



**Processing industry Majdanpek LLC  
Majdanpek**



# General Information

Full legal name	Processing industry Majdanpek LLC, Majdanpek
Address	No number Saska Street, Majdanpek 19250
Identification Number	07250509
Core activity	Precious metal production, particularly silver (jewellery and coins) liquid golds and platinum, decorative products, silver solder, anodes and refining
Foundation Year	1977
Number of Employees	330

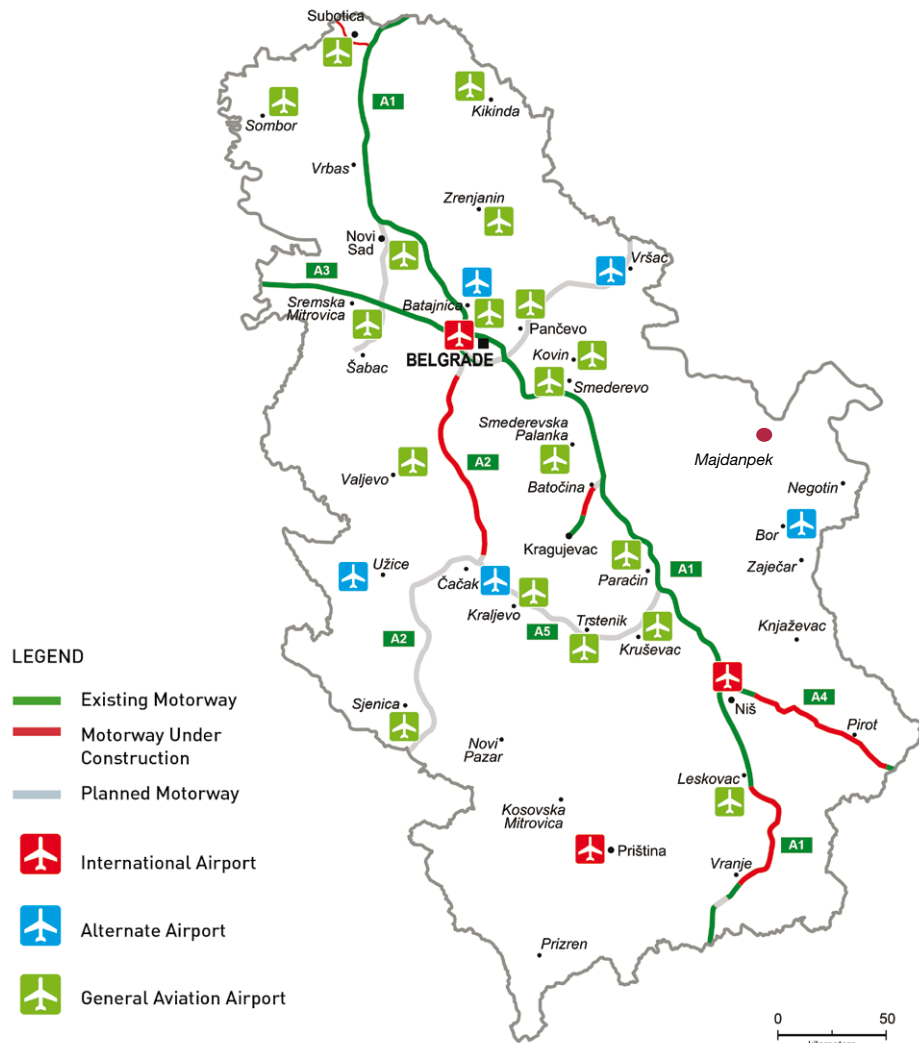


## Capital structure (in%)

Socially-owned	60.00
Others	40.00



# General Information



## Distance form the Company to:

Belgrade	190 km
Regional Center	80 km
Main road	0 km
Port	190 km
Railway	8 km



# Location



Pan-European Transport Corridors

Geographical location of Processing industry Majdanpek LLC, Majdanpek is of strategic importance in the market area of southeaste Europe and provides oportunity for intensive busines coporation.





