

Looking for the place of opportunities?



Beocin
Business **Park**

Beocin
Business **Park**

www.bbp.rs

Developed by

Lafarge Beocinska Fabrika Cementa

LAFARGE

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Beocin Business Park At A Glance

Maps



Beocin Business Park At A Glance

Maps



Beocin Business Park At A Glance

Location Advantages

The Beocin Business Park is a Corporate Social Responsibility Project, initiated by "Lafarge Serbia". Thus, the Business Park is a non-profit project and all advantages like cheaper land and shared services with Lafarge are forwarded directly to the investor.

The project is strongly supported by the Serbian Government. The Ministry of Economy and Regional Development (MERR) directly supports investors in getting all necessary permissions.

Located in the most developed business area of Serbia, in the region of Vojvodina (20km to Novi Sad, 100 km to Belgrade, 30km to the Croatian Boarder, 120 km to the Hungarian Boarder, 100km to the Romanian Boarder) the Business Park offers direct access to a highly skilled low-cost labor force.

Serbia imposes the lowest corporate tax rate in Eastern Europe (only 10%).

Four International Investors already made advantage of the perfect conditions of the Beocin Business Park to conquer South Eastern European Markets: Lafarge (F), Asamer (A), Wietersdorfer (A) and Mars (S/Srb).



Beocin Business Park At A Glance

Location Advantages

An **international Danube harbor** is currently developed to its full technical capacity within the Business Park Area, which can be utilized by the investor.

A **Free Zone** is planned to be established within the Business Park Area and will be developed on investor's demand.

The Business Park, together with the JV-Partners Lafarge, Asamer and Wietersdorfer, offers a **Shared Service Center** with

- Assistance for permits and initial administration services
- Business Services (office space, etc.)
- Technical Services (energy supply, etc.)
- Permanent administration and manpower support at cost

Unique market intelligence provides investors of special industries with an in-depth view on the domestic market demand.

The **Beocin Business Park** offers the **lowest land lease rate in combination with shared services** compared to other Business and Industrial Parks in Serbia.



Beocin Business Park At A Glance

Official
Support
of
Serbian
Government

The project is strongly supported by the Serbian Government.

The Ministry of Economy and Regional Development (MERR) directly supports investors in getting all necessary permissions.



Republic of Serbia
MINISTRY OF ECONOMY AND
REGIONAL DEVELOPMENT

Belgrade, 10 Vojkovića Street
Date: 24. 9. 2007.

To whom it may concern

We are pleased to have the opportunity to inform you that *Lafarge Serbia* with its associates *Lafarge (F)*, *Asamer Group (A)* and *Wietersdorfer (A)*, in cooperation with the local municipality of Beocin and with the full support of Ministry of Economy and Regional Development, is operating "Beocin Business Park", in Novi Sad region.

The aim of this project is to attract investors and enable them to establish community that would achieve synergic effects of their businesses and accelerate the overall development of the region.

Ministry of Economy and Regional Development is pleased to express strong support to this project and is ready to assist investors in their efforts to set up businesses in "Beocin Business Park". Apart from number of incentives that you can be entitled to when investing in Serbia, operating in Business Park can bring about even more advantages regarding land access, licensing and shared services.

Therefore, we strongly advise you to consider this location for your business operations in Serbia.

For all additional information, please contact Mr. Klaus Foedinger, *Lafarge Serbia* at klaus.foedinger@beocin-businesspark.com, tel. +381 21 874190, fax. +381 21 874143, mob. +381 63 522264. Please visit webpage: www.beocin-businesspark.com.

Sincerely,

Jasna Matic


STATE SECRETARY



Beocin Business Park At A Glance

The Official Support of Municipality Beocin

The local authorities in the municipality of Beocin provide full support to the project and investors concerned



Date: 10.03.2011.

TO WHOM IT MAY CONCERN

It is my pleasure to announce that "Lafarge Beocinska fabrika cement d.o.o." with its JV-partners Lafarge (France), Asamer (Austria) and Wietersdorfer (Austria) are developing and arranging Beocin Business Park, a CSR Project, with a devoted support and excellent cooperation with Municipality of Beocin.

