



**Company Porecje LLC  
Vucje**



## General Information

Full legal name	Company for agricultural production and processing Porecje LLC Vucje
Address	No 10 Koste Stamenkovica Street, 16 203 Vucje
Identification Number	07196245
Core activity	Cultivation of other woody, bushy and nuts
Foundation Year	1961
Number of Employees	93+1 (Porecje prom) +1 (Porecje trade)

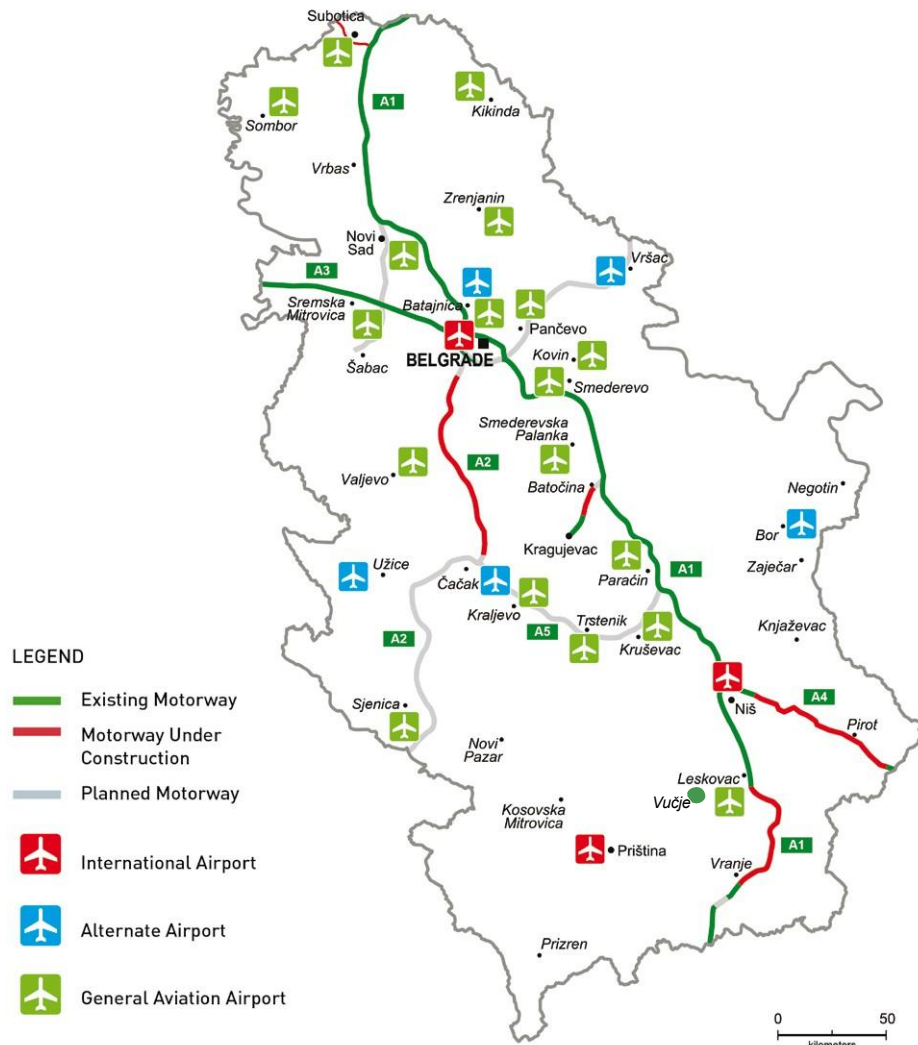


### Capital structure (in%)

Privatization Agency	100.0
0	

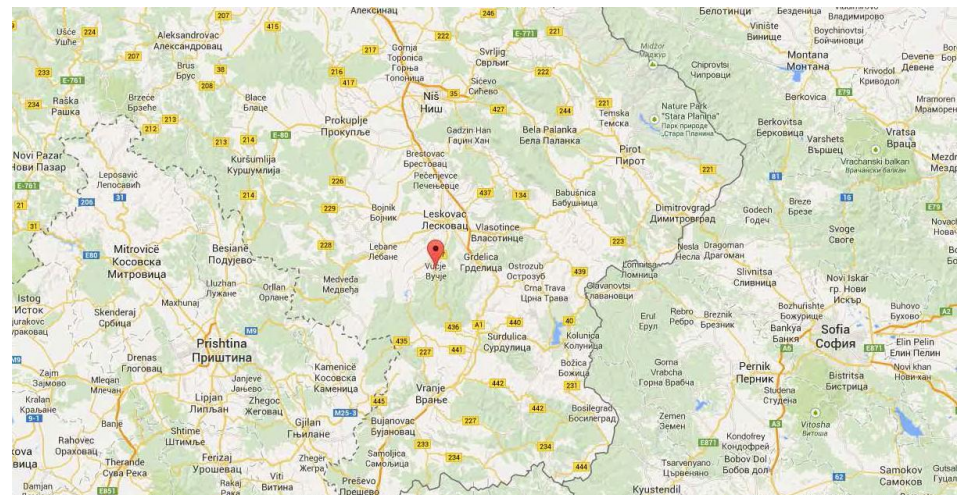


# General Information



## Distance form the Company to:

Belgrade	300 km
Regional Center	20 km
Main road	20 km
Port	380 km
Railway	20 km



# Location



Pan-European Transport Corridors

Vučje is a town in Serbia. It is situated in the Leskovac municipality, in the Jablanica District.

Leskovac is a traffic junction of sorts. International trains traveling from Europe to Skopje, Salonica and Athens pass through this city. Nineteen trains stop in Leskovac every day. The Valley of Leskovac has been criss-crossed with roads. The most important is the E 75 road which connects the borders of Hungary and Macedonia. Regional roads lead from Leskovac to Priština, Pirot and Bosilegrad. The distance from Leskovac to Niš is 45, to Belgrade 280, and to Sofia 155 kilometers.





# Tradition and expertise



Porecje Vucje corporation was founded in 1961, as a small economic welfare with twenty one employees. To the present, the corporation has come through many organizational transformations. Production activity is made of two organizational unities:

- 1. Primary agricultural production with five working units near Vucje and**
- 2. Fruit and vegetable processing in Vucje with working units Refrigerator, Hot canning and Destillery.**

Soil structure, geographical location as well as climatic conditions are good for crop and fruit production.

The entire area includes twenty eight villages with total of 13.500 ha of soil area, with 9.500 ha of arable soil.





# Product portfolio



Porecje Vucje owns producing capacities for primary fruit production – on about 400 ha cultivable soil, fruit nursery plants production, industrial processing of fruit and vegetables from purchase and storing them.

**Hot canning** / sweat program and sour program

**Destillery** / Brandy

**Refrigerator** / frozen program



# Tehnological Fasibilities



Fruit production is equipped with complete machinery for soil cultivation and for planted area protection, with irrigation equipment and wrapping material production.

The cold storage plant with about 7.000 tons of refrigerant space, with the technological equipment built-in, and they are:

- “Frigoskandia tunnel” – with capacity of 5 t/h with the taking pit-out machines, “Ferum” trade mark (6 pieces), with capacity of 4,5 t/h, washing fruit machines with the inspecting lines, transport lines and elevators which makes a complete technological entirety.
- “Lewis Starfrost tunnel” – with capacity of 4t/h with 5 taking- pit-out machines type “Ferum”, with capacity of 3,5 t/h, washing fruit machines with inspecting lines, transport lines and elevators that make complete tehnological entirety. Capacity is changable and can be adapted for the kind of fruit which is in process.
- “Lewis Starfrost tunnel” – for freezing, with capacity of 3 t/h, with washing machine, inspecting line and an elevator.
- Producing line for preparing pepper for freezing, 2 t/h.
- Packaging line for frozen products, capacity 12 t/h.

Hot canning manages a real capacity of 3.775 tons of fruit and vegetables a year.

Destillary manages a real capacity of 6.000 tons of fruity schnapps a year, packed in dishes for husks, destillation line and bottling.

Boiler Room manages a real capacity of 19.000 tons of produced steam a year.



## 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 potential



The whole region of Porecje area has favorable microclimatic conditions for planting of high quality fruit and the experience of almost 5000 subcontractors in fruit production. Porecje Vucje owns the real capacities for accepting and procesing it with the large production potential:

**Sour cherry - Oblacinska, potential about 2.000 freight cars**

**Pear – William and Santa, potential about 1.000 freight cars**

**Apple – Idared, Golden and Red Delicious potential about 500 freight cars**

**Plum – Stanley, potential about 1.000 freight cars**

**Different berry – shaped fruit – strawberry, blackberry, raspberry ..., potential about 100 freight cars.**

**Different vegetables – pepper, chilly pepper, cucumber ..., potential about 100 freight cars**



# Land and Buildings



- Land owned by the company is 35 Ha,90a,35 m2
- State land used by the company is 5.013.208,00 m2

Storage space:

- raw material and semi-finished products depot 2.000 m2
- finished products depot 7.000 m2
- eaves 1.700 m2

Reservoirs (artificial) for irrigation in primary production makes up to 500.000 m3.

## LOCATION „RESORT“ – LESKOVAC (Brownfield)

Industrial complex “Resort” in Leskovac, previously owned by textile industry, and now out of function, with total field area of 22.168 m2. Complex position is in proximity of the downtown, railway junction and main roads, so that the road connectivity is very good.



# Production and Capacity



Product	unit	Quantity			Value in EuR		
		2011	2012	2012	2011	2012	2013
fresh fruit	kg	2,749,420	1,218,000	741,540	948.654	386.710	161.581
d/f cherry bk rolend	kg	1,214,900	40,000	81,340	812.713	59.797	49.659
other d/f frozen fruit	kg	2,233,310	118,000	139,360	1.303.754	63.402	52.319
sweet and sour program - 0,720kg	pcs	76,760	3,449	0	65.892	4.397	0
rakija (brandy), 0,7-distillery	pcs	213,495	29,958	31,828	948.654	386.710	161.581
60% distillation	kg	351,632	/	28,330	2.473.966	/	149.893

## Capacity utilization

Machine (Production line)	unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
agricultural roduction	t*	*	4589	60.00	26.50	16.00
sour cherry line bk rolend	t	3696	3150	39.00	1.00	14.60
line for other frozen fruits	t	7590	6484	34.00	0.60	26.10
hot processing	pcs	840,000	800,000	10.00	0.10	
bottling line	pcs	800,000	800,000	27.00	0.30	3.00



# Realization



## Movement in sale volume

Product/service	unit	Quantity sold			Value in EuR		
		2011	2012	2013	2011	2012	2013
frozen program	t	2,009	818	495	2.729.936	882.013	227.831
sweet and sour program - 0,720 kg	pcs	481,414	77,643	8,388	112.155	48.136	7.475
rakije (brandy) -distillery	pcs	70,145	63,130	31,943	1.045.968	493.870	147.956
other - retail	rsd	/	/	/	64.869	135.669	/
fresh fruit	t	/	/	229	/	/	12.046
<b>TOTAL :</b>					<b>3.952.929</b>	<b>1.559.687</b>	<b>395.309</b>



## Sales structure

Sales structure in %	2011	2012	2013
Domestic market	68.00	89.00	100.00
Foreign market	32.00	11.00	0.00
<b>TOTAL :</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Distribution channels

Distribution channels	% of share
Direct sale	15.00
Wholesale	0.00
Retail	5.00
Intermediaries	80.00



# Organization



## EMPLOYEES



### Number of employees

Working	74
Paid leave	6
unpaid leave	1
Other (sick leave, vacation, etc.)	0
<b>TOTAL NuMbER Of EMPLOYEES</b>	<b>81</b>

### age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	4	24	19	11	6	12	5

### average salaries in EuR

(gross and net) in 2011, 2012 and

Year	Gross	Net
2011	288	202
2012	307	224
2013	354	257





# Assets Overview



	31/12/2011	31/12/2012	31/12/2013
CuRRENT ASSETS	/	5.731.962	6.307.648
FlxED	/	6.641.007	10.086.792



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:**

The export-oriented company, domestic raw material base from Porecje region, the ability to purchase and accept surplus fruits and vegetables

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## **WEAKNESSES:**

Marketing strategies and sales infrastructure

## **OPPORTUNITIES:**

Trends in long-term increase in food prices in the domestic and international markets

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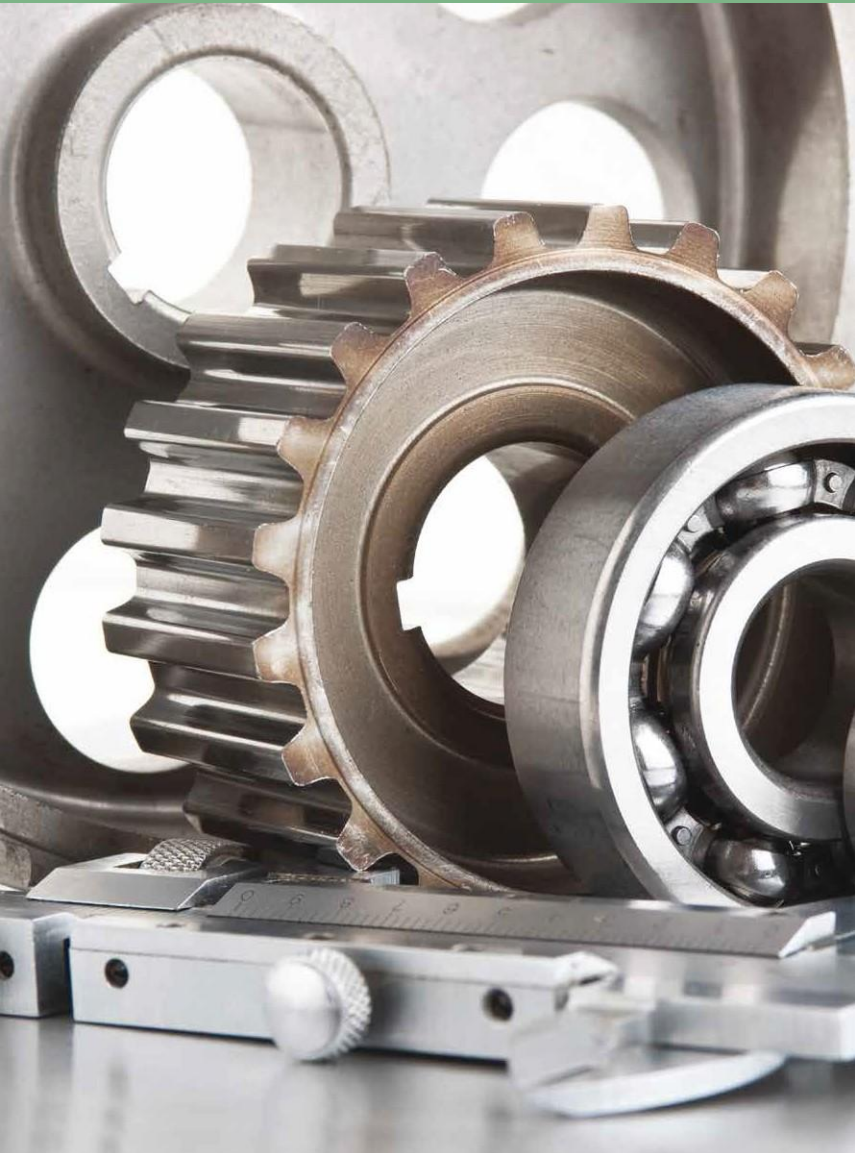
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## **THREATS:**

The global economic crisis, inability to find a strategic partner in the privatization process



# 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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