



**ZGOP Novi Sad joint-stock
company Novi Sad**



General Information

Full legal name	Company for construction, repair and maintenance of railways ZGOP Novi Sad joint-stock company, Novi Sad
Address	No 2 Vase Stajića
Identification Number	08024596
Core activity	Construction, repair and maintenance of railways
Foundation Year	1989
Number of Employees	271



Capital structure (in %)

Shareholders' fund	9.53
Privatization Agency	81.11
Others	9.36

General Information



Distance from the Company to:

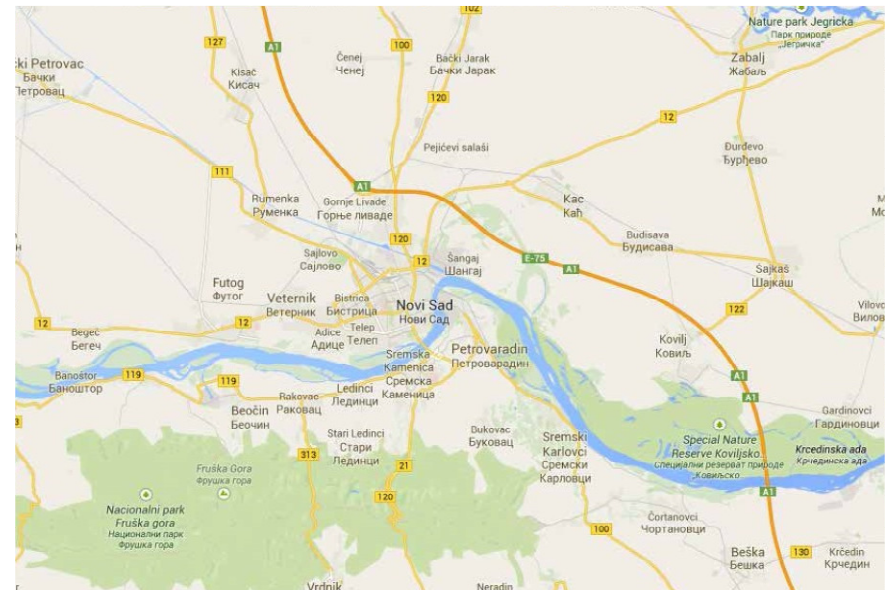
Belgrade 75 km

Regional Center 0 km

Main road not far

Port not far

Railway not far



Location



NOVI SAD
Pan-European Transport Corridors

Geographical location of ZGOP Novi Sad joint-stock company is of strategic importance in the market area of southeastern Europe and provides opportunity for intensive business cooperation.



Tradition



ZGOP, Novi Sad is registered for construction and maintenance of railway lines. It was founded in 1957. During the past years employees of ZGOP constructed and performed capital overhaul of more than 5000 km of railway lines. In implementation of railway construction, capital overhaul, mechanized maintenance, ZGOP uses up-to-date work technology and specialized mechanization for track works. ZGOP successfully accomplished major projects: reconstruction of main railway lines, construction of railway junction Belgrade, marshalling yards in Belgrade, Novi Sad and Niš.

Services



RAILWAY INFRASTRUCTURE

- Earth works
- Concrete works
- Draining
- Level-crossings

RAILWAY SUPERSTRUCTURE

- Material supplies
- Construction and capital overhaul



MAINTENANCE OF RAILWAY LINES

- Mechanized maintenance of railway infrastructure and superstructure
- Current maintenance of railway infrastructure and superstructure

Services



MAINTENANCE AND REPAIR OF RAILTRACK CONSTRUCTION MACHINERY AND VEHICLES

- Overhaul and current maintenance of railtrack construction machinery and other construction machines

LABORATORY TESTINGS

- Ultrasonic rail welds testing
- Bending tests of rail welds
- Ultrasonic and penetrant testing of axle sets, wheels, brake disks and other vital components of railway vehicles
- Ohmic electrical resistance testing of axle sets
- Brake system testing
- Electrical resistance testing of insulated rail joints
- Wheel by wheel weighing of railway vehicles
- Testing of track gauge and superelevation measuring devices
- Portal cranes Messrs GEISMAR and DONELLI
- Crane systems Messrs GEISMAR



Equipment and Workshop



EQUIPMENT

- Ballast cleaning in the track: Messrs PLASSER & THEURER
- Sleeper tamping, leveling and lining of tracks and switches: Messrs PLASSER & THEURER and KALUGAPUTMAŠ
- Ballast placing in track, ballast regulators: Messrs SOLINGER, MATISA and DONELLI
- Road-rail excavator/loaders manufactured by Messrs DONELLI, RADOJE DAKIĆ and KOMATSU and bulldozers by Messrs "14. OKTOBAR"
- Locomotives of 240-480 kW and diesel hydraulic powered track cars
- Flat and tipping wagons for transport of railway materials
- Dwelling wagons, kitchen wagons, dining wagons, bathroom wagons, water tanks, diesel fuel tanks and workshop wagon for accommodation of workers at worksites

WORKSHOP

ZGOP has a workshop with a floor area of 2300 sqm with six tracks and service pits, licensed by ŽTP Belgrade for inspection, servicing and overhaul of railway construction machinery.

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.

ZGOP's Quality management system satisfies SRPS ISO 9001:2008 standards which is certified by StandCert by 04.06.2010. Certificate is valid for construction, overhaul, and maintenance of railway lines and overhaul and maintenance of railway and civil engineering machinery.

Production and Capacity



Product	Unit	Quantity		
		2011	2012	2012
Repair or railway lines	km	12	22	0
Repair of industrial tracks	km	0	0	1
Ballast cleaning	km	9	4	5
Replacement of rails on the railroad	km	7	0	0
Sleepers replacement on the railway	pcs	18,850	3,855	2,280
Switches installation	pcs	10	2	0
Rail welding in track	welding pcs	1,589	1,909	152

Production and Capacity



Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
Caulking tool VPR-02/261	m	600m/h	400m/h		5.92	40,02
Caulking tool 07-32/1819	m	600m/h	400m/h	47.91	20.68	19,42
Caulking for switches 08-275/815	switch/h	1 skr/h = 300m/h	1 skr/h = 300m/h	99.69	8.38	15,65
Sieve RM 74 U/196	m3/h	300-550 m3/h	400 m3/h	80.32	18.09	38,37
Ballast plow SK 73.1/1602	m3/h	200 m3/h	200 m3/h	26.77	62.96	21,15
Locomotive DHL 650/028	t	1820 t	1820 t			7,2
Locomotive DHL 600/938	t	1400 t	1400 t	27.05	39.39	4,09
Locomotive DHL 300/1118	t	860 t	860 t	100.00	12.74	0
two-way wheel DS/F 3941	m3/h	100 prag./h 30m3/h	100 prag./h 30m3/h	35.21	50.85	9,54
two-way wheel DS/F 4047	m3/h	100 prag./h 30m3/h	100 prag./h 30m3/h	80.33	71.30	21,64



Realization



Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Railway repair	km	12	22	0	4.392.470	3.317.698	1.718.391

Sales structure

Sales structure in %	2011	2012	2013
Domestic market	57.64	43.43	37.10
Foreign market	42.36	56.57	62.90
TOTAL :	100.00	100.00	100.00

Distribution channels

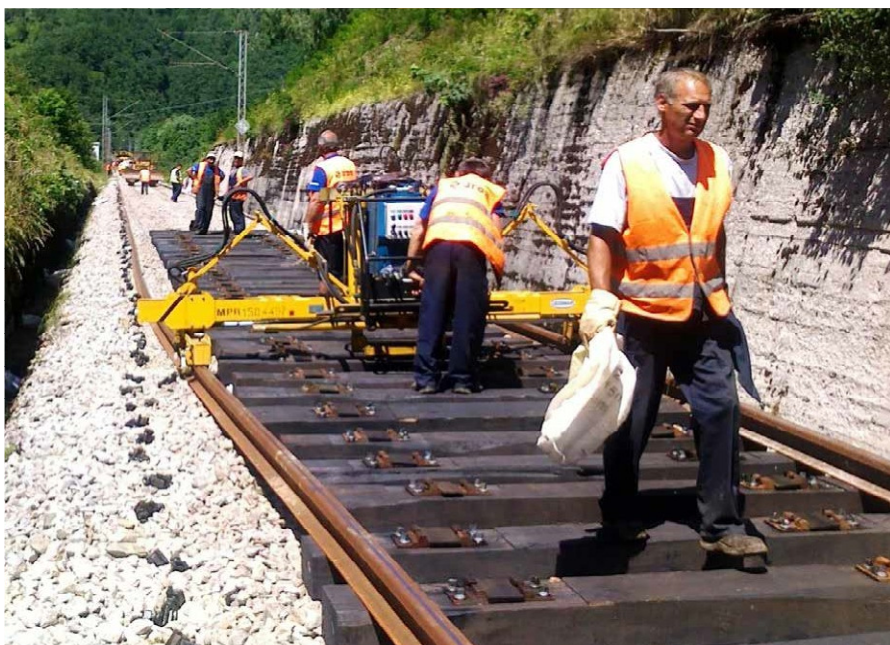
Distribution channels	% of share
Direct sale	90.23
Wholesale	
Retail	
Intermediaries	9.77



Organization



EMPLOYEES



Number of employees

Working	129
Paid leave	142
Unpaid leave	0
Other (sick leave, vacation, etc.)	0
Total number of employees	271

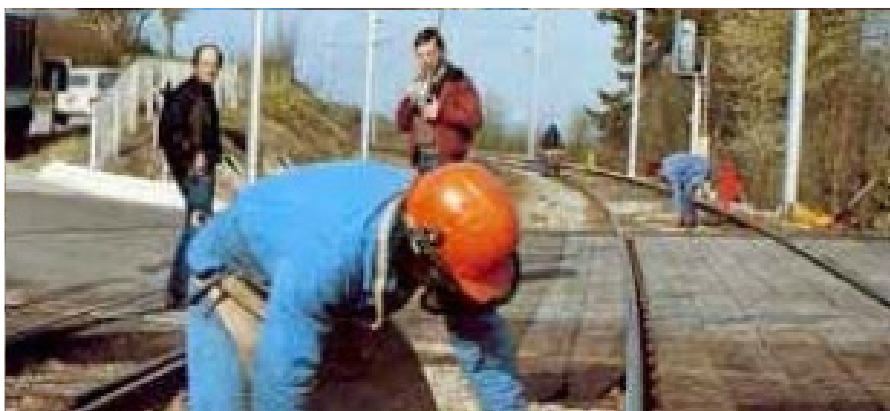
age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	1	8	15	43	61	56	87

average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	478	291
2012	475	308
2013	236	174



Assets Overview



IN EUR

	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	4.888.958	5.233.036	4.741.042
FIXED ASSETS	11.916.708	5.797.009	8.733.336



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:

Professional, specialized staff with appropriate licenses. The company has licenses and certifications to work on the superstructure of railway lines. Equipped technically and technologically. Decades of experience and presence in the local market and the region.

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OPPORTUNITIES:

Enforcement of international commitments to improve rail corridors in Serbia, primarily in the international Corridor X , which will be financed from foreign loans.

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WEAKNESS:

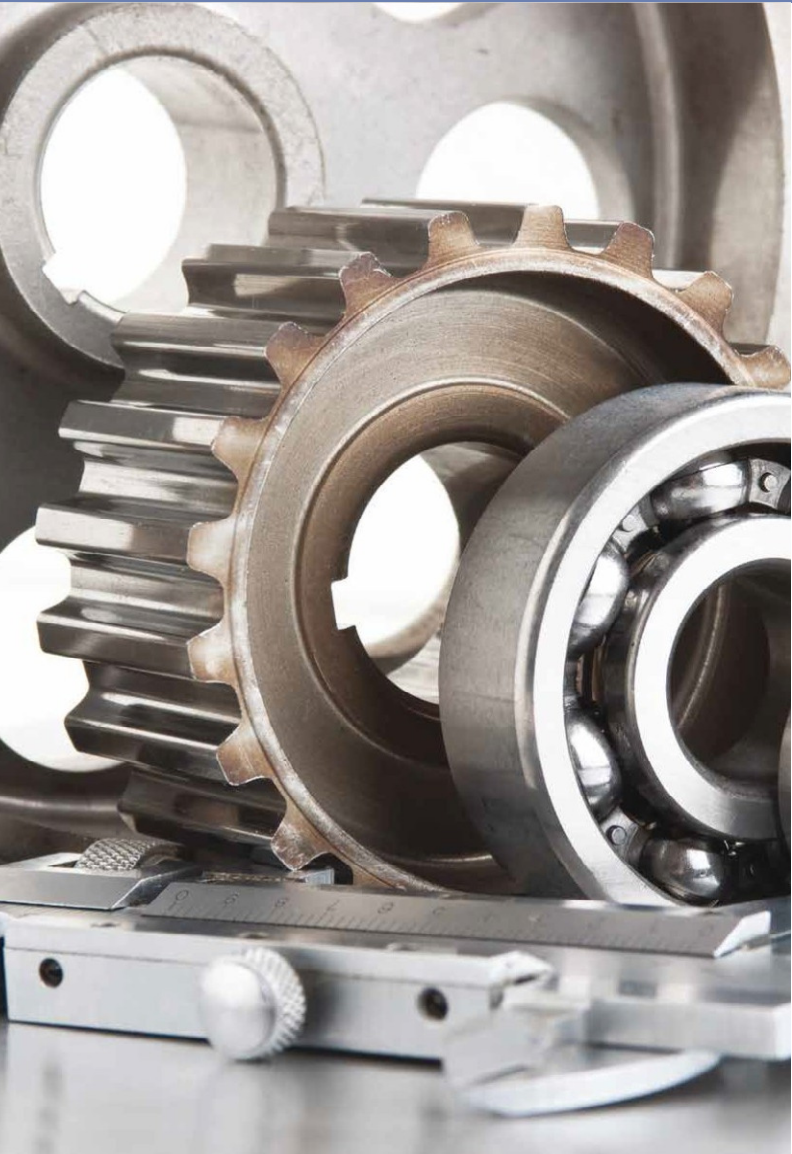
Insecurity and uncertainty in the provision of jobs and employment capacity. Unfavorable age structure and redundant workers.

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THREATS:

Loss of license due to negative financial results for the last 3 years and the inability to participate in public procurement procedures as direct bidders.

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

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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