

**Factory lubricants FAM JSC
Kruševac**



General Information

Full legal name	Factory lubricants FAM JSC Kruševac
Address	No 42 Jug Bogdanova Street, 37000 Krusevac
Identification Number	20047852
Core activity	Production of refined petroleum products
Foundation Year	2005
Number of Employees	226



Capital structure (in%)

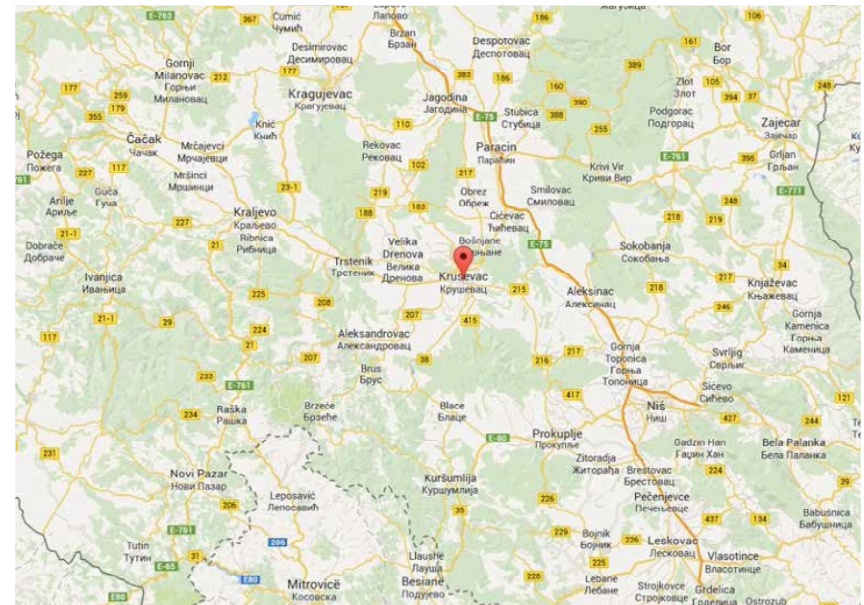
Shareholders' fund	19.46
Privatization Agency	80.18
Others	0.36

General Information



Distance from the Company to:

Belgrade	194 km
Regional Center	60 km
Main road	0 km
Port	170 km
Railway	0 km



Location



KRUŠEVAC
Pan-European Transport Corridors

Geographical location of Factory lubricants FAM JSC, Kruševac is of strategic importance in the market area of sougtheaste Europe and provides oportunity for intensive bussines cooperation.



Tradition



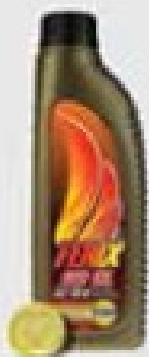
1966. factory for the production of edible oil and plant for the production of calcium lubricating greases were separated from chemical industry "Merima". During edible oil production, lubricating greases were produced from by-products (fatty acids). These were the beginnings of lubricating greases production development. Initial results, searching for new programmes based on petroleum derivatives and expanding the programme by introduction of metalworking oils production, were the crucial points in establishing Fabrika Maziva-FAM. 1972, due to different technologies in production processes of edible oils and lubricants, as well as due to differences in properties and application of the products, it was decided to separate the mentioned production programmes. Fabrika Maziva-FAM is established as independent company, by separation from the joint company PK-vrbas "Fabrika ulja i maziva" – Kruševac. 1990, in view of expanding business activities outside its basic business, Fabrika Maziva and "Interexport" Belgrade formed joint company "Faminex", for the production and sales of special lubricants. From 1992, Fabrika Maziva is integrated in Petroleum Industry of Serbia, under new name, NIS-Fabrika Maziva-FAM. This is the period when the company achieved intensive development regarding product range and investments. Year 1995 has multiple importance for FAM development. NIS Fabrika Maziva-FAM formed the company Fampharm, for the production of pharmaceutical preparations. In 2007 Fabrika Maziva FAM was sold, in the procedure of tender privatization to Consortium comprising of Preduzeće za puteve Beograd a.d. and Petrobart d.o.o., Belgrade. After that, legal form of Fabrika Maziva doo Kruševac was changed from limited liability company to open joint stock company. After completed privatization process, FAM works within the system NIBENS GROUP. 2008 was the first year of privatization of Joint Stock Company Fabrika maziva FAM was marked on 18.04. 2008. All contractual obligations from social and investment programme, for the mentioned period, were completely fulfilled. 2011 the privatization contract was terminated. FAM now operates as a state enterprise and is 99.4% owned by the state. Year of 2012 in order to enter the Russian market and the markets of the CIS countries, we opened an official representation in Russia: the company FAM RUS.



