



**Corporation PKB JSC Belgrade
Padinska Skela**



General Information

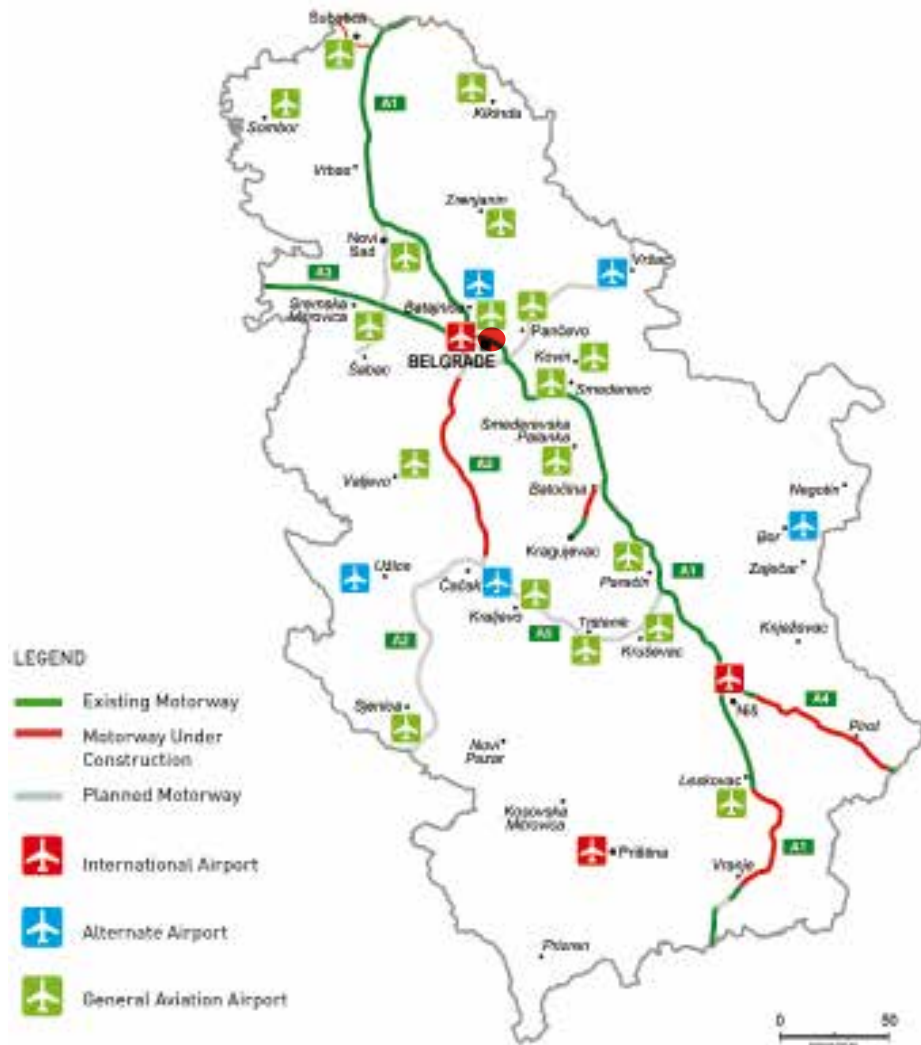
Full legal name	Corporation PKB JSC Belgrade, Padinska Skela
Address	Industrijsko naselje bb, 11213 Padinska Skela
Identification Number	07042230
Core activity	Raising of dairy cattle
Foundation Year	1945
Number of Employees	2,066



Capital structure (in %)

