



РУДНИК



КОВИН

Rudnik kovin
JSC kovin



General Information

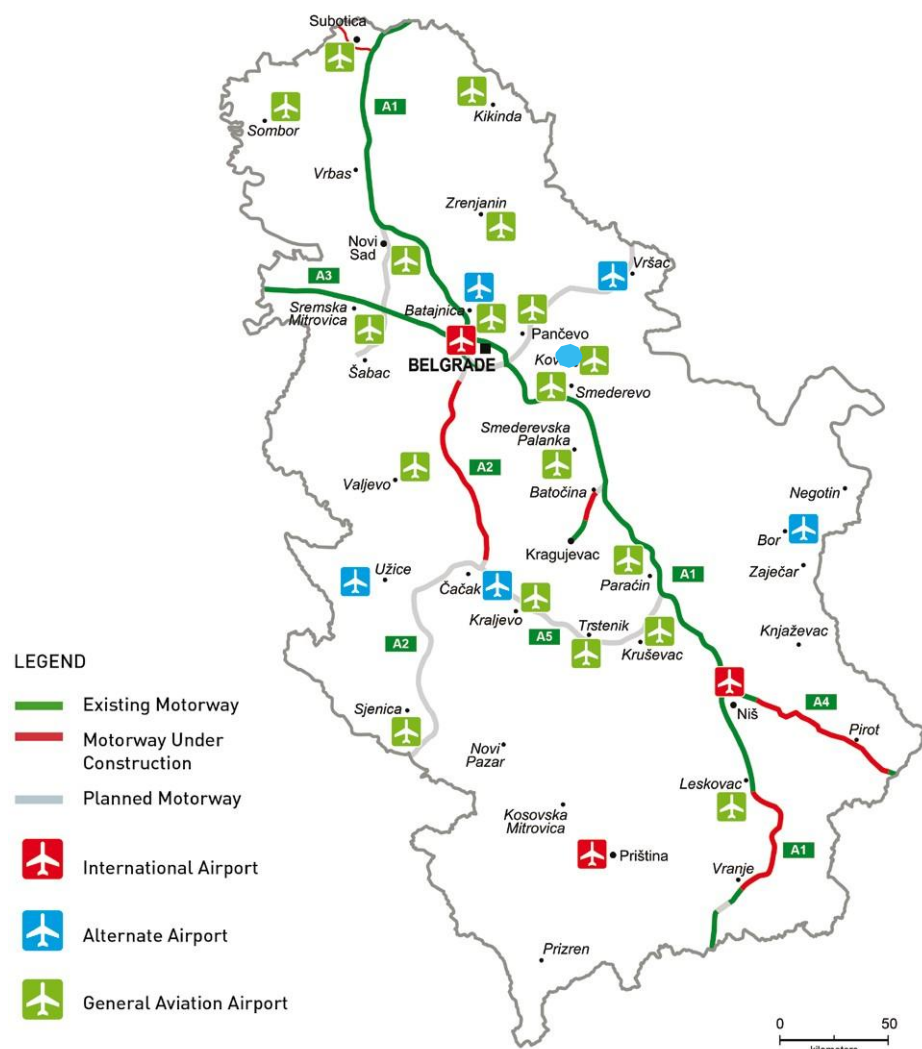
Full legal name	Commercial company for underwater coal mining "Rudnik Kovin" joint-stock company
Address	26220 Kovin, Cara Lazara St. 85
Identification Number	20053518
Core activity	Production of other cloths
Foundation Year	2005
Number of Employees	115



Capital structure (in%)

Shareholders' fund	23.86
Privatization Agency	74.68
Others	1.46

General Information



distance form the Company to:

Belgrade	5 km
Regional Center	15 km
Main road	0 km
Port	5 km
Railway	5 km

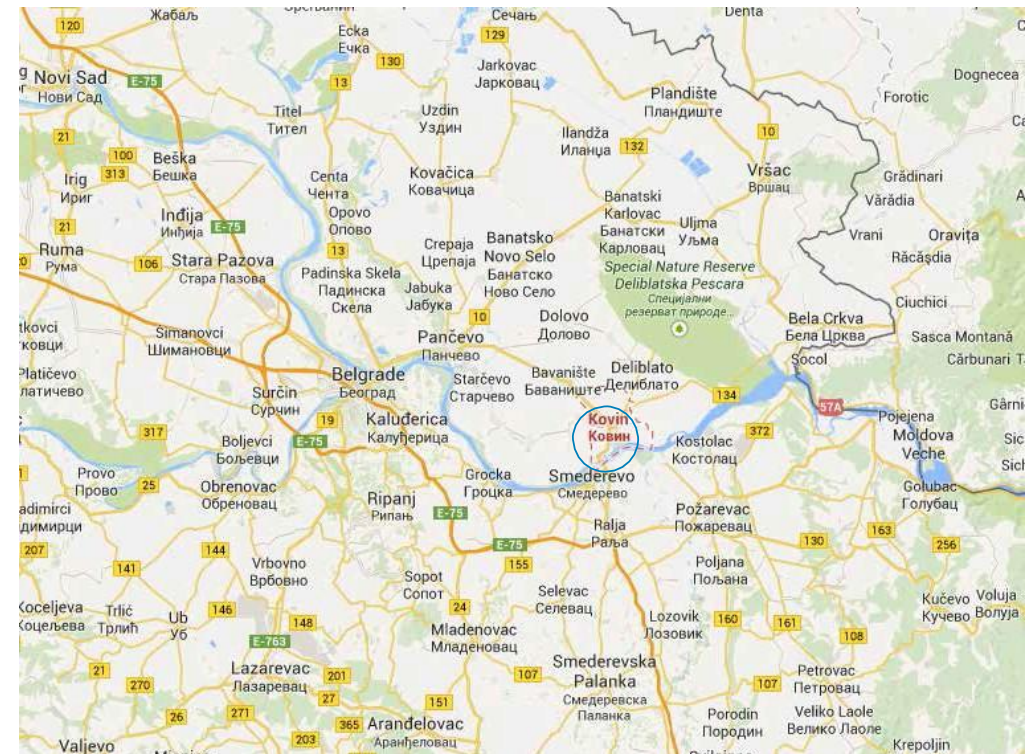


Location



Pan-European Transport Corridors

Geographical location of Commercial company for underwater coal mining RudNIK KOVIN joint-stock company is of strategic importance in the market area of southeaste Europe and provides opportunity for intensive bussines cooperation.



Tradition



MINE KOVIN is situated in the South Banat, 8 km south of the village Gaj, next to the village Malo Bavanište, Kovin Regional Center - Pancevo, the nearest town - Smederevo, just 11 km km from Kovin, connected by a bridge over the danube.

Research works in the area of the mine began in 1976 and the excavation of coal began in 1995. Coal is extracted from the bottom of the lake that is connected to the danube, and a unique underwater exploitation of coal in the world.

Company for coal exploitation has been allocated 01 July 2005 from the composition of the Electric Power Industry of Serbia and since then operates as an independent market-oriented company.