# Long tradition and expertise



JEWELRY MAJDANPEK belongs contemporary of manufacturing complex metal processing industry Majdanpek-IPM, and thus holding RTB Bor. Successfully works and operates nearly 30 years. JEWELRY MAJDANPEK today, according to the level of technical equipment, technology and technological production facilities capable of processing and forms large quantities of precious metals in a wide range of subjects that are in demand in domestic and foreign markets. Equipment and the technology used for the productions of jewelry were imported from Italy in 1970. For the purposes of implementation of new technologies, additional equipment had been purchased. JEWELRY MAJDANPEK the market won the high quality products and services. Experts from the Institute of copper and precious metals in Bor done to examine the precious metals, refining, processing technology, setting new technological lines and the improvement of production quality. Permanent quality control performed by the Yugoslav Bureau of Measures and Precious Metals. Particular value busyness makes jewelry made of 14, 18 and low gold with precious and synthetic stones. The purity of gold is 99.99%. JEWELRY MAJDANPEK manufactures gold jewelry to customers by agreement of the fineness of gold alloys, by his own design or design of JEWELRY . It 's primary business is the production of precious metals and alloys, as well as providers of secondary refining of precious raw materials and getting clean precious metals.

# Product portfolio



## JEWELRY

- Chains
- Bracelets
- Necklaces
- Rings
- Earrings
- Pendants
- Jewelry the rubber
- Unique

## DECORATIVE PRODUCTS

- Production program Casting includes: micro casting and cast in sand moulds. Production program of “plastic processing of brass sheet” includes deep drawing and using a hydraulic press.





# Product portfolio



## DENTAL ALLOYS

- in a high alloy and medium dental



## CHEMICAL PRODUCTS

- decorative liquid gold, liquid palladium, platinum liquid, paste, precious metals



## INDUSTRIAL PRODUCTS

- silver solders, wire, tape, anode, contact

## RAFINING PRECIOUS METALS

- gold, silver, platinum, palladium

# 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



Product / services	Unit	Quantity			Value in EUR		
		2011	2012	2012	2011	2012	2013
gold jewelry	kg	24	12	10	482.000	275.000	278.000
silver jewelry	kg	23	30	14	68.000	51.000	28.000
coins	kg	25	15	32	590.000	211.000	488.0000
rondel	000 pieces	36,817	89,380	81,380	141.000	167.000	132.000
BIG and DIB		5,255	2,702	808	74.000	81.000	36.000
packaging		104	80	55	68.000	23.000	66.000
Services		0	0	0	14.000	0	0
Other					0	12.000	0



# Land / Buildings



Zlatara, Majdanpek is entitled to land on various locations: in center of Majdanpek – plant “Nakit i kovanice”; outskirts of Majdanpek, Lunka area – plant “Ukrasni proizvodi”; vicinity of Majdanpek, in Debeli Lug – plant “Hemija i metalurgija”, as well as central storage location. Zlatara Majdanpek also owns undeveloped land located in cadastral municipality Rudna Glava. In the records of the cadastral department in charge there is also land with residential buildings in Lenka area Parcel no. 443/2 LN 390 KO Majdanpek with a surface of 35.43 a.m2, is included under land in center of Majdanpek (right to use public property). Complex is located at the very entrance to Majdanpek. In the vicinity is open-pit RTB Bor (500m), river Mali Pek is located to the north (50m), bus station is located vis-à-vis the access road, while the entire property is surrounded with residential and business buildings. Land located in the outskirts of Majdanpek, Lunka - area includes parcel no.1158/1 LN 109 KO Majdanpek with total surface of 56.20 a.m2, Complex is located 2.5 km to the southeast away from the main riad Majdanpek-Beograd;area is bordered by river Mali Pek from the southeast and the surrounding forests from the northwest side. Land located in vicinity of Majdanpek, in Debeli Lug – plan “Hemija i metalurgija” is located on a parcel no.1450/1 LN 109 KO Majdanpek, total surface of 49.99 a.m2, svojina. Complex is located 7km south from Majdanpek nearby the road Majdanpek – Belgrade next to the road goes towards the train station and the river Pek. Central depot is located on the parcel no. 96/32 LN 213 KO Majdanpek total surface 99.21 a.m2, right to use public property. It is located close to the train station. IPM doo – in restructuring possesses a parcel no. 8566/1 LN 1911 KO Rudna Glava. Land is undeveloped and without the use defined. In LN no. 109 KO Majdanpek following parcels are registered: 1438/12, 1438/18, 1438/19, 1438/20, 1438/21, 1448/1, 1448/2, 1448/3, 1448/4 and 1450/2, property of IPM doo – in restructuring Majdanpek. Residential buildings have been built on some of the parcels. Business activity is not conducted on this land since it is possessed by individuals.