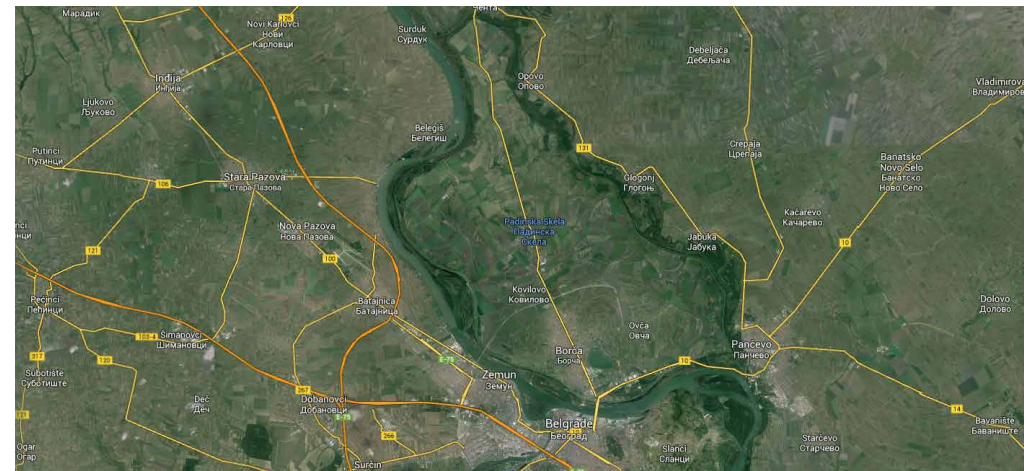
Development fund	0.04
City of Belgrade	99.55
Others	0.41

General Information



Distance form the Company to:

Belgrade	15 km
Regional Center	0 km
Main road	not far
Port	not far
Railway	not far



Location



Pan-European Transport Corridors

Geographical location PKB JSC Belgrade is of strategic importance in the market area of sougtheast Europe and provides oportunity for intensive busines coperation.



About Company



PKB Corporation was founded on 27th December in 1945 as Agriculture farm “Pancevacki Rit” and its task was to supply City of Belgrade with essential foodstuff such as: wheat, vegetables, meat and milk.

PKB Corporation is the biggest agricultural company in Serbia but also Europe the greatest milk producer in Europe.

PKB Corporation organizes crop production at 21.500 ha of cultivable soil. Beside 21.500 head's of cattle in total, there are 9.000 dairy cows. Annual milk production amount to 68 millions of liters. PKB Corporation participates with 53% in supplying Belgrade market – with milk.

PKB Corporation has mechanization consisting of 320 various types of self-propelled machines and over 1.000 machine attachments, irrigation systems at 3.000 ha and storage capacities of 49.000 tons. Center for seed processing with its capacity of 15.000 tons ranks PKB Corporation among the greatest producers of seeds.

In the last few years PKB has organized the greenhouse production of vegetables and nursery plants at 2 ha and the plan is to expand this kind of production at 5 ha, while more than 150 tons of vegetable has been produced in the open.

PKB business goals are stabilization and modernization of production, productivity raising, business efficiency and considerable use of alternative energy sources.

About Company



STORAGE AND FINAL PROCESSING SYSTEMS

PKB “AGROSEME” was founded in 1971. Factory is fitted for final processing of all kind of seeds. Full capacity of the factory is 15.000 tons of stubble cereal seeds, soybeans up to 1.000 tons. During season dryer can dry up to 6.000 tons of corncob. PKB “MLIN-PEK” has in its possession silos in which about 24.000 tons of wheat can be stored. The dryer has capacity of 32 tons per hours. PKB “INSHRA” foddered factory, has 25.000 tons of storage capacity.



PKB INSTITUTE AGROEKONOMIK

INSTITUTE FOR SCIENTIFIC-RESEARCH WORK AND TECHNOLOGY
TRANSFER IN AGRICULTURE

PKB “Agroekonomik” institute was founded in 1961 as a part of agriculture corporation “Belgrade” as expression of aspiration for scientific-research work and appliance of science in agriculture production. The Institute consists of the Institute for crop farming, animal-husbandry, fruit growing and Institute for agriculture improvement. In its 50 years long history, Institute has a large number of varieties and hybrids of mazie, as well as wheat varieties.



PKB “INSHRA”

INDUSTRY OF ANIMAL FEEDS

Annual capacity of full, supplementary and vitamin-mineral mixtures production amounts to 120.000 tons. Presently, PKB “Inshra” produces fodder mixtures for: poultry, pigs, cattle, sheep, lambs, young goats, horses. On its farm of 30.000 hens, they have annual production of about 7 millions eggs.



