



**MK Rudnik JSC**  
**GORnJI MiLAnOVAC**



## General Information

Full legal name	MK Rudnik joint-stock company GORNJI MILANOVAC
Address Identification	No. 17 Kragujevacka Street, 32300 Gornji Milanovac
Number Core activity	07178026
Foundation Year	Production of other cloths
Number of Employees	1957
	516



## Capital structure (in%)

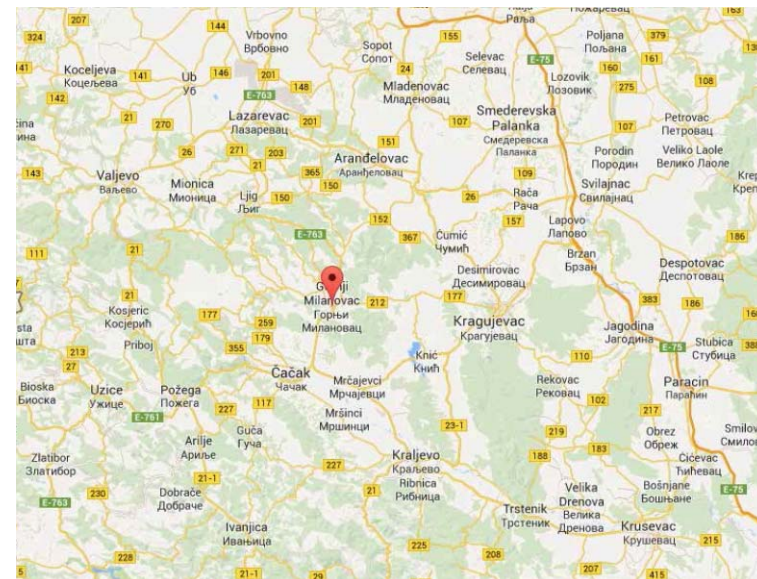
Privatization Agency	80.03
Others	19.97

# General Information



## distance form the Company to:

Belgrade	120 km
Regional Center	50 km
Main road	0.3 km
Port	450 km
Railway	22 km





# Location



**GORNJI MILANOVAC**  
Pan-European Transport Corridors

Geographical location of MK Rudnik joint-stock company Gornji Milanovac is of strategic importance in the market area of sougtheaste Europe and provides oportunity for intensive bussines cooperation.



# Long tradition and expertise



MK Rudnik founded in 1957 in production of women's blouses, men's shirts, dresses and skirts, women's and men's trousers, jackets and blazers and workwear and military uniform. MK Rudnik was a recognizable brand as a synonym of quality is achieved through a combination of two essential elements - a skilled workforce and streamlining the production process.

Production of readymade garments takes place in factories in Milanovac, Topola and Belgrade. Inactive factories are in Kraljevo, Pranjane and Arandelovac.

**The factory in Milanovac** - organizational parts production have been tailor, sewing with four production lines, for modeling and processing. This factory is specialized in producing women's blouses and dresses, and alternative programs are men's shirt, skirt and feminine blazer. Installed equipment is mostly imported, and equipment suppliers are leading European home for this type of equipment (Pfaff, Brother, Veit). The purchase of additional equipment of the latest generation of special machines and tools can be fulfilled requirements in the preparation of the finished garment and most demanding customers such as the house of Hugo Boss. Modelarnica is organized on the principle of mini production line and allows quick creation of collections for their own needs and partners, as well as making small series of products. At the factory

in Milanovac is a system that allows the reception, reproduction and integration of cutting files (Lectra). Facilities are warehouses of raw materials and finished goods, and the company itself as well as all the plants in the system has good internal and external roads.

**The factory in Topola** is specialized in manufacturing women's and men's trousers, and an alternative program is skirts. Organizational parts of this plant are tailor, sewing with three production lines and processing. This plant is also equipped with special machines so that they can meet all the requirements for the production and the highest quality apparel. As well as factories in Milanovac has trailing spaces for the reception and storage of raw materials and finished goods and adequate roads.

**The factory in Belgrade** specializes in the production of women's blazers, jackets, coats and coats, and alternative programs are skirts and application of protective clothing. Organizational parts of this plant are tailor, sewing with two production lines and processing. As in factories in Milanovac and Topola and here is the acquisition of special machines and investing secured flow of the manufacturing process in accordance with the high demands of foreign partners. The factory also has a separate area for receipt and storage of raw materials and finished products and roads, both internal and external.

# Product portfolio



- **Women's blouses,**
- **Men's shirts,**
- **Dresses and skirts,**
- **Women's and men's trousers,**
- **Jackets and blazers and**
- **Workwear and military uniform**



# 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
Women's jackets and coats	pcs	35.000	37.000	35.716	334.477	325.365	392.526
Trousers	pcs	55.000	60.000	90.711	382.260	439.683	645.487
Blouses and dresses	pcs	50.000	50.000	146.246	668.954	597.969	785.052

## Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Plant in Gornji Milanovac	norm/hour	370.125	326.080	89.00	87.00	85.00
Plant in Belgrade	norm/hour	183.300	150.856	92.00	85.00	80.00
Plant in Topola	norm/hour	206.213	173.012	89.00	90.00	90.00