Product portfolio

OILS AND LIQUIDS FOR ENGINES AND MOTOR VEHICLES

Engine oils for: passenger vehicles, commercial vehicles, diesel locomotives, marine engines, two-stroke engines, four-stroke engines, lawnmowers, transmissions and differentials, automatic transmissions, tractor engine, transmission and hydraulics.



LUBRICATING GREASES AND SPECIAL PRODUCTS

Calcium, lithium, lithium-calcium, aluminum and sodium greases. Special lubricants for: long-term lubrication, gears, steel ropes, low and high temperatures, glass molds, constant-velocity joints, manual tool reducers, lubrication of chains and valves of hot water pipes, gas pipelines and oil pipelines, food industry...



INDUSTRIAL OILS AND OILS FOR FOOD INDUSTRY

Circulating oils, hydraulic fluids, gear oils, turbine oils, oils for industrial gas engines, air compressor oils, refrigeration compressor oils, motor saw chain oils, slideway oils, heat transfer oils, hydraulic oils for food industry...



METALWORKING PRODUCTS

Metalworking fluids (mineral, semi-synthetic, synthetic, active and inactive), products for processing by plastic deformation (drawing of sheet metal, copper, aluminum, cold and hot forging), products for electric-erosion processing, products for thermal processing, products for construction industry, products for system disinfection, cleaning and maintenance.





Product portfolio



TEMPORAR CORROSION PROTECTIVE

Anti-corrosion oils, products with volatile solvents (film type: oily, soft, solid, flexible, transparent), products for the application of grease liquid melt, water-miscible products...



ANAEROBIC SEALANT

High hardness anaerobic sealants, medium hardness anaerobic sealants, low hardness anaerobic sealant, two-component adhesive.



DEGREASING AND CLEANING

Alkaline cleaners and degreasers, neutral cleaners and degreasers, acid cleaners and degreasers solvent-based cleaners and degreasers.



ADDITIVES AND EMULSIFIERS

Disinfectants, non-ionogenic tensides (liquid), non-ionogenic tensides (solid), amphoteric tensides.



Production and Capacity

Product	unit	Quantity			value in EUR		
		2011	2012	2012	2011	2012	2013
Motor oil	t	2,297	1,675	1,783	2.978.147	2.231.039	2.418.544
Gear oil, diff. and trans.	t	1,424	1,128	1,156	1.867.234	1.577.196	1.472.714
hydraulic oil	t	2,062	1,449	1,694	2.307.262	1.597.579	1.822.943
Metalworking agents	t	887	847	764	980.649	1.022.738	951.561
greases	t	1,004	798	936	1.514.456	1.259.103	1.374.530
Engine coolant (antifreeze)	t	1,028	711	784	1.070.537	815.656	901.545

Land / Buildings

Buildings are owned by the company, the total area of buildings is 47.314 m². The most important location is Krusevac - Bivolje (new location in the northern industrial zone) where has been built 29 production-commercial buildings, total area of 31,238 m². All the buildings are in good condition, linked to the necessary infrastructure installations and systems. The Company has the right to use urban construction land, the total area of 11.759 m², which is owned by the state. Urban construction land outside the construction area, the total area of 211.329 m² is owned by the company, as well as agricultural land, with a total area of 672.628 m².





Land and Buildings





Production and Capacity

Capacity utilization

Machine (Production line)	unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Production of lubricating greases and specialty lubricants	t	4250	3750	26.99	21.90	23.76
Manufacture of motor and industrial oils	t	20150	17000	35.85	26.43	29.24
Manufacture of distilled water	t	1000	750	10.34	17.12	19.04
Sinkon production	t	5500	4200	51.12	43.71	57.15
Production of anti-corrosion agents and agents and degreasers (ACP and SOC)	t	2500	2000	9.58	4.78	9.33
Production of PE packaging (blown and injected) in 2 shifts	pcs	15000000	14000000	44.99	26.95	31.50





Realization

Movement in sale volume

Product	unit	Quantity sold			value in EuR		
		2011	2012	2013	2011	2012	2013
Motor Oil	t	2,396	1,781	1,689	4.331.566	3.505.153	3.427.423
Gear oil, diff. and trans.	t	1,471	1,137	1,159	2.487.259	1.997.207	2.161.937
hydraulic oil	t	2,153	1,508	1,607	2.912.064	2.511.592	2.607.681
Metalworking agents	t	917	860	707	1.724.154	1.748.821	1.555.903
greases	t	1,065	828	889	2.933.729	2.319.741	2.257.155
Engine coolant (antifreeze)	t	1,122	685	782	1.421.022	1.086.149	1.171.803
TOTAL :					15.809.794	13.168.663	13.181.902