About Company



EKO LAB

PKB “EKO-LAB” D.O.O. was founded in 1957 as the PKB Central Laboratory and is used for quality control. In its long lasting history “EKO-LAB” has past through many transformations. Laboratory has the accreditation of ATS according to the SRPS ISO IEC 17025/2001. In its content accreditation has 662 research methods including the following:

Micro-biological and physical-chemical analysis of food, animal food and items of an overall use

- Physical-chemical analysis of water, soil and fertilizers.
- Quality analysis of seed attributes

PKB “EKO - LAB” has authorization of the MPTŠT and Ministry of Health for issuing certificate on sanitary quality of food and items of an overall use.

PKB “AVIATION”

PKB “Aviation” was founded in 1994. It has two airplanes ANT-2 that are used for all agro-technical protection measures and for fertilizing the land of 20.000 hectares.

Product portfolio



CROP PRODUCTION

Wheat	28.000 tons
Barley	7.000 tons
Corn	25.000 tons
Sugar beet (root)	70.000 tons
Soybean	7.000 tons
Alfalfa hay	20.000 tons
Silage corn	100.000 tons
Consumption peas	1.800 tons
Sweet corn	1.500 tons
String beans	1.200 tons
Seed production	11.000 tons
Alfalfa haylage	10.000 tons

WHEAT

Wheat is produced in PKB at 4.600 ha with an average yield of 6.0 t/ha. Annual production is about 28.000 tons.

Stubble cereal seeds are planted at about 1.400 ha with production of 8-9 thousand tons.

CORN

CORN is planted at 3.000 ha with an average yield of 8.0 tons per hectare. Annual production is about 24.000 tons.

SILAGE CORN is planted at 3.000 hectares from which we harvest about 100.000 tons of silage.

SEED CORN is planted at 600 hectares and annual production is about 1.800 tons.

Product portfolio



SEED PRODUCTION

Stubble cereal seed	8.000 tons
Corn seed	2.000 tons
Soybean seed	700 tons
Sunflower seed	300 tons



INDUSTRIAL CROPS

Sugar beet	70.000 tons
Sunflower	800 tons
Soybean	7.000 tons



GARDENING and GREENHOUSE PRODUCTION

At open soils we have production amounting to over 150 tons of vegetables: cabbage, cauliflower, broccoli, onion, potato, celery roots.

In our new greenhouse we have production of 120 tons of tomato, 50 tons of cucumbers, 40 tons of peppers and about 15 tons of bell peppers. Then we also have about 180.000 pieces of hot peppers and about 130.000 pieces of lettuce. There is about 2000 seedlings of conifers, deciduous and flokierpot that is produced at dendro nursery garden.



Product portfolio



LIVESTOCK PRODUCTION

PKB has about 30.000 heads of cattle.

Bovine cattle (total)	22.000 heads
Dairy cow	9.000 heads
Pigs	6.000 heads
Sheep	2.000 heads

PKB supplies market with about 3.700 of fattened heifers with an average weight of 440 kg then about 6.000 of fattened pigs and about 1.000 of lambs, or 1.600 tons of beef meat, 600 tons of pork meat and 50 tons of lamb meat.

CATTLE BREEDING

Dairy cows	9.000 heads
Brood young cattle	9.500 heads
Heifers in fattening process	3.500 heads

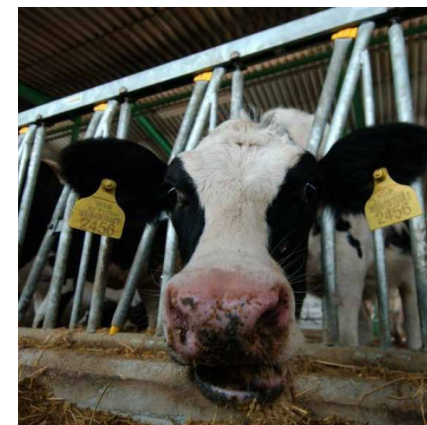
Centre for artificial insemination and embryo technology has 30 bulls and heifers of Holstein-Friesian race who are in the test process, and from which we get about 100.000 doses of semen. Bulls' origin comes from the world's best bull sires.

PIG AND SHEEP PRODUCTION

PKB on its farms has 4.500 pigs of all categories out of which 400 are brood sows. We provide Belgrade market with around 6.000 of fattened animals of an average weight of 100 kg, every year.

