Construction company
Mostogradnja JSC Belgrade
### General Information

<table>
<thead>
<tr>
<th>Full legal name</th>
<th>Construction company Mostogradnja JSC Belgrade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Vlajkovicva st. 19a, Belgrade</td>
</tr>
<tr>
<td>Identification Number</td>
<td>07023251</td>
</tr>
<tr>
<td>Core activity</td>
<td>Construction of bridges and tunnels</td>
</tr>
<tr>
<td>Foundation Year</td>
<td>1945</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>971</td>
</tr>
</tbody>
</table>

### Capital structure (in%)  

- Shareholders’ fund: 15.88%  
- Pension and Disability Fund: 5.38%  
- Republic of Serbia: 32.36%  
- Others: 46.38%
General Information

Distance from the Company to:

- Belgrade: 0 km
- Regional Center: 0 km
- Main Road: 5 km
- Port: 3 km
- Railway: 3 km
Mostogradnja is organized into various Business Units located throughout Serbia. Each individual location operates as an independent profit center with the Company’s administrative office managing large projects and distributing various resources among the business units as deemed necessary. The constant communication and cooperation between each of the business units and administration is a major factor in Mostogradnja’s ability to execute complex tasks effectively throughout the country.

**Administration:** Responsible for all business units as well as organization of planning, design and execution of all major projects; The General Manager, Administrative departments such as Legal, Marketing, Quality Control and Finance are all based at this location.

**Mechanization:** Responsible for large machinery which it loans to other profit centers upon request; engages in procurement, regular and investment maintenance of heavy machinery, equipment and tools.

**Catering:** Responsible for the planning, organization and coordination of activities related to housing and nourishment of the employees.
**Location / Business Units**

**Batajnica:** Work center responsible for the manufacturing and assembly of all types of steel structures; construction and assembly of all types of steel-made tanks and pipelines; construction of steel bearings and expansion joints; application of anti-corrosion protection of steel structures; special mechanical treatment for various heavy-machinery;

**Belgrade:** Responsible for construction, repair and maintenance of new concrete bridges; construction of concrete-based objects and industrial facilities; various types of foundation systems; leveling, cutting and curling of concrete and iron; construction of various facilities. The business unit “Belgrade” also manages the Company’s regional center in Doljevac which is responsible for activities executed in southern Serbia.

**Novi Sad:** Responsible for construction repair and maintenance of all types of concrete bridges; construction of various facilities for sewage systems and pipelines; manufacturing of small items made of concrete and steel; manufacturing and delivery of concrete. The business activities of this business unit are related primarily to the region of Vojvodina.

**Mostogradnja engineering, Podgorica:** Mostogradnja Engineering is the daughter company of Mostogradnja located in Montenegro. The Company has 6 in staff responsible for the management and realization of all construction projects within the territory. While managed by Mostogradnja’s headquarters, Mostogradnja Engineering Podgorica remains an independent company.
Mostogradnja was founded in 1945 and represents one of the leaders in the field of construction on the Serbian market with a respected brand throughout the former Yugoslavia and a long tradition in the industry spanning more than 65 years.

The Company’s core business activities include the following:

- Design of all types of engineering structures
- Construction of concrete, steel bridges and steel engineering structures for different purposes
- Construction of steel storage tanks ranging from 500 m³ to 60,000 m³ with underground and above-ground pipelines and connection facilities
- Design and installation of all types of expansion joints of steel and rubber
- Various types of foundation laying on land and underwater water including large-diameter bore hole excavation and filling
- The construction of hydraulic structures for water supply
- Construction of sewage treatment plants and water pumping stations
- The design of rehabilitation works on damaged bridges and other engineering structures
- Carrying out of rehabilitation and maintenance works for bridges and other engineering objects
- Quality control of production and testing of construction materials in the Company’s laboratory, accredited by “SAT Serbia”
Mostogradnja today

Mostogradnja has built over 2,230 bridges, total length of 250 kilometers. The most notable bridges include the highway bridge to St. Marco-island of Krk, with an arch span of 390m (a world record), Sloboda suspension bridge across the Danube in the city of Novi Sad, with a span of 351m (also a world record holder), the railway bridge “Mala Rijeka” which is the highest bridge in Europe with a height of 201m and the bridge over the Danube river at Beska with its main span of 210m (a European record for reinforced concrete beam bridge).

In addition to various achievements in span construction over the years Mostogradnja has installed more than 250 kilometers of canalization and sewage collection lines, constructed more than 300 multifunctional halls, more than 15 kilometers of steel antennas and nearly 800 steel reservoirs with a total volume in excess of 2.3 million m3 and manufactured expansion joints and bearings which continue to dominate the Serbian civil engineering market.
Mostogradnja is known for its immense experience, substantial execution capacity in the field of complex structures, bridges, antennas, and steel constructions, and management of complex projects from initiation to “turn-key” delivery. Experienced on-site staff in combination with the capacity to produce complex steel and concrete structures at Batajnica allow for design, preparation, installation and finalization of steel and concrete construction works of all forms with a minimal reliance on foreign suppliers and sub-contractors.

Mostogradnja’s steel production facility at Batajnica with an annual production capacity of more than 10,000 tons sets Mostogradnja apart from a typical civil engineering company. In house production and testing of steel materials required for bridge construction has provided for reduced execution costs and allowed for direct as well as indirect participation in almost all major civil engineering projects undertaken on the Serbian market. In addition the Company has been able to generate substantial revenues via production of steel reservoirs, bearings and expansion joints domestically and abRoad in parallel to its core operations.

The Company’s mechanical resources held and maintained at their Mechanization facility provide the capacity for the construction of various objects and structures. In addition to standard crane, truck and drilling machinery, Mostogradnja is capable of drilling and laying underwater foundations with its own resources. Mostogradnja’s execution strength has been recognized by a number of international firms operating on the Serbian market and the Company has cooperated on numerous major bridge constructions projects in Serbia to date.
References
world records & the most notable bridges

Road bridge spanning gulf of Šibenik (Croatia)
The gulf is spanned by a reinforced concrete arch with a span of 246 m and with the camber of arch of 30.8m. It is built by the cantilever concreting procedure on the 30 m long erection scaffold. This method of construction is applied to the overall span length for the first time in the world.
Flatness of the arch 1:8 is ranked among the most daring world’s achievements. The overall length of the bridge is 390m. Applied technology is protected by patent. Years of construction: 1964 – 1966.

Footbridge over the river Drava, Osijek (Croatia)
The town suspension footbridge of the prestressed catenary system, with a span of 209.50 meters was the biggest bridge with this system in Europe. The steel pylons, in the shape of a pyramid, are founded to the bored piles with 1.5m diameter. Carrying cables through suspenders carry the prefabricated structure assembled of the concrete plates. Years of construction: 1979 – 1981.

Liberty bridge – Road bridge over the Danube, Novi Sad, Serbia
The bridge consists of an approach reinforced concrete prestressed structure 301m long, coastal composite structures, 420m long and the main steel structure, 591m long of the beam with inclined cables system. Interior span of 351m, represented the world record for this type of steel bridge, where the pylons and carrying cables are in the mid-plane of the bridge. The bridge is 1,312m long. Years of construction: 1976 – 1981.

Railway bridge over the river Sava, Belgrade (Serbia)
The main structure is a steel beam with inclined cables in central bridge span, 556m long. The track on the bridge is set on the crushed stone ballast. This is the first bridge of this system in the world built for the rail traffic. For the first time in Europe that the cables with parallel wires of BBR system insulated with polythene are used. Years of construction: 1975 – 1979.
Highway Bridge to St. Marco-island of Krk (Croatia) Among the masterpieces recorded in European and world literature, as the first class achievements in the field of civil engineering and construction, as well as in the Guinness Book of Records, is the Mainland - St. Marko Island – Krk Island Bridge, which was constructed according to a patented procedure - free standing cantilever method of erection. The larger arch of 390 meters span is the longest one in the world and is still the world record holder. The smaller arch of 244 meters is close to the top of the world range. Years of construction: 1976 – 1979.

Road Bridge over the Danube, Beska (Serbia) The bridge of prestressed concrete consists of the approach beam structures on coastal areas with a span of 45.0m each and the main beam structure above the river with a span of 105.0+210.0+105.0 m. The intermediate bridge span represents the world record for this type of bridge. The main structure is built by the cantilever method with an easy mobile scaffolding for supporting the weight of the lower segmental plate. The overall length of the bridge is 2,250m. Years of construction: 1971 – 1975.

Railway bridge over the Mala Rijeka river, (Montenegro) Mala Rijeka canyon on Beograd - Bar railway is spanned by the tallest railway bridge in Europe. Track centre line of formation is 201.24m over the river bed. The overall length of the bridge is 411 m which is the highest bridge in Europe. Years of construction: 1969 - 1973.
Reference list