# Land / Buildings



Business activity of Zlatara, Majdanpek is performed through various market programs that are achieved through several production – technological plants on different locations: in Majdanpek central zone (jewelry and coins production plant, maintenance and the administrative buildings); Majdanpek outskirts, Lunka area (decorative products plant) and Debeli Lug (“Hemija i metalurgija” as well as the Central depot). Administrative building (size 2.524 m<sup>2</sup>) and the Machine plant for the processing of precious metal (size 3.022m<sup>2</sup>) together with the depot, butane station and the re-circular cooling system make a unit. Parts of the building are of specific characteristics and purpose: height and length of business premises, built in strong box, floors for storage of heavy machines, installations and additional rooms for maintenance and production process support.

Decorative products plant Veliko srebro consists out of multiple buildings for conducting administrative, production and storage activities. Other than the Administrative building with the paint shop and the appropriate building and foundry on this location there are additional depots used for various purposes, reception, substation and the neutralization of waste water building.

Hemija i metalurgija plant (Solders and refinery) contains liquid gold building that was used as a depot, solders production plant, waste water neutralization building, burning waste building, reception and substation.

Central depot location includes the depot itself (comprised out of two warehouses with “wooden and “concrete “floor) and the appropriate buildings for security officer, depot clerk and two storages - eaves.

Retail network includes 23 stores operates as part of the Zlatara, Majdanpek. IPM Zlatara, Majdanpek owns 10 retail stores size 625,40 m<sup>2</sup>, as well as the branch store size 547,23m<sup>2</sup> in Belgrade, Bulevar Kralja Aleksandra 324.

# Equipment



- Plant for the melting and casting INRES
- Vacuum induction furnace for melting and casting
- Rolling mill
- Micro hydraulic presses 300T
- Press for deforming the chains
- Machines for tubes
- EDM machine CHARMILES
- Etching reducing machine KULLMANN
- Continuous casting INRESA
- Galvanic line
- Rotary hammer R4-4
- Single oven



# Equipment



# Production and Capacity



## Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
jewelry line	kg	1800	900	11.00	13.00	5.00
hammering line	000/pcs	160	70	23.00	24.00	20.00
welding's	kg	7000	4000	6.00	5.00	4.00
other jewelry products	000/pcs	30	15	42.00	44.00	35.00
roundel line	ton	3000	1500	65.00	67.00	64.00
metal products line	000/pcs	300000	150000	7.00	8.00	1.00
packaging line	000/pcs	1000	400	9.00	7.00	14.00





# Realization



## Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
gold jewelry	kg	40	67	20	803.816	384.072	556.314
silver jewelry	kg	27	21	18	80.341	35.746	35.668
coins	kg	28	27	35	660.363	380.027	533.207
roundel	000 pcs	25,753	89,430	80,096	100.964	167.211	129.743
BIG and DIB	000 pcs	5,921	2,389	1,065	83.180	7.132	52.869
packaging	000 pcs	88	214	57	57.884	60.395	68.579
services		0	0	0	13.694	0	0
other		0	0	0	0	11.959	0
<b>TOTAL :</b>					<b>803.816</b>	<b>384.072</b>	<b>556.314</b>

## Sales structure

Sales structure in %	2011	2012	2013
Domestic market	88.00	85.00	85.00
Foreign market	12.00	15.00	15.00
<b>TOTAL :</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Distribution channels

Distribution channels	% of share
Direct sale	0.00
Wholesale	40.00
Retail	60.00
Intermediaries	0.00



# Organization



## EMPLOYEES



### Number of employees

Working	330
Paid leave	0
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>330</b>

### Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	0	17	27	48	110	80	48

### Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	362	263
2012	345	255
2013	347	254



# Financial Indicators



	Value in EUR		
	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	407,228	344,053	257,019
NON-CURRENT ASSETS	243,582	227,331	365,865



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:**

Zlatara Majdanpek is a well-known brand in Serbia as a jewellery producer. It operates at Serbian market through its own retail and wholesale network. Smaller quantities of jewellery are exported to Slovakia, Hungary, Macedonia, and Montenegro.