Activity



- **underwater
Coal
exploitation**
- **Lignite exploitation**

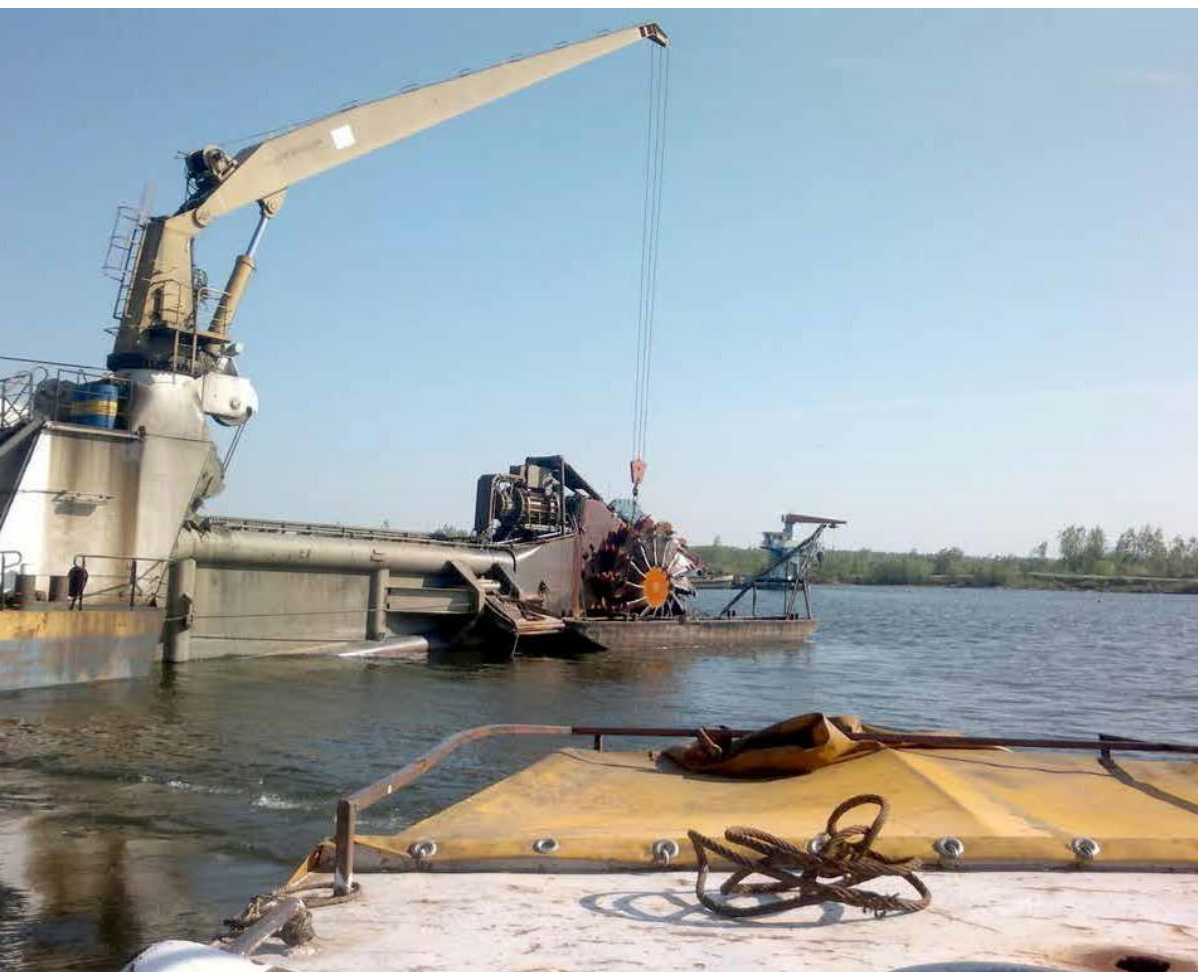
Activity



Activity



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 not fulfilled.

Production and Capacity

Product	unit	Quantity			value in EuR		
		2011	2012	2012	2011	2012	2013
Coal - piece	t	51,071	46,597	52,014	1.199.196	1.351.049	1.403.071
Coal - piece marly	t	12,167	8,909	17,898	255.990	231.432	432.590
Coal nut	t	86,999	61,918	70,161	1.813.431	1.593.657	1.680.055
Coal beans	t	20,887	14,571	17,502	179.653	115.320	137.402
Coal - Sifted piece	t	0	0	444	0	0	11.357
Coal - Sifted nut	t	0	0	73	0	0	1.867
Coal - Sifted beans	t	0	0	219	0	0	5.600
Coal - Sifted marly	t	0	315	0	0	41.102	0
Coal beans processed	t	9,516	3,299	23,900	57.740	18.414	132.360
Total coal	t	180,640	135,609	182,210	3.506.010	3.351.308	3.804.301
Gravel natural mix	t	473,885	348,476	111,869	171.864	99.834	73.149
Gravel without quality guarantee	t	78,534	320,476	211,500	28.488	91.797	138.291
Total gravel	t	552,419	668,952	323,369	200.352	191.631	211.441



Production and Capacity

Capacity utilization

Machine (Production line)	unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Dredger - pipeline - classifier (coal)	t/h	200	196	92.30	96.50	98.00
Dredger - pipeline (gravel)	m3/h	1200	674	65.00	75.00	56.00
Coal processing plant	t/h	35	15	49.30	71.40	43.00



Realization



Movement in sale volume

Product/service	unit	Quantity sold			value in EuR		
		2011	2012	2013	2011	2012	2013
Coal - piece		50,731	40,787	45,840	1.764.788	1.286.855	1.547.686
Coal - piece marly		4,117	10,759	6,929	120.765	218.927	131.644
Coal nut		57,873	73,598	70,793	1.799.535	1.585.637	1.584.008
Coal bean		15,293	25,661	13,018	216.187	361.490	242.808
Coal processed bean		7,114	3,439	25,300	106.431	33.020	249.420
Coal dust with sand particles		0	0	4,040	0	0	7.170
Sifted coal marly		0	315	0	0	6.411	6.359
total :					4.007.706	3.492.340	3.762.736

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	100.00	100.00	100.00
Foreign market	0.00	0.00	0.00
total :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	41.00
Wholesale	46.00
Retail	13.00
Intermediaries	0.00



Organization

EMPLOYEES



Number of employees

Working	108
Paid leave	0
unpaid leave	0
Other (sick leave, vacation, etc.)	0
TOTAL NuMbEr Of EMpLOyEES	108

age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	1	13	16	22	31	18	7

average salaries in Eu r

(gross and net) in 2011, 2012 and

Year	Gross	Net
2011	690	492
2012	730	520
2013	735	524

Assets Overview

	value in EuR		
	31/12/2011	31/12/2012	31/12/2013
CuRRENT ASSETS	4.230.009	3.769.112	5.034.773
FlxED	7.033.359	5.925.080	5.310.780
EQuiTY	7.860.559	6.726.490	7.135.319



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

STr ENg ThS

: Location - river basin land, isolated area, possibility of waterway transport via Danube

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WEa kNESS:

Lack of own digging boats

OppOr TuNITIES:

Increasing raw material potential for coal and gravel, briquette coal from sedimentation, gravel separation

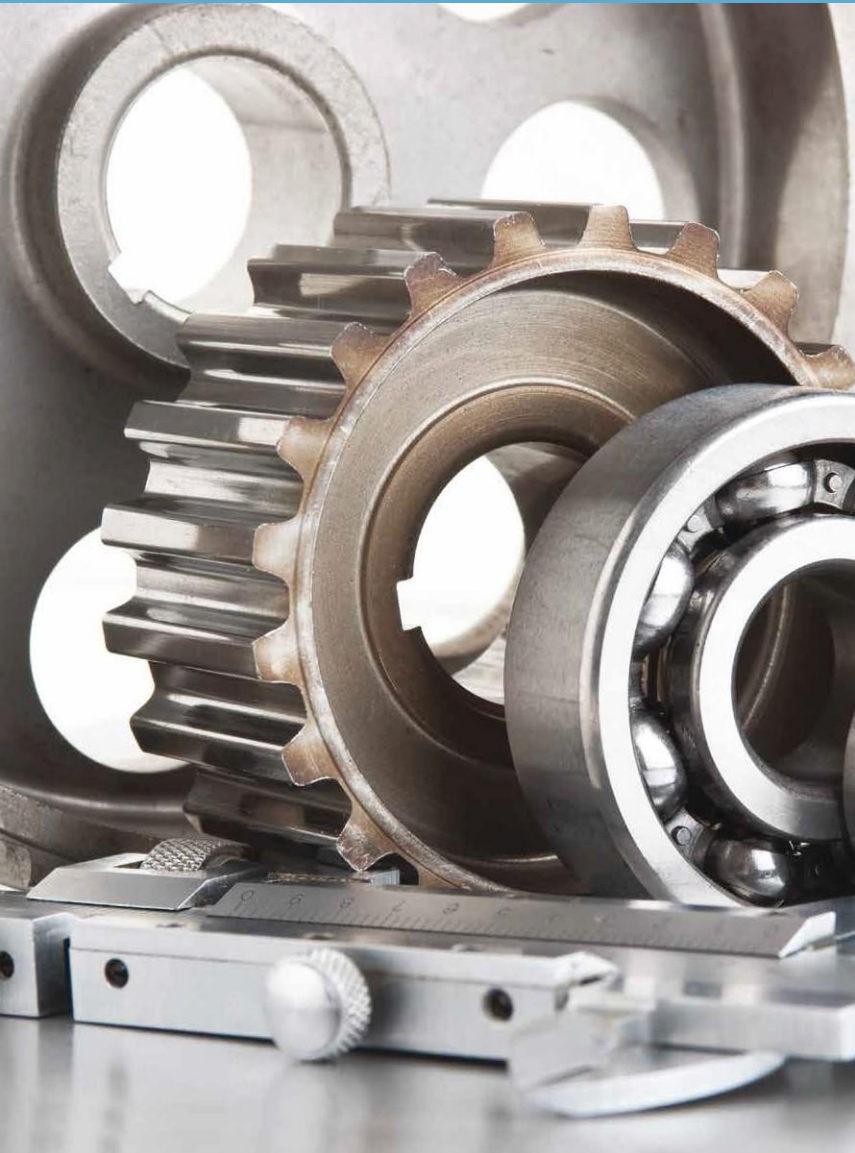
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Th r EaTS:

Inter-dependent technology system - line connection between production elements (dredger - pipeline - classifier), unreliable dredger, high level of debts inherited from previous owner.

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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