Station for pig testing, Animal - Husbandry centre, have 65 sows of Yorkshire race that are used for production and breeding in PKB farms.

PKB on its farms also raise about 2.000 sheep of all categories. Apart from this, 1.400 of lambs are for breeding and fattening. We provide Belgrade market with 1.000 of lambs per annum.

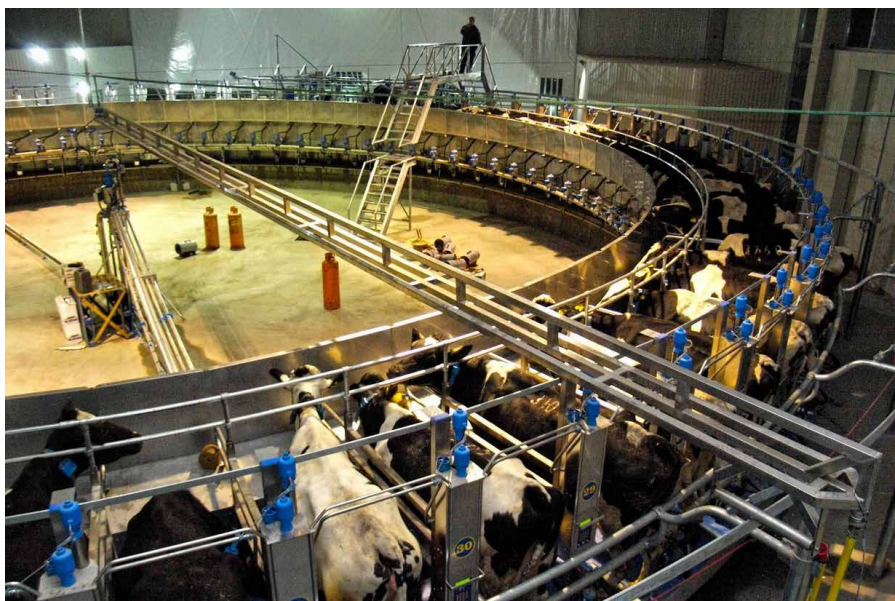


Product portfolio



MILK PRODUCTION

Number of cows (Holstein race)	9.000 heads
Annual production	68 mill. liters
Average daily production	180.000 liters
Average milk fat	3.6%
Extra class milk	100%
Our participation in supplying Belgrade	53%



MECHANIZATION

PKB has 295 tractors of all categories in total, 33 combines, 17 loading machines, 12 lines for baling hay, 4 heavy caterpillar tractors and over 1.000 machine attachments of all kinds.



IRRIGATION SYSTEMS

PKB irrigates over 3000 ha of soils every year. Eight linear moving machines, 25 typhoons and 20 rain wings that can provide certainty of crops. Our aim is to provide irrigation systems for as many soils as possible in order to prevent them from dryness. Therefore, we buy new systems every year and in that manner we make crops not to be dependent on weather conditions.

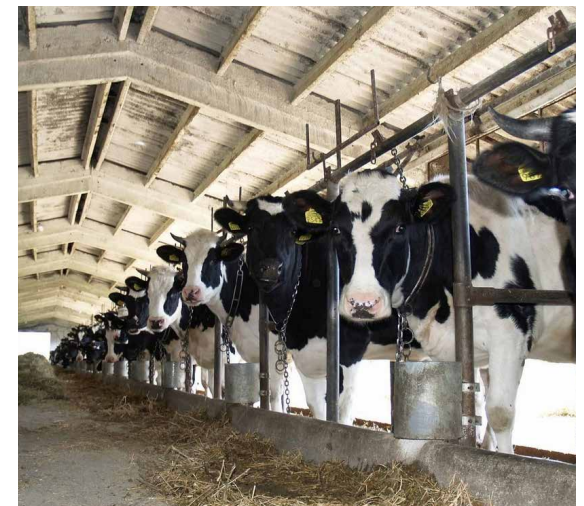


Quality assurance certificate ISO 9001

Company does not own quality assurance certificate ISO 9001.

