



GALAX[®]

**RAFINERIJA NAFTE JSC
BELGRADE**



General Information

Full legal name	RAFINERIJA NAFTE JSC BELGRADE
Address Identification	No. 83, Pančevacki Put, Belgrade
Number	20047844
Core activity	Manufacture of refined petroleum products
Foundation Year	2005
Number of Employees	141

Capital structure (in%)

Privatization Agency 100.00

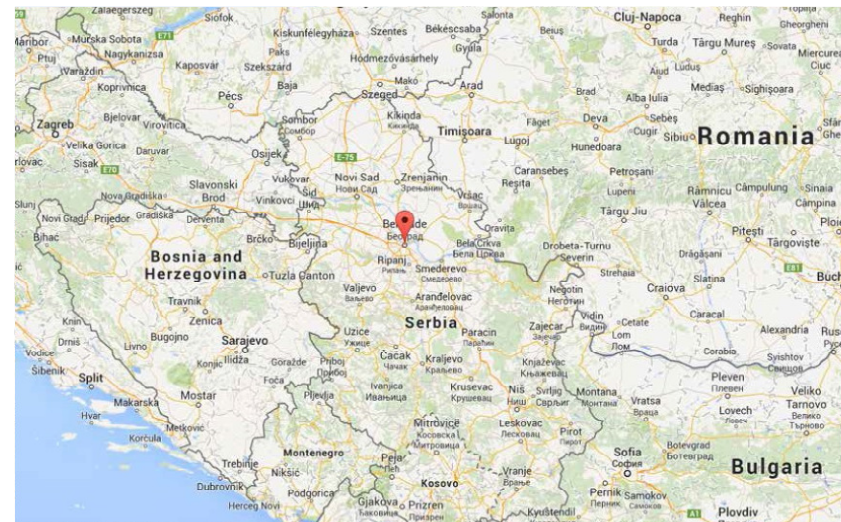


General Information



Distance from the Company to:

Belgrade	5 km
Regional Center	5 km
Main road	0 km
Port	7 km
Railway	5 km



Location



BEoGRAD
Pan-European Transport Corridors

Geographical location of RAFINERIJA NAFTE JSC BELGRADE is of strategic importance in the market area of sougtheast Europe and provides oportunity for intensive bussines cooperation.



Long tradition and expertise



The company is the oldest and largest company in Serbia for producing lubricants and anti-corrosion agents that are obtained from oil derivatives. The company was founded in 1934 and, over the 70 years of its operation and development, the entire business strategy of the company has been directed towards a constant technological improvement of its products.

The initial company BISTRANA, founded in 1934, was merged with ANTIKOR in 1961, forming a unified enterprise for the production of lubricants, anti-corrosion agents and chemical products. In 1970, after its integration with NAFTAGAS, transformed into the company Rafinerija nafte, with head offices in Belgrade. In 1981 Rafinerija nafte became a part of the energy-petroleum-chemical products-based COAL (Composite Organization of Associated Labor) JUGOPETROL, being its production leader, whereas in 1992, in keeping with the Law on the founding of the Public Enterprise NIS, it became an integral part of the Serbian Oil Industry under its present name. In 2005, it separated from the NIS and operated independently until 2006. As of 2007, after its privatization, the Refinery continued to operate as part of the Neochimiki Group of Companies, one of the largest and fastest-growing business groups in Southeastern Europe.

In early 2012, privatization contract was terminated and refinery in Belgrade continues to operate as a state-owned enterprise. During the years, the company is transformed by chemical industry in a modern refinery with significant technological and human potential. The company monitors daily needs and requirements of its customers and simultaneously modifies and improves existing products and formulates new ones. The company has to offer a rich product portfolio of more than 200 different products and over 450 different packages. Product quality is confirmed by the numerous awards and accolades that the company received in the last few years. All this confirms the fact that the organization and manner of operation of RNI already reached the required European standards.

Product portfolio



- MOTOR OIL FOR CARS
- SHIP LUBE
- INDUSTRIAL OILS AND LIQUIDS
- METALWORKING AGENTS
- REMEDIES PROTECTION FROM
- CORROSION
- LUBRICATING GREASE

Services



- **LABORATORY DATA PROCESSING AND ANALYSIS**
- **TECHNICAL TESTING AND ANALYSIS**

Certificates



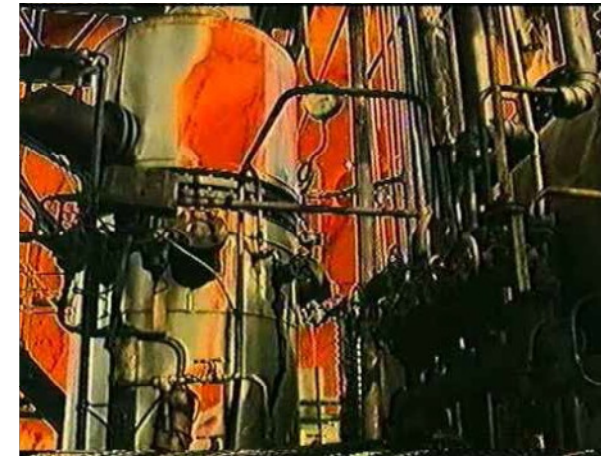
Quality assurance certificate ISO 9001
Company owns quality assurance certificate
ISO 9001.

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
Galax	kg	945.216	841.676	806.361	1.670.740	1.425.090	1.700.996
Hidraulik	kg	73.301	81.006	68.775	185.015	164.352	272.021
Korsantin	kg	211.876	153.569	83.358	335.999	244.718	183.016
Kompresol	kg	1.329	2.156	616	2.094	3.127	1.063



Land / Buildings

Company owns object in one location in total surface of 43.689 m2 and uses land in two locations in total surface of 115.099 m2.

Production and Capacity



Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Lubricants (Blending)	t	25000	20000	4.50	4.73	4.30
Lubricants (plant oils)	t	7750	5000	13.00	9.72	12.20
Production of antifreeze	t	17500	11000	2.80	0.92	1.05
Re-refining of used oil	t	22500	10000			
Production of plastic packaging	t	350	320	28.80	29.18	22.70
Filling of plastic packaging	t	10100	6000	10.50	5.60	3.98
Regeneration of the barrels	t	100000	60000			1.73



Realization



Movement in sale volume

Product	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Galax	kg	1.036	871	774	1.819	1.584	1.374
Hydraulic	kg	182	108	112	217	166	85
Korsantin	kg	285	240	100	402	385	162
TOTAL		3.514	3.231	2.999	2.480	2.185	1.707

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	94.07	93.97	96.41
Foreign market	5.93	6.03	3.59
TOTAL	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	11.50
Wholesale	88.00
Retail	0.50
Intermediaries	0.00

Organization



EMPLOYEES



Number of employees

Working	139
Paid leave	1
Unpaid leave	1
other (sick leave, vacation, etc.)	0
TOTAL NUMBER OF EMPLOYEES	141

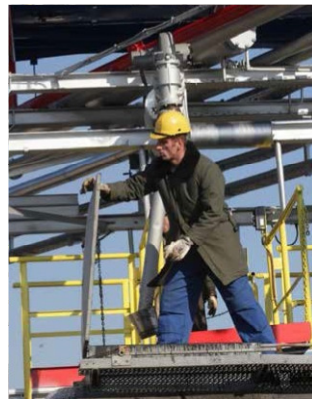
Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	0	9	20	23	30	27	32

Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	664	475
2012	506	370
2013	496	386



Assets overview



	Value in EUR		
	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	1.449.233	1.748.127	1.205.997
FIXED ASSETS	15.999.815	14.164.070	15.171.076



A) Information contain in this document is based on the data received 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:

Known brands, customer loyalty, quality, large capacity and opportunities for development, a large number of products, location

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WEAKNESS:

Inadequate structure of employees, no new products, poor and inadequate commercial service, no marketing, lack of capital, obsolete equipment, lack of constant sales network and sales rules

OPPORTUNITIES:

Competitiveness in terms of quality with world-renowned brands, possibility of obtaining a national provider of used oil license, production for third parties, relatively low break-even point, exports to neighboring markets

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THREATS:

Strong competition, threatened liquidity, bad effects of privatization

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



**PRIVATIZATION
AGENCY**

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