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	64.00	73.00	68.00
Foreign market	36.00	27.00	32.00
TOTAL :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	50.00
Wholesale	0.00
Retail	0.00
Intermediaries	50.00





Organization

EMPLOYEES



Number of employees

Working	226
Paid leave	0
unpaid leave	0
Other (sick leave, vacation, etc.)	0
TOTAL NUMBER OF EMPLOYEES	226

Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	15	33	27	30	17	50	54

Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	743	530
2012	710	506
2013	756	540





Financial Indicators

	value in EUR		
	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	49.369.988	45.643.023	44.146.348
FIXED ASSETS	17.726.491	16.145.889	16.593.625
TOTAL EQUITY	32.179.205	25.223.821	18.596.039



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



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)

OPPORTUNITIES:

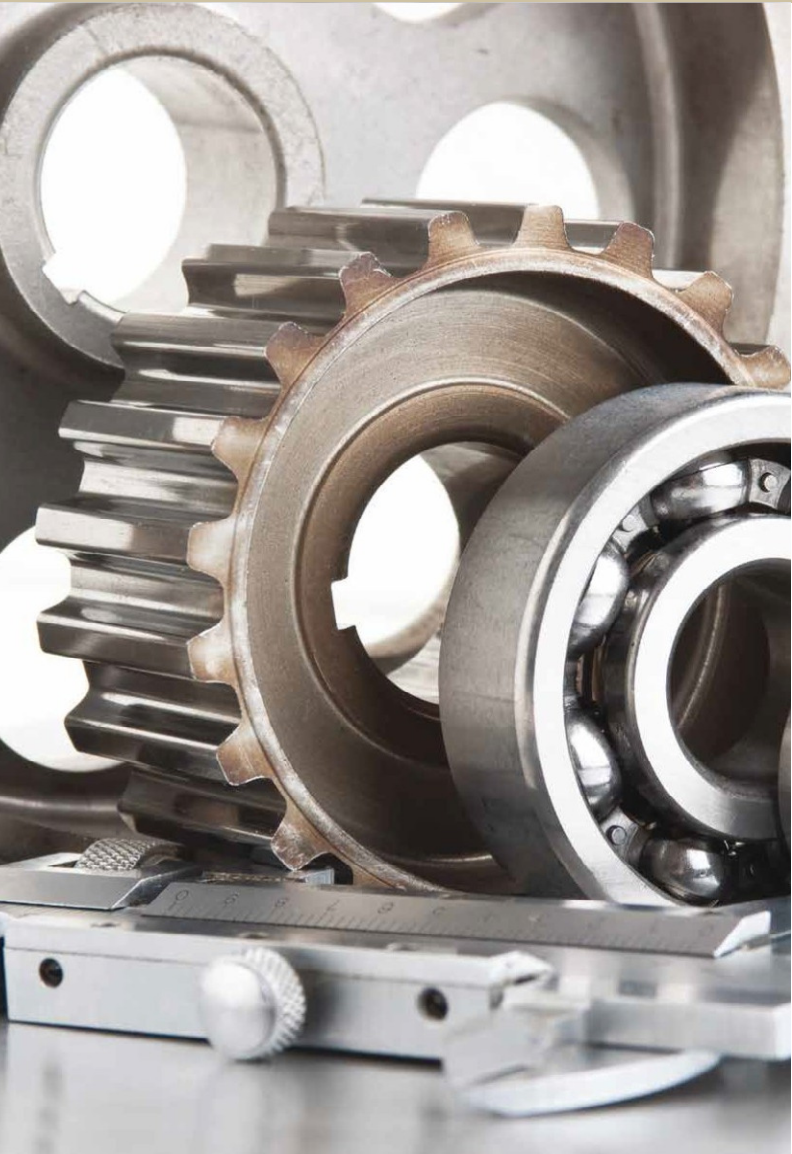
Close to major consumption centers. Intensifying cooperation with farmers in order to expand and use entire capacity. Exceptionally favorable microclimatic conditions for the fruit growing. Starting production in greenhouses given the proximity of thermal power plants. Multiple locations with a regulated 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)



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.

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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AGENCY**

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