vegetables	t	3000	2000	30.00	40.00	45.00
Cooling chamber	t	2000	1800	60.00	70.00	75.00



# Production and Capacity



## Land / Buildings

The Company headquarters is located 500 m from Požega downtown.

The Company covers the area of 225.689 m<sup>2</sup> in urban construction zone in town of Požega and 49.971 m<sup>2</sup> of land in village Zdravcici that is 5km away from Požega.

The Company owns buildings in three locations. In business complex in Požega buildings in total area of 32.931 m<sup>2</sup> and traffic areas of 9.470 m<sup>2</sup> are located. Office space in total area of 74m<sup>2</sup> is located in Požega downtown, and cattle-fattening farm complex in the area of 10.205 m<sup>2</sup>, with accompanying traffic areas in the area of 4.040 m<sup>2</sup> is located in village Zdravcici, 5km away from Požega.



# Realization



## Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
apple juice-concentrate	kg	1,156,012	383,438	696,633	1.988.534	541.883	850.726
fruit juice	lit	0	924,989	962,961	0	364.708	435.486
jama and marmelade	kg	450,219	927,215	1,005,938	407.145	912.193	1.076.673
<b>total :</b>					<b>2.395.679</b>	<b>1.818.784</b>	<b>2.362.884</b>

## Sales structure

Sales structure in %	2011	2012	2013
Domestic market	80.00	70.00	70.00
Foreign market	20.00	30.00	30.00
<b>total :</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Distribution channels

Distribution channels	% of share
Direct sale	100.00
Wholesale	0.00
Retail	0.00
Intermediaries	0.00



# Organization



## EMPLOYEES



### Number of employees

Working	80
Paid leave	0
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
<b>ToTaL NuMBEr of EMpLoyEES</b>	<b>80</b>

### age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	0	8	11	9	18	22	12

### average salaries in Eu r

(gross and net) in 2011, 2012 and

Year	Gross	Net
2011	350	239
2012	322	220
2013	398	288

# Assets Overview



	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	7.090.277	7.347.938	4.930.981
FIXED	5.145.875	4.570.663	4.552.848
EQUITY	3.836.841	4.147.537	1.986.871



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



## **STr ENg Th S**

: 100% domestic raw materials; quality products, no sales issues; professional and trained staff, a long tradition in this industry; possible further development; significant export potential.

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## **WEa k NESS:**

The investments are required for carton line, PET packaging, the dryer, the aseptic line, orchards, reconstruction of power plants, ....

## **oppo rTu NiTiES:**

Huge - are directly related to the investment for necessary working capital - since the sanctions onward the Company was neglected in every segment, the production began after the termination of privatization, the return on the market and the necessary investment into the equipment, facilities and introduction of standards. Investments are required for carton line, PET packaging, the dryer, the aseptic line, orchards, reconstruction of power plants, ....

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## **Th r Ea TS:**

The issue of the existing debt is partially but not entirely resolved.

# 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



Republic of Serbia

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