As an international company which has always shown the sense of responsibility and always demonstrated willingness for the development of our local community, we wish to ensure the best possible opportunity for endorsement of the project "BEOCIN BUSINESS PARK" and we truly hope that foreign and domestic investors will recognize the potential of this location for the settlement of their business in Serbia.

Since "LAFARGE BFC" is a company that has the highest level of the social responsibility, and which is also one of the most significant economical subjects in our municipality, we are fully ready to assist and contribute to solving the crucial issues related to further development of the Business Park, enhancing economic recovery and prosperity, as well as supporting investors during permitting process within our domain, with a main purpose of generating new jobs.

Yours faithfully,

Municipality president
Bogdan Cvejić



Location

Serbia

| | |
|-----------------|--|
| Total area | 88,361 sq km |
| Population | 7,5 mill. (2002) |
| Main cities | Belgrade (capital): 1,576 T inhabitants Novi Sad (capital Vojvodina): 299 T inhabitants Nis: 251 T inhabitants |
| Beocin | 100 km north-west of Belgrade 20 km west of Novi Sad |
| Language | Serbian (official) |
| Location | South East Europe |
| Neighbor States | Hungary, Romania, Bulgaria, FYR Macedonia, Albania, Bosnia and Herzegovina, Croatia, Montenegro |
| Currency | Dinar (RSD) 1 EUR = 101,48 1 USD = 70,24 (April 2011) |
| GDP | 31,5 bn EUR (2009) |
| GDP per capita | 4.170 EUR (2009) |
| Time | 1 hour ahead of GMT |
| Fiscal year | Calendar Year |



Location

Serbia

Serbia is a Parliamentary Republic, in South Eastern Europe.

After the decades of social and political turbulence in the region, ending in the collapse of FRY, the European Union established a stabilization and association agreement with Balkan-States and Serbia in particular. The aim of the SAA program is the stabilization of the region and a clear EU perspective for the countries of the region.

South East Europe region, including EU members Bulgaria and Romania is considered as one regional market, consisting of 50 mil habitants/consumers in 12 countries. In addition CEFTA trade agreement provides additional market development under trade preferentials when operating from Serbia. Free trade agreements that Serbia has with EU, Russia and US creates additional value for market development.

The area of Vojvodina, and especially the area around Novi Sad (including Beocin), is the most developed area within Serbia. This refers to infrastructure, skilled labor force and economic power.



Competitive Advantages

Overview

Competitive Advantages Analysis

An analysis on competitive advantages of the Beocin Business Park shows that there are several strengths compared to other Business Parks and Free Zones in Serbia and the Balkan Region