SW

## **WEAKNESS:**

Lack of financial resources for upgrade the existing technologies.

## **OPPORTUNITIES:**

Opening new markets, predominately in Russia and China.

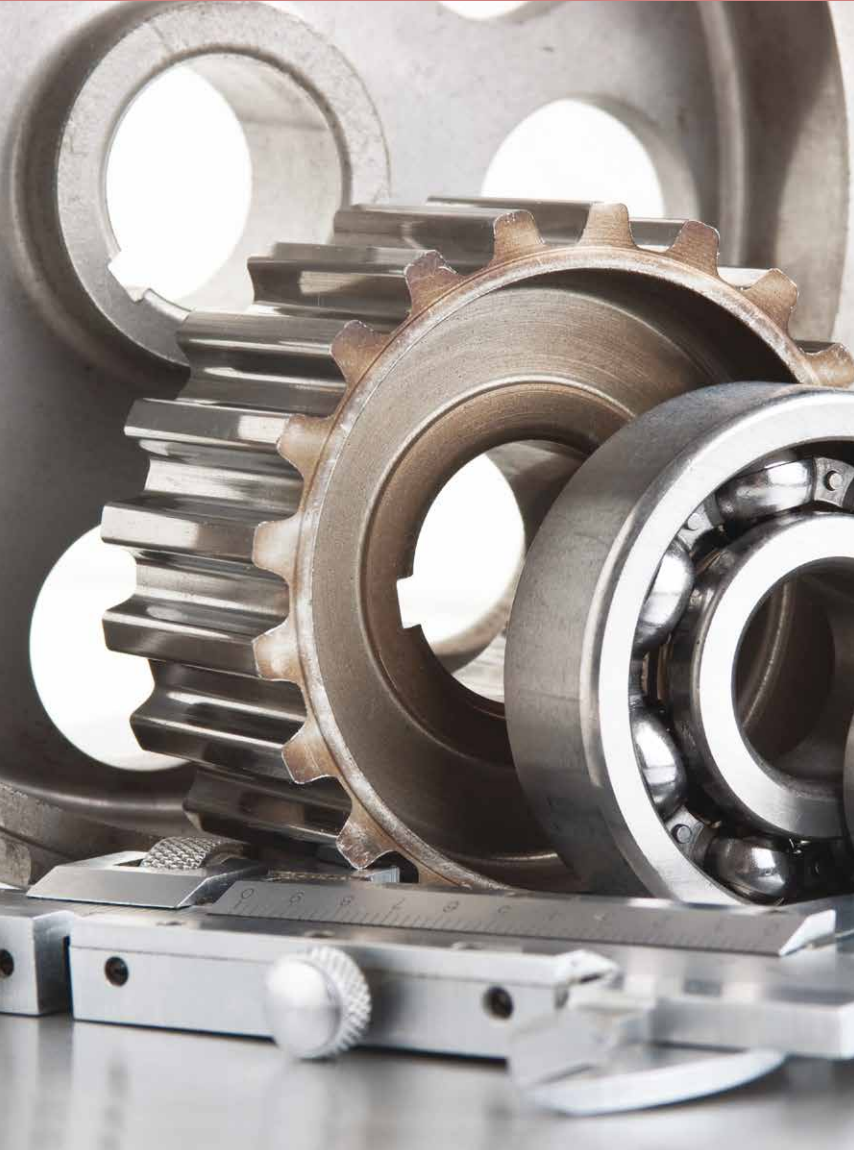
Ot

## **THREATS:**

Increase in the price of precious metals in the world market



# 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**

Address: 20, Kneza Milosa Street, 11000 Belgrade, Serbia

[www.privreda.gov.rs](http://www.privreda.gov.rs)

---

## **Privatization Agency Republic of Serbia**

Adress: 23 Terazije, 11000 Belgrade, Serbia

Phone: +381 11 / 3020-800

Fax: +381 11 / 3020-828

Email: [info@priv.rs](mailto:info@priv.rs)

[www.priv.rs](http://www.priv.rs)

---