Ecology

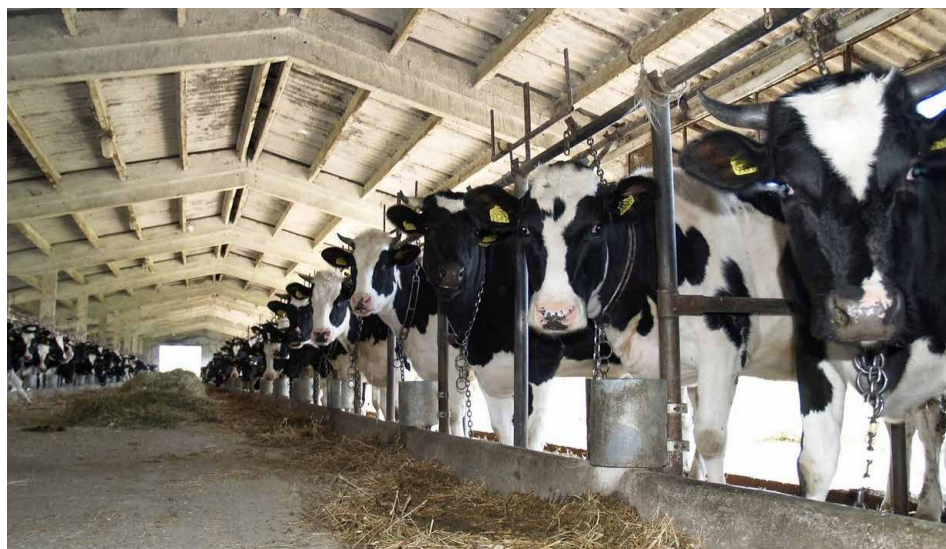
According to applicable regulations, the requirements for environment protection are not fulfilled.



Production and Capacity



Product	Unit	Quantity			Value in EUR		
		2011	2012	2012	2011	2012	2013
Milk	t	67,049,624	66,086,408	62,115,960	23.965.916	24.065.274	21.103.356
Wheat	t	24,063	28,252	21,607	6.084.342	6.296.313	3.412.882
Barley	t	7,835	7,622	7,199	1.625.559	1.606.901	1.181.364
Mercantile corn	t	20,921	10,933	15,719	3.598.765	2.547.743	1.755.053
Sugar beet	t	46,976	95,990	87,356	1.885.486	4.369.077	3.939.225
Soy	t	6,462	4,331	6,139	2.346.654	2.551.718	2.302.618



Production and Capacity



Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Crop production	ha	21300	21300	95.40	99.00	94.40
Milk production	head	9500	9200	93.00	91.30	88.40
Cattle fattening	head	3000	3000	93.60	93.90	100.00
Pig breeding	head	400	400	95.00	96.30	90.25
Sheep breeding	head	1100	1100	95.50	98.20	100.00

Land / Buildings

The total area of land that the company uses is approximately 66,535,000 m2 (urban-construction and agricultural land). The land is owned by the company and state-owned, with the right of use by the company. Facilities are in working order, owned by the company.



Realization



Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Raw milk	lit	63,142	62,340	58,197	25.162.092	19.763.855	19.805.176
other products					24.239.174	20.224.317	16.985.863
TOTAL :					49.401.266	39.988.172	36.791.039

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	100.00	99.97	100.00
Foreign market	0.00	0.03	0.00
TOTAL :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	90.00
Wholesale	
Retail	
Intermediaries	10.00



Organization



EMPLOYEES



Number of employees

Working	2,066
Paid leave	0
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
TOTAL NUMBER OF EMPLOYEES	2,066

Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	31	293	325	373	443	389	212

Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	619	439
2012	595	426
2013	592	424

Assets Overview



	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	37.608.899	60.478.243	53.802.294
NON-CURRENT ASSETS	134.128.902	248.720.795	245.936.074



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:

Close to Belgrade market, boosting agricultural activities, production portfolio includes attractive products.

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WEAKNESS:

Period required to complete the modernization of production; procedures of decision-making; inherited liabilities from previous years (amount and structure).

OPPORTUNITIES:

A significant increase in performance; increase in productivity of production per ha due to investment in new machinery; application of new technologies in breeding dairy cattle-investment in new farm.

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THREATS:

Uncertainty and variability of subsidies (types and levels) for agricultural production.

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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