Region & Location

Human Resources
Taxation
Foreign Investment Law

Logistics

Free Zone
Harbor
Direct Rail Connection
Access to Main Roads

Infrastructure

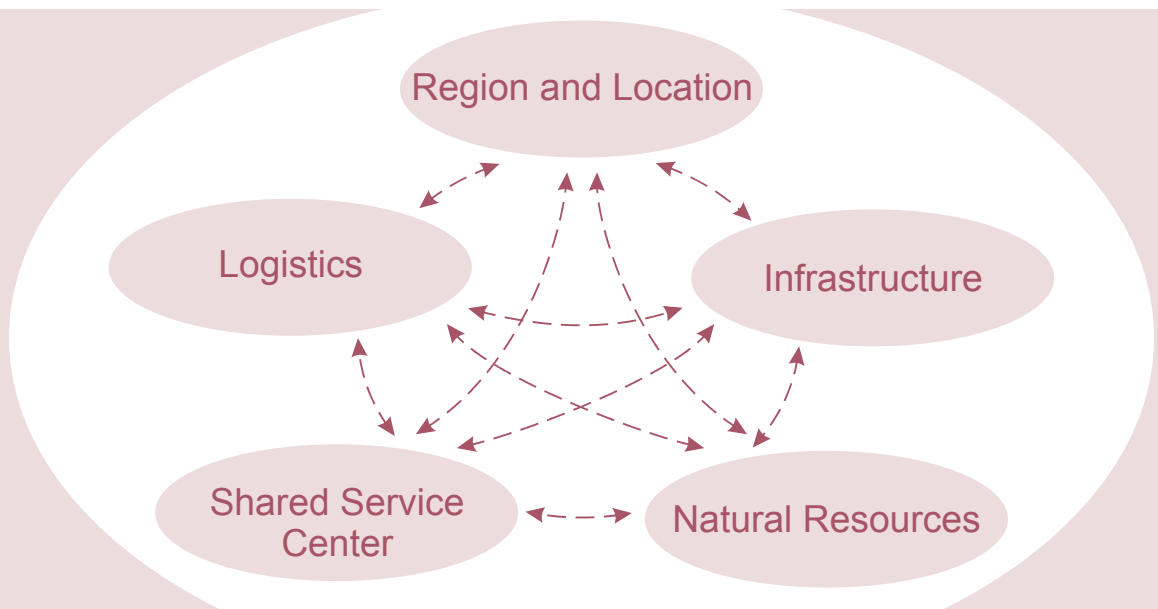
Fully developed industrial site

Shared Services Center

Market Intelligence
Technical Services
Business Services
Infrastructure Services

Natural Resources

Agriculture
Minerals
Raw Materials





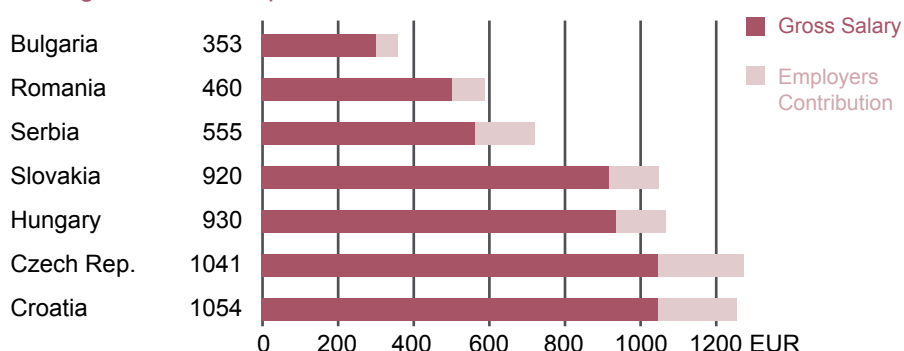
Competitive Advantages

Human Resources

Labor Costs

Serbia offers well educated labor force at a competitive price in terms of salaries and employer's contribution in the Balkan region.

Average Labor Costs per Month



Source: National Statistical Offices

Labor Cost in Serbia only count for additional 21,6% of employee's gross salary.

| Basis: Average Salary | Percentage | in EUR |
|--|----------------|---------------|
| Labor Costs Employer | 121,60% | 583,68 |
| Tax for Benefit Working | 3,70% | 17,76 |
| Social Security | 17,90% | 85,92 |
| Gross Salary Employee | 100,00% | 480,00 |
| Social Security | 17,90% | 85,92 |
| Tax on Income (12% of Gross Salary - 72,9 EUR free of tax) | 10,25% | 49,20 |
| Net Salary Employee | 71,85% | 344,88 |

Source: Statistical Office of the Republic of Serbia/ March 2011

Labor Law and Trade Unions

A new labor law gives companies high flexibility for negotiations with employees and trade unions for their special industries and needs.
Trade Unions are rare in recently founded companies.

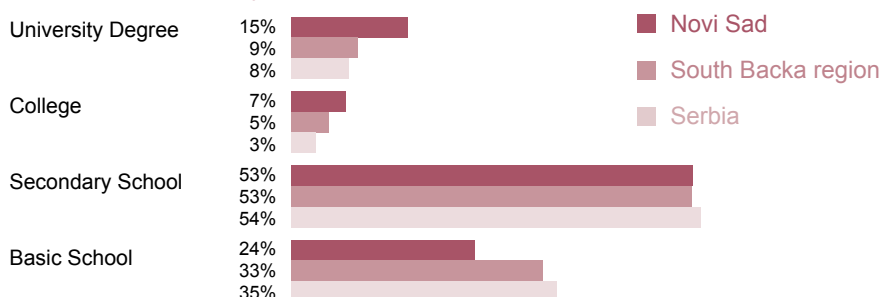
Competitive Advantages

Human Resources

Educational Profile

In Novi Sad and Beocin, unemployed people offer an over-average skill profile.

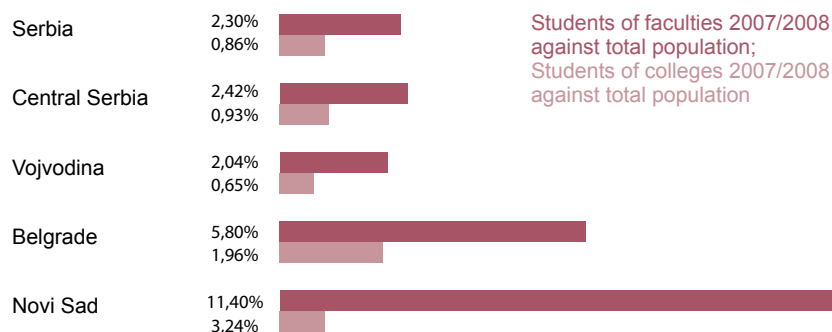
Skill profile of unemployed people - March 2011



Source: National Employment Service

Labor force in the Business Park Area (Novi Sad und Beocin) is more qualified than in other regions of Serbia.

Education Comparison Between Regions within Serbia



Source: Statistical Office of the Republic of Serbia

Highly motivated and skilled labor force can be hired at very competitive prices.

Competitive Advantages

Infrastructure

Business Park Area

The Business Park has a capacity of app. 20 ha, with the possibilities for enlargement.

Business Park Infrastructure

As international investors are on site, the infrastructure is already fully developed:

- Gas is available up to a quantity of 21.000 Nm³/h.
- Electricity is available up to a quantity of 71,6 MW via 110/6kV and 110/35/3kV lines.
- Telecommunication and high speed internet is available via an optic cable.

General Infrastructure of Area

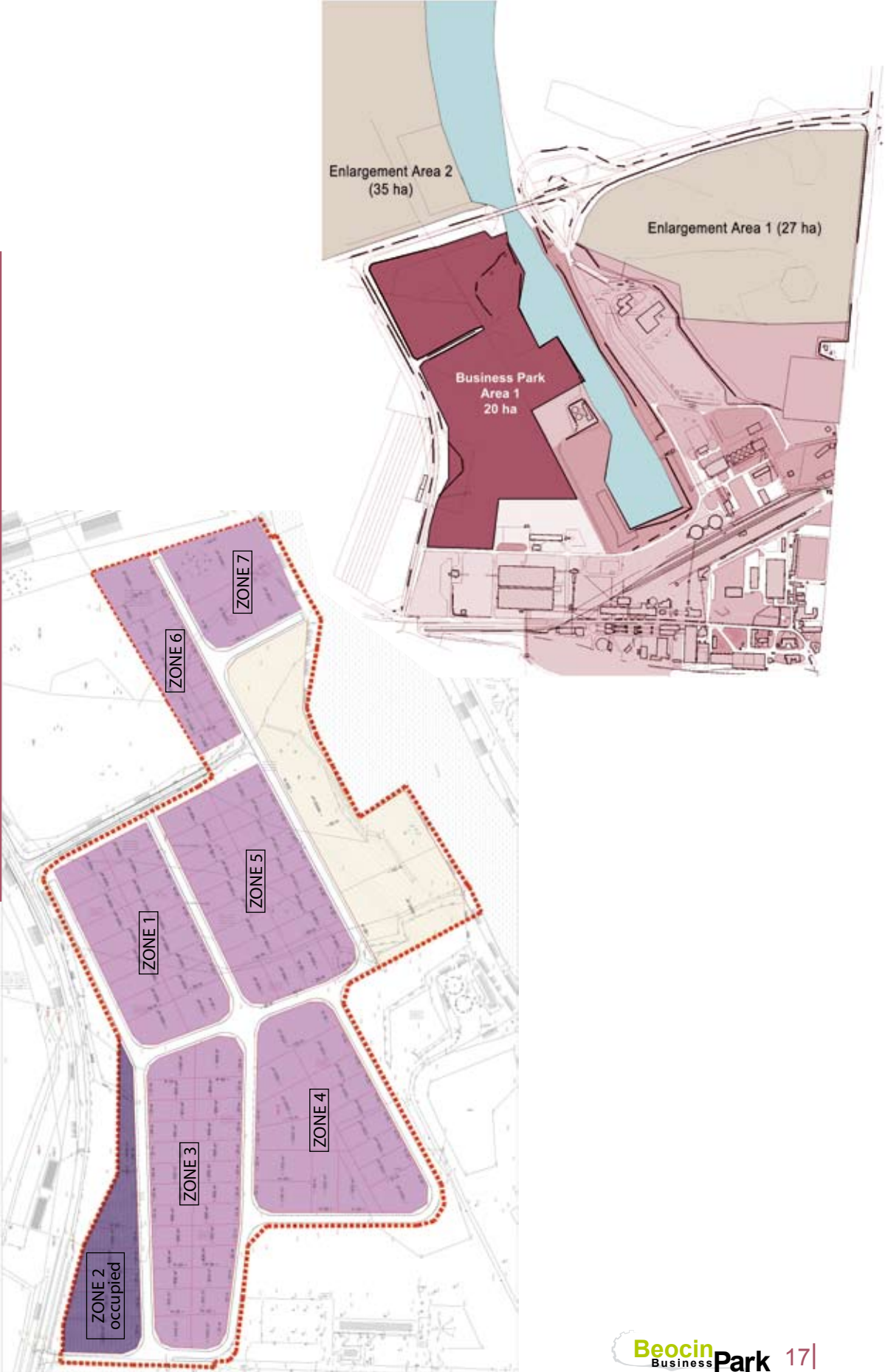
A cement plant is operated within the Business Park area by Lafarge Serbia, In Novi Sad, the second largest city in Serbia, one of the leading refineries is located app. 20 km next to the Business Park Area.

Lease Rate for developed Land

The Beocin Business Park offers the lowest land lease rate in combination with shared services for a Business Park in Serbia.



BBP Area
Plan



Competitive Advantages

Shared Service Center

Investment Efficiency - Shared Service Center

To support new investors, the Business Park offers a wide range of cost saving programs for the investor. The Beocin Business Park is a Corporate Responsibility Project. It offers an investor oriented environment and supports investments by transferring experiences of existing international investors:

- Initial services at competitive prices:
Support for setting up a business (permits and contact), etc.
- Permanent services below market prices:
 - Administration services
 - Technical start-up
 - Temporary workers at very competitive prices

Infrastructure

- The Shared Service Center offers resources and know how:
 - Technical and Business Infrastructure
 - Technical and Business Services

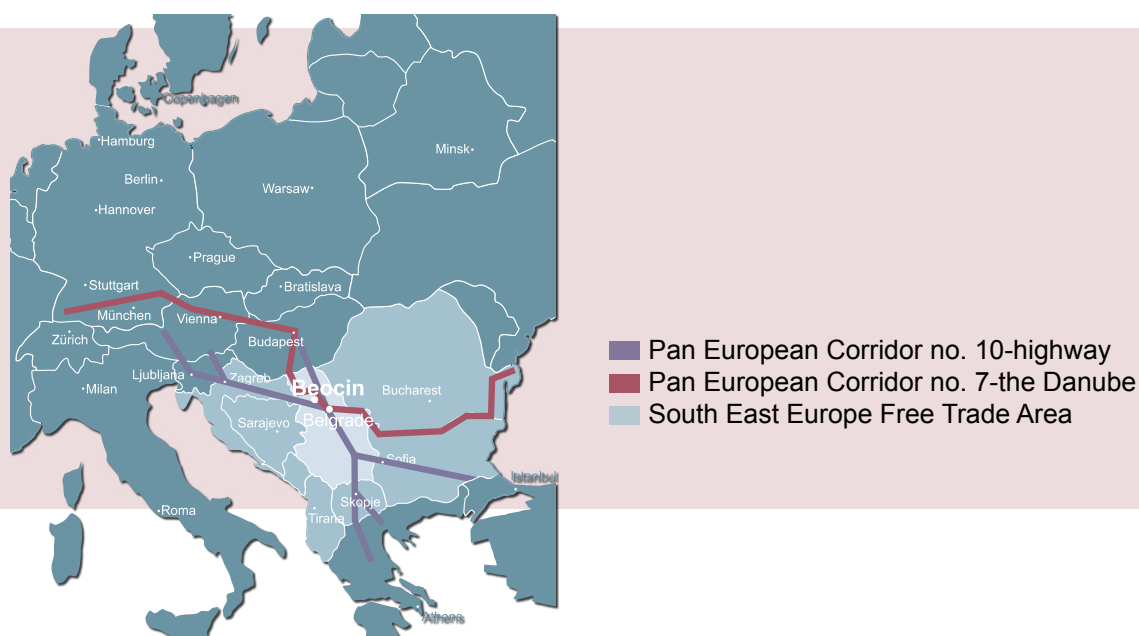
| | | Technical | Business |
|----------------|----------|---|---|
| Infrastructure | Services | Electricity Gas Technical gases Water Telecommunication Optical cable for internet Industrial water Laboratory facilities Railway Harbor | Cleaning staff (indoor/outdoor) Safety and security staff Fire brigade Restaurant /Catering Health services (hospital on the site) Garage and car service Public transportation Office space Truck and ship logistics Customs services Free Zone |
| | | Mechanical and electrical workshop Repair works, Maintenance Technical personnel Technical inspections Materials competence center Laboratory services | Administration services: Accounting, Payroll, Financial Services, Foreign payment assistance, Legal and permit advise, HR assistance, IT-services, Translation / Interpreting. etc. Communication and marketing Banking and Insurance Postal services Freight forwarding Laundry Purchasing Market intelligence |

Competitive Advantages

Logistics

International Corridors

Serbia is located on major European Transportation Corridors. The Business Park is located directly on the Corridor VII (Danube) and is very close to the Corridor X (Road and Railway) with connections to Europe and Asia.



The Danube river, the second largest waterway in Europe, offers direct connection from the North Sea to the Black Sea. Beocin is therefore a perfect connection to the Free Trade Partner Russia.

Business Park Harbor

The Business Park is located directly at the Danube river. An international Danube harbor is integrated in the Business Park area.

Roads

Within a radius of 30 km, the Business Park has direct access to the Corridor X (road), via Novi Sad or Ruma.

Railway

Beocin Business Park is connected to the railway. Railway tracks are connecting Beocin to international railway corridors via Novi Sad.

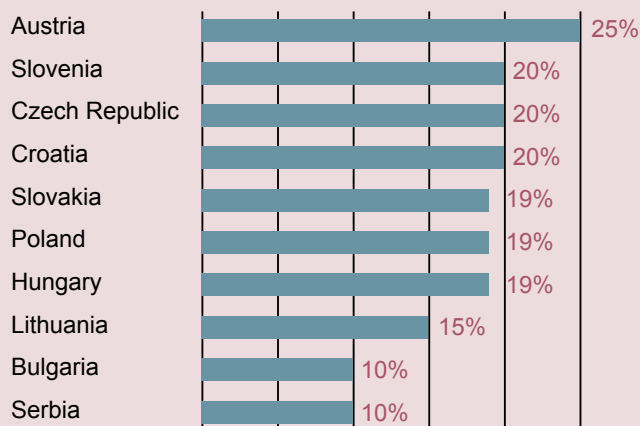
Competitive Advantages

Taxation, Corporate and Foreign Investment Law

Corporate Taxation

Serbia imposes a corporate tax rate of 10 %, the lowest tax rate in Eastern Europe.

Corporate Tax in Europe



Source: worldwide-tax

Group taxