



LLC UTVA - AIRLINE INDUSTRY

Pančevo



General Information

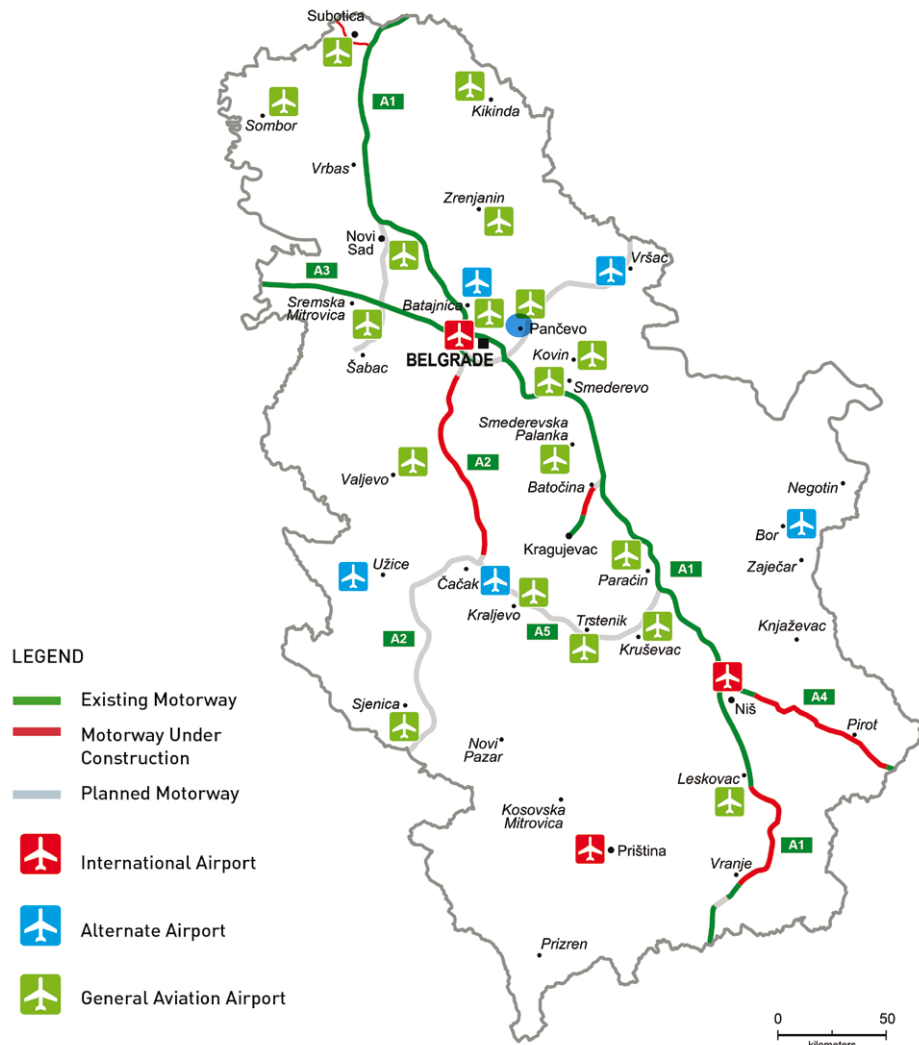
Full legal name	LLC UTVA - AIRLINE INDUSTRY Pančevo
Address	No 2 Jabucki put Street, Pancevo
Identification Number	08061203
Core activity	Manufacture of air and spacecraft and related machinery
Foundation Year	1937
Number of Employees	257



Capital structure (in %)

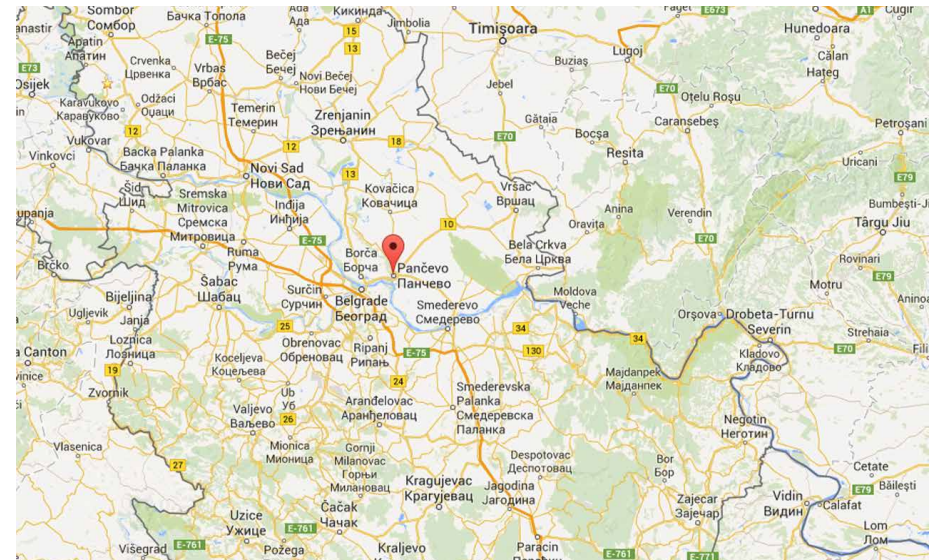
Republic of Serbia	45.09
Development fund	43.79
Others	3.98
Local authorities	7.14

General Information



Distance form the Company to:

Belgrade	16 km
Regional Center	0 km
Main road	2 km
Port	5 km
Railway	1 km



Location



Pan-European Transport Corridors

Geographical location of LIMITED LIABILITY COMPANY UTVA - AIRLINE INDUSTRY PANCEVO is of strategic importance in the market area of southeaste Europe and provides oportunity for intensive bussines cooperation. Pancevo is a city located in the southern part of of Vojvodina, on the banks of the Danube and Tamiš, in the southern part of Banat. It's the administrative headquarters of the city of Pancevo and the South Banat District.



Tradition



UTVA was a factory aircraft and gliders before World War II. The factory was established on June 5, 1937 as Sailing company Utva-Zemun.

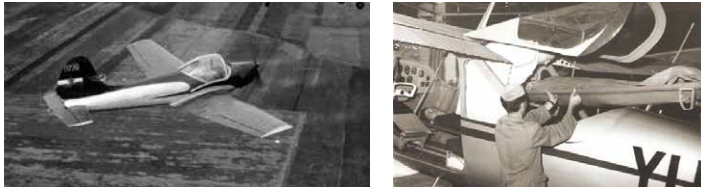
28 March 1939, the name changed to airplane factory UTVA Belgrade. In 1940, the factory moved to Pancevo and the name was changed to airplane factory UTVA Pancevo. Until the war in April 1941 UTVA produced 39 sailboats of different categories, foreign and domestic construction. In addition, the Air Force concluded the 148 trainer aircraft of the German production and an acrobatic. During the occupation of the factory has avoided collaboration with the occupying army. From November 1944 to June 1946, the factory was rebuilt. After the Second World War UTVA with the Ikarus-Zemun is a stub refurbished aircraft industryand. There were produced aircraft of the post-war development plan, mainly wooden structures.

From 1948 to 1955, UTVA has produced over 200 different types of sailboats.

UTVA in the mid-fifties developed aircraft metal structures UTVA 56, intended for tourist purposes, and medical transport. Also, made and hidroversion this plane. Later in the factory serial aircraft manufactured through liaison, training, transport and agriculture. After the 1957 abandoned the competition for the design of aircraft, ceased to operate the designers' group in the aviation factories.

The total number of aircraft produced over 900 copies. 1996 factory integrated with the factory Lola Zeleznik, named Lola Utva.

Product portfolio / history



In 1946, Utva built its first single engine aircraft, which would mark the beginning of a 70-year era of building small, single-engine aircraft that included **Trojka**, **212**, **213**, **Aero-3**, **Utva 56**, **Utva 60**, **Utva 65**, **Utva 66**, **Utva 75** and **Lasta 95** aircraft.

In addition to building commercial aircraft, Utva built parts for military aircraft produced in the former Yugoslavia, such as **J-22 Orao** and **G-4 Galeb**.

In early 1980s, government of the former Yugoslavia decided to develop a supersonic fighter aircraft named “New Airplane” and Utva was selected as the final assembly site. In support of the “New Airplane” and to meet the rising demand for airplane part production, Utva was relocated to a newly built factory with 86,000m² of space in 1987. Factory campus includes a 1,000m grass runway and an ATC tower.

In the late 1980s, it was observed that the establishment of international cooperation could be an opportunity to employ excess capacity, highly educated and trained personnel and brand new equipment. Within a short time, Utva started producing tools, parts and assemblies for **Opticalovaux** (light reconnaissance aircraft – UK) and **Norman Fieldmaster** (heavy agricultural airplane – UK).

In 1988, Utva was engaged in new USSR projects: **Tupolev Tu-204** (manufacturing of tools and parts) and **Ilyushin Il-114** (parts manufacturing for 1:2 mock-up for wind tunnel testing).

Two years later, Utva was certified by Boeing as a part supplier, and it started producing machined and sheet metal parts, tools and assemblies (slats, wingtips and floor supports) for **Boeing 737** and **Boeing 757** aircraft.

Tehnological Fasibilities



Machining

Utva is equipped with machines capable of:

- Conventional milling, parts up to 4,000mm in length
- CNC milling, parts up to 6,000mm in length for Al-alloys
- CNC milling, parts up to 4,000mm in length for Steels
- Copy milling, parts up to 4,000mm in length
- Turning, parts up to 1,500mm in length and diameter of up to 500mm
- Drilling (jig and column), parts up to 1,500mm
- Grinding (oval), parts up to 1,000mm
- Grinding (flat), parts up to 4,000mm

Sheet Metal Forming

Utva is capable of sheet metal forming using:

- Hydraulic press – 1,600 kN
- Rubber pad press – 84,000 kN
- Stretching press – 1,600 kN
- Brake presses

Surface Protection and Heat Treatment

Utva performs the following surface protection processes:

- Chemical conversion coating of Al alloys
- Passivation of CRES

Transparencies

Utva is able to perform acrylic and polycarbonate single and multi-layer sheet forming, which is mostly used for aircraft canopy building and assembly.

Tehnological Fasibilities



Final Assembly

Utva is capable of performing final assembly and finishing of complex aerospace projects. Utva is currently performing final assembly of training and reconnaissance aircraft Lasta and Kobac.



Product



UTVA LASTA 95



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	2013	2011	2012	2013
Airplane LASTA	pcs	8	8	n/a	1.843.266	4.499.856	n/a
CONTAINERS	pcs	20	n/a	14	100.343	n/a	56.812



Production and Capacity



Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Milling	pcs	36	24	100.00	100.00	100.00
Lathes	pcs	8	8	100.00	100.00	100.00
Presses	pcs	10	9	95.00	95.00	95.00
Grinders	pcs	9	6	70.00	70.00	70.00
Furnace	pcs	5	4	75.00	75.00	75.00



Realization



Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Airplane LASTA	pcs	8	8	n/a	2.175.058	n/a	n/a
CONTAINERS	pcs	20	n/a	14	121.845	n/a	56.812
Other	pcs	n/a	n/a	n/a	0	792.792	959.438
TOTAL					2.296.903	792.792	1.016.378

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	99.78	99.95	99.68
Foreign market	0.22	0.05	0.32
TOTAL :	100.00	100.00	100.00

Distribution channels

Distribution channels	% of share
Direct sale	100.00
Wholesale	0.00
Retail	0.00
Intermediaries	0.00



Organization



EMPLOYEES



Number of employees

Working	245
Paid leave	12
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
TOTAL NUMBER OF EMPLOYEES	257

Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	8	37	17	16	34	66	79

Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	490	352
2012	386	279
2013	397	287



Assets Overview



	Value in EUR		
	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	9.243	11.729	12.669
NON-CURRENT ASSETS	8.031	7.189	6.957



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:

Highly sophisticated production, which has a small number of countries in the world and may be responsible for the development of a wide range of complementary industries

A 2x2 grid representing a SWOT analysis. The top-left quadrant is a medium blue square with a white capital letter 'S'. The top-right quadrant is a light blue square with a white capital letter 'W'. The bottom-left quadrant is a dark blue square with a white capital letter 'O'. The bottom-right quadrant is a light blue square with a white lowercase letter 't'.

S

OPPORTUNITIES:

High profitability and the possibility of placement in the domestic market and for exports.
The possibility of cooperation with foreign partners.

O

W

WEAKNESS:

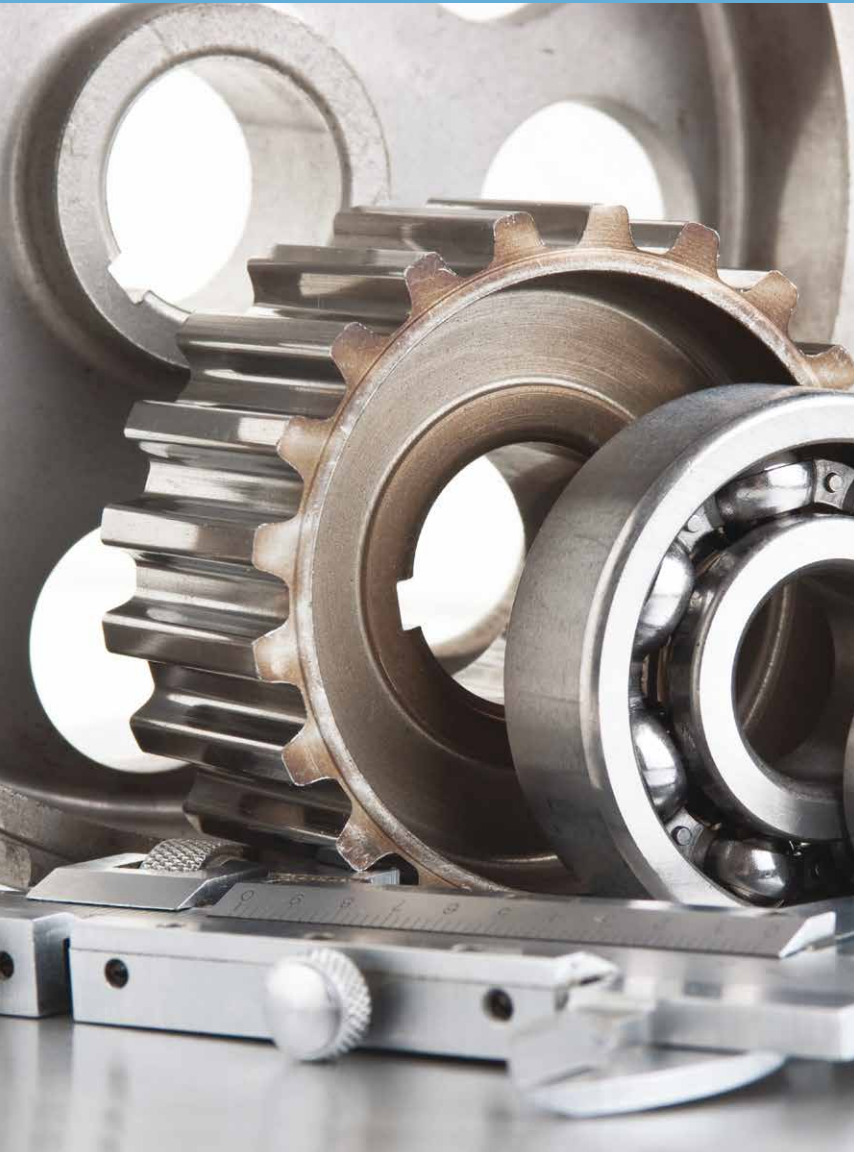
Reliance on raw materials and equipment imported.

t

THREATS:

The uncertainty of continued placement (in principle one country - one customer)

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**

Republic of Serbia

Ministry of Economy Republic of Serbia

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