## Land / Buildings

Location	Surface of land (m <sup>2</sup> )	Surface of building (m <sup>2</sup> )
Gornji Milanovac	5.730	19.826
Beograd	1.000	5.149
Topola	560	2.743





# Realization



## Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Trousers	pcs	67,034	73,067	90,000	477,285	525.607	707.180
Jackets, Coats	pcs	48,045	50,369	35,000	592.503	621.672	420.486
Women's blouses, dresses, shirts	pcs	141,372	150,000	146,000	831.415	840.971	888.754
<b>TOTAL :</b>					<b>1.901.203</b>	<b>1.988.250</b>	<b>2.016.420</b>



## Sales structure

Sales structure in %	2011	2012	2013
Domestic market	14.00	10.00	20.00
Foreign market	86.00	90.00	80.00
<b>TOTAL :</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Distribution channels

Distribution channels	% of share
Direct sale	95.00
Wholesale	0.00
Retail	0.00
Intermediaries	5.00



# Organization



## EMPLOYEES



### Number of employees

Working	500
Paid leave	14
Unpaid leave	2
Other (sick leave, vacation, etc.)	0
<b>TOTAL NuMBER Of EMPLOYEES</b>	<b>516</b>

### age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	2	36	51	96	146	107	78

### average salaries in Eur

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	245	169
2012	270	155
2013	275	199



# Assets Overview



	Value in EUR		
	31/12/2011	31/12/2012	31/12/2013
FixEd ASSETS	2.290. 000	1.739. 000	6.010. 000
CURRENT ASSETS	887. 000	702. 000	648. 000



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:

Trained and qualified workforce, compensation for work less than in the EU. One of the biggest strengths of the company is its skilled and qualified workforce. Also, the low cost of production due to the cheap labor force, and small transportation costs opens opportunities for the company.

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## WEakNESS:

Lack of productivity requires the purchase of equipment and supplies.

## OppOrTuNITIES:

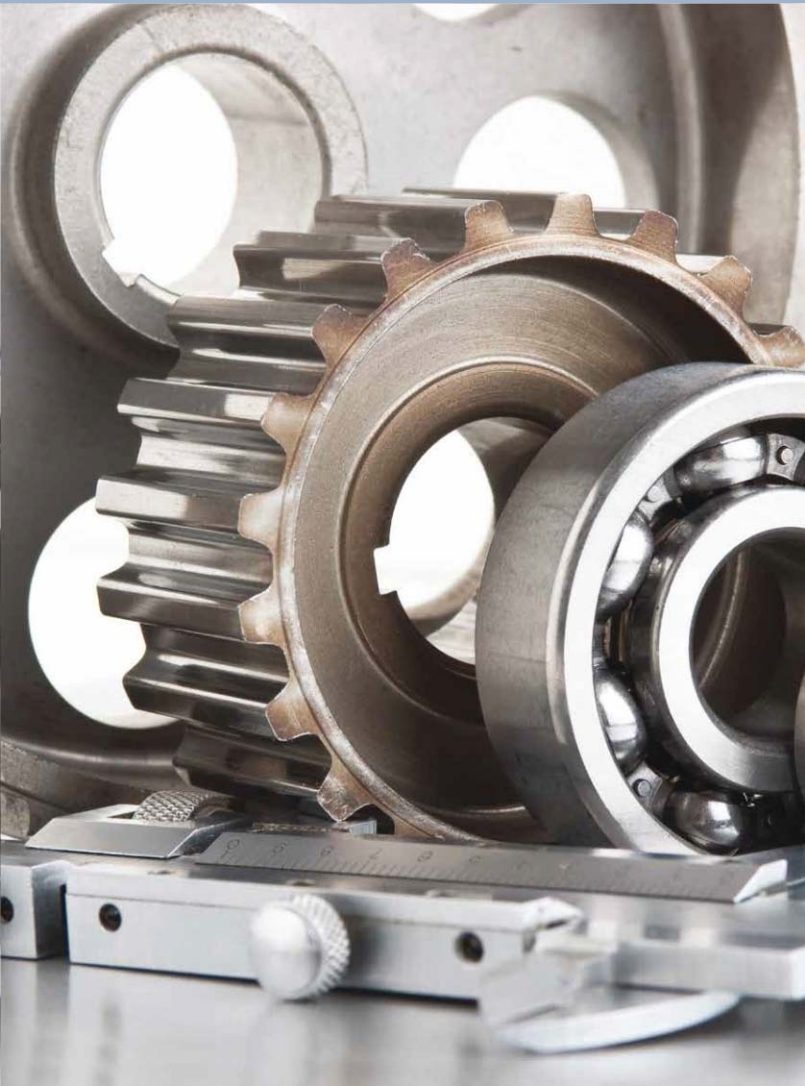
The proximity to EU, small transport costs, quick delivery time, the possibility of a shift to manufacture of textile products for the auto industry. The main production unit (surface 20.446 squared meters) is located in Gornji Milanovac, while there are other smaller units in Arandjelovac, Rakovica, Topala and Pranjani. The company also has an office in Belgrade. Company's equipment is in satisfactory condition. However, investments are needed in order to increase the production level to a higher capacity.

Ot

## ThrEaTS:

Insufficient replenishment of the labor force because of low reimbursement. A shift to the production of textiles for the auto industry would enable higher level of earnings and therefore the renewal of the labor force.

# 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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