- Road Bridge over the Danube in Novi Sad – Serbia “varadinski most”
- Road floating bridge over the Danube in Novi Sad – Serbia
- Scaffold Road Railway Bridge over the Danube in Novi Sad – Serbia
- Road Bridge over the river Velika Morava at Mijatovac – Serbia
- Road Bridge over the Danube at Bogojevo – Croatia
- Road Bridge over the Boljetinska river
- Scaffold Road railway Bridge over the Danube in Novi Sad – Serbia
- Highway E – 75 State Border (Horgos) - Subotica - Feketic
- Road Bridge over the river Sava in Belgrade, Serbia “Gazela” Bridge
- Road Bridge over the impounded lake Gazivode
- Road Bridge over Moraca – Montenegro, (“grlo”)
- Road Bridge over the Danube at Smederevo – Serbia
- Road and hot-water transmission line bridge over the river Sava in Obrenovac
- Road Bridge over the river Sava at Ostruznica – Serbia
- Road Bridge over the river Lim in Priboj – Serbia
- Footbridge over the river Sava in Sremska Mitrovica – Serbia (St. Irinej bridge)
- Road bridge over the river Eufrat at Al Fallujah - Iraq
- Bridges on the highway – no1 in Iraq
- Road bridge over the river Euphrates, Al Musayyib - Iraq
- Road bridge over the channel Al Hillah in Iraq
- Road bridge over the river Tigris in Naamaniyah – Iraq
- Road bridge over the river Nisava in Nis – Serbia “Most mladosti”
- Road suspension bridge over river Lim in the town of Bijevo Polje, Montenegro
- Rebuilding of the road bridge over the river Sava at Ostruznica
- Road and footbridge over the river Nisava in Mediana Boulevard in the City of Nis
- Reconstruction of road bridge “Puente Duarde” in Santo Domingo, the Dominican Republic
- Highway Setat – Marrakech in Morocco
- Tanks in Primorsk, Russia
- Hall of the sports Centre in Igalo
- Double bay storage production hall IMPACTBELL in Kovic
Out of large-scale infrastructure projects which are currently carried out by Mostogradnja the following should especially be pointed out: works on construction of river pillar and assembly of steel construction for “Žeželj” Bridge across Danube in Novi Sad, construction of a new railway bridge across Velika Morava river (steel construction assembly is in a final stage), construction of a railway bridge across Tamis river and exclusive engagement of Mostogradnja for complete maintenance and overhaul of bridges on first priority roads in Serbia as well as maintenance of dozen of bridges across Serbia placed on 2nd and 3rd priority roads. Recently established office in Russia will enable Mostgradnja to improve its position on Russian market which is confirmed by the first signed contract signed.
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.

Mostogradnja is the first construction company in Serbia to have received the international certificates for quality management systems in accordance with international standards ISO 9001:2000, standard for occupational health and safety management systems SRPS OHSAS 18001:2008 and standard for environmental management systems SRPS ISO 14001:2005, as well as international certificates for welding issued by TUV in accordance with standard DIN EN 729-2/ISO 3834-2, certificate for manufacturing steel constructions class E in accordance with DIN 18800-7:2002-2009.
### Production

<table>
<thead>
<tr>
<th>Product</th>
<th>Value in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Concrete construction</td>
<td>8.933.874.336</td>
</tr>
<tr>
<td>Steel construction</td>
<td>14.066.178.760</td>
</tr>
<tr>
<td>Others</td>
<td>4.049.254.670</td>
</tr>
</tbody>
</table>

### Land / Buildings

The total land area is 165,487 m² and total building area is 75,547.56 m².
### Sales structure

<table>
<thead>
<tr>
<th>Sales structure in %</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic market</td>
<td>41.62</td>
<td>41.57</td>
<td>38.87</td>
</tr>
<tr>
<td>Foreign market</td>
<td>58.38</td>
<td>58.43</td>
<td>61.13</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
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</table>

### Distribution channels

<table>
<thead>
<tr>
<th>Distribution channels</th>
<th>% of share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sale</td>
<td>100.00</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.00</td>
</tr>
<tr>
<td>Retail</td>
<td>0.00</td>
</tr>
<tr>
<td>Intermediaries</td>
<td>0.00</td>
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## Employees

### Number of employees

<table>
<thead>
<tr>
<th></th>
<th>940</th>
<th>15</th>
<th>1</th>
<th>15</th>
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<tbody>
<tr>
<td>Working</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (sick leave, vacation, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NUMBER OF EMPLOYEES</strong></td>
<td>971</td>
<td></td>
<td></td>
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</tbody>
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### Age structure of employees

<table>
<thead>
<tr>
<th>Age</th>
<th>-25</th>
<th>25-35</th>
<th>35-40</th>
<th>40-45</th>
<th>45-50</th>
<th>50-55</th>
<th>55+</th>
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<tbody>
<tr>
<td>Number</td>
<td>15</td>
<td>179</td>
<td>99</td>
<td>98</td>
<td>105</td>
<td>205</td>
<td>270</td>
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</table>

### Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>506</td>
<td>307</td>
</tr>
<tr>
<td>2012</td>
<td>487</td>
<td>296</td>
</tr>
<tr>
<td>2013</td>
<td>548</td>
<td>333</td>
</tr>
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</table>
Financial Indicators

<table>
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<tr>
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<th>31/12/2011</th>
<th>31/12/2012</th>
<th>31/12/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td>14.788</td>
<td>12.699</td>
<td>34.333</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td>23.205</td>
<td>20.733</td>
<td>13.125</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td>49.053</td>
<td>69.584</td>
<td>2.521.944</td>
</tr>
</tbody>
</table>

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).
**STRENGTHS:**
Unified technological process of production (factory steel structures and concrete production) provide a high degree of independence and flexibility to fluctuations in world market prices of steel and cement, symbol of exceptional engineers and project managers, the ability to manage the execution of large scale and complex projects rapidly and in a cost effective manner, capable of executing some of the most complex structures ever realized in Southeast Europe.

**OPPORTUNITIES:**
Emergence of new technologies, access to the foreign markets.

**WEAKNESS:**
Weaknesses arising from the nature of core business since the company is concentrated on large capital projects that are funded by institutional investors, high level of liabilities of the company.

**THREATS:**
Lack of capital projects, the entry of foreign competition.
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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