



DRAGAN MARKOVIĆ A.D.

**“DRAGAN MARKOVIC”, JSC
Obrenovac**

General Information



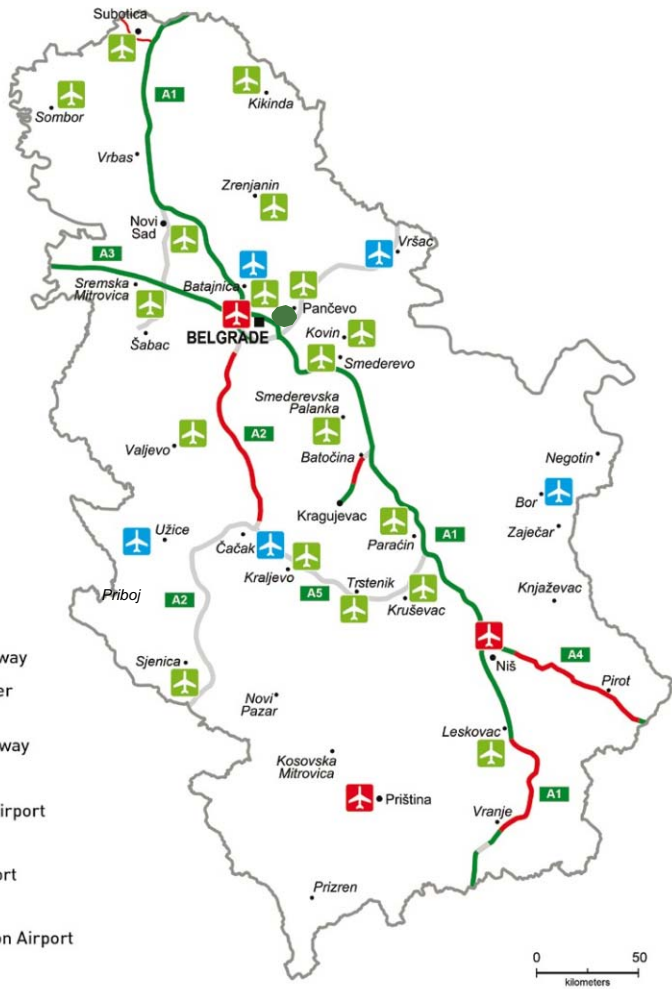
Full legal name	JSC for production, processing and sale of agricultural products "DRAGAN MARKOVIC", OBRENOVAC	
Address	No 27 Kralja Petra I Street , Obrenovac	
Identification Number	07042442	
Core activity	Breeding pigs	
Foundation Year	1998	Number of Employees 170



Capital structure (in%)

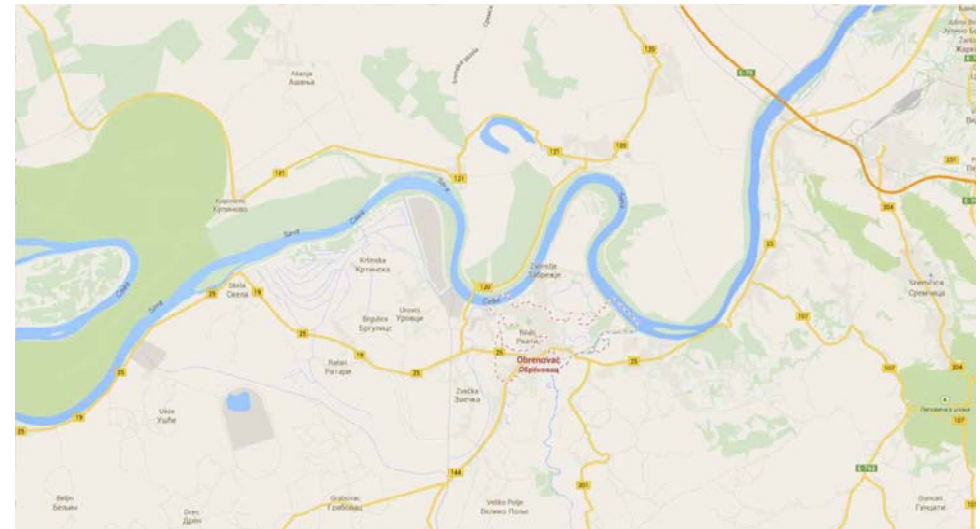
State-owned	72.01
Others	27.99

General Information



Distance form the Company to:

Belgrade	30 km
Regional Center	30 km
Main road	0 km
Port	5 km
Railway	0 km



Location



OBRENOVAC
Pan-European Transport Corridors

Obrenovac is a town and municipality in northern Serbia. In 2011 the town had a population of 24,568, and the municipality of 71,419. Obrenovac is one of 17 municipalities that make up the greater Belgrade area. Largest Serbian thermal power plant TPP Nikola Tesla is located on the outskirts of the town.

Obrenovac was submerged and completely evacuated during the 2014 Southeast Europe floods, with 14 confirmed deaths as result.

Geographical location of DRAGAN MARKOVIC, Obrenovac is of strategic importance in the market area of southeast Europe and provides opportunity for intensive business cooperation.



Long tradition and expertise



Terrestrial farm “Mladost”, as “agricultural enterprise of importance for the People’s Republic of Serbia,” the archives of the Company, was established by the decision of the Government of the People’s Republic of Serbia under V. s. br. 153 of 19.12.1946. with the 1,350 acres of land.

Decision of the National Committee of the district Posavkog, Agricultural Enterprise “Dragan Markovic” from Zabrežje, founded in 1953, with 730 hectares of land, and agricultural combine “Dragan Markovic” near Belgrade, the integration of farms and cooperatives in the municipality, with processing capacities (mills, bakeries and plant spirits), established by the decision of the National Committee of the Municipality of Obrenovac no. 04-5148 of 16/04/1959. year.

In 1976, further integration, combine the merging of Agriculture Plant ‘Beograd’ Pa-dinska Ferry, where the status of the labor organization.

Compliance with the Law on Enterprises 1989 RO ‘Dragan Markovic’ Obrenovac be separated from the PKB and became an independent and unified economic entity and as such the business ownership transformation in 1993 and moving into a stock com-pany.

In company of the Government of the Republic of Serbia introduced a temporary measure 28.10.2004 and from 10.12.2004. year, it is the decision of the Agency for Privatization, restructuring.

Product portfolio



PRODUCTION LINE

1.FARMING

2.FRUIT GROWING

3.LIVESTOCK

- PRODUCTION LTD. CATTLE AND PIGS
- PRODUCTION OF MILK

4.INDUSTRY

- SLAUGHTERHOUSE
- BAKERY
- FODDER FACTORY

5.COOPERATION

Product portfolio



FARMING & FRUIT GROWING



WHEAT
RAPESEED
CORN GRAIN
CORN SIL.
SOYA SUGAR
BEET
SUNFLOWER
ALFALFA-HAY

APPLE



Product portfolio



LIVESTOCK



Product portfolio



INDUSTRY

SLAUGHTERHOUSE



FODDER FACTORY



BAKERY



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 not fulfilled.

Production and Capacity



Product/service	Unit	Quantity			Value in EUR		
		2011	2012	2013	2011	2012	2013
Wheat	t	2,011	3,166	3.339	376.813	737.129	430.435
Rape	t	708	563	378	280.282	173.218	103.845
Corn kernel	t	4,251	2,358	3.587	690.648	373.159	696.010
Apple	t	1,396	1,403	2.856	234.383	317.785	379.067
Concentrates in total	t	13,997	13,666	13,062	5.335.829	4.878.458	5.031.834
Milk	l	3,196,399	2,601,727	2,293,853	1.067.240	785.837	1.015.473
Fattening pigs	t	2,290	1,955	2,539	2.954.103	3.020.640	3.877.973
Bread and pastry	kg	667,880	508,316	376,377	467.981	240.542	344.237

LAND / BUILDINGS

Land

Agricultural land-1.160,3989 hectare Land-
105,7568 hectare

Agricultural land-state ownership-1707 hectare

Land-state ownership-96,5898 hectare

Buildings

Total surface=25.244 m2

LIVESTOCK

Balance state on August 13th 2014

Cows 1.168 Pcs

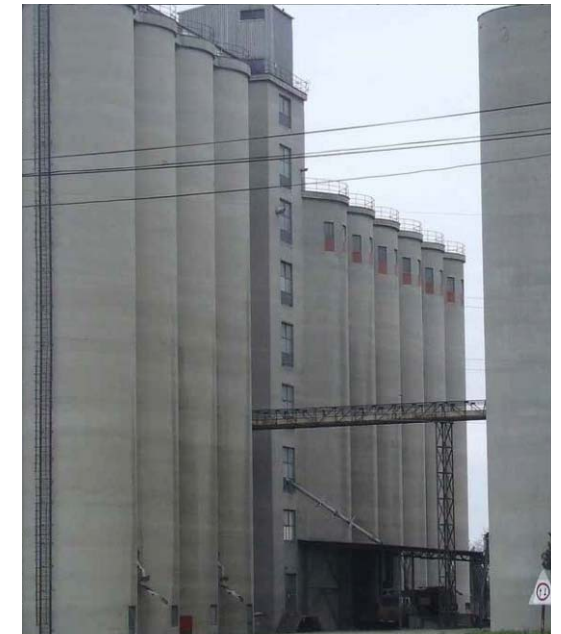
Pigs 20.291 Pcs

Production and Capacity



Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Pig farm	sows	1500	1500	97.80	100.00	100.00
Fodder factory	t/year	18400	11510	55.67	74.27	71.00
Cow farm	milking heads	600	600	95.71	51.20	66.50
Fruit growing	ha	96	96	100.00	100.00	100.00
Crop farming	ha	2978	2710	91.00	91.00	91.00



Realization



Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Milk	lit	3,196,399	2,376,047	2,108,183	909.272	717.677	785.793
Fattening pigs	t	2,290	1,955	1,947	2.954.103	3.020.640	3.138.498
Apple	t	1,396	1,403	2,700	234.383	317.785	294.918
Bread and pastry	kg	667,880	508,316	376,377	467.981	240.542	163.160
Rape	t	52	538	378	18.482	240.471	131.941
Concentrate	t	2,290	1,845	1,077	1.824.134	1.381.370	402.810
Cattle	t	115	144	85	200.963	249.265	168.272
Butchery products	t	177	121	116	440.076	285.979	358.394
TOTAL:					7.049.394	6.453.729	5.443.786

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	100.00	100.00	100.00
Foreign market	0.00	0.00	0.00
TOTAL :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	63.00
Wholesale	0.00
Retail	16.00
Intermediaries	21.00

Organization



EMPLOYEES



Number of employees

Working	170
Paid leave	0
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
TOTAL NUMBER OF EMPLOYEES	170

Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	9	25	14	21	33	31	37

Average salaries in Eur

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	422	296
2012	512	312
2013	509	338

Assets Overview



	Value in EUR	
	31/12/2012	31/12/2013
CURRENT ASSETS	5.751.273	5.325.086
FIXED ASSETS	17.610.517	23.292.560
EQUITY/LOSS ABOVE EQUITY	+8.082.050	+13.552.892



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:

A large number of product lines, intrernal realization as a factor of product finalization, relatively satisfactory applied technology and experience acquired by production units, close to the internal and external markets and impeccable logistics, labor available for work in agriculture

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OPPORTUNITIES:

Close to major consumption centers. Intensifying cooperation with farmers in order to expand and use entire capacity. Exceptionally favorable microclimatic conditions for the fruit growing. Starting production in greenhouses given the proximity of thermal power plants. Multiple locations with a regulated infrastructure to raise the processing plants and other factories. Launching the production of dietetic, diabetic, macrobiotic and vitamin products. Increasing the degree of utilization of farm cattle fattening (capacity 2500 heads)

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WEAKNESS:

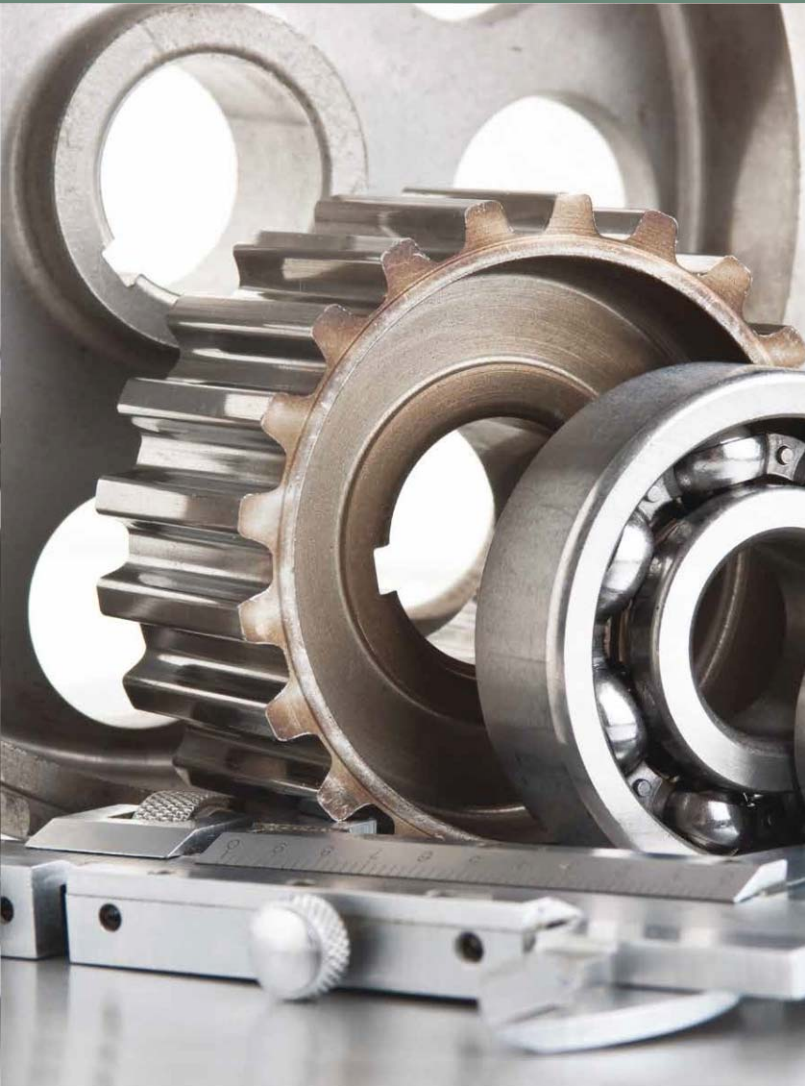
Mostly undeveloped and incomplete reproduction chain in terms of the turnover of finished products. Lack of cooperation from small family enterprises (contracting companies with modern technology). Undeveloped irrigation system (severe damage from drought), despite the proximity of rivers (Sava, Kolubara, Tamnava)

THREATS:

Unfair competition, gray economy, Administrative measures of the state that is hostile to agricultural production. Inability to call in loan funds necessary for the purchase of fodder and financing of harvests.

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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



Republic of Serbia

Ministry of Economy Republic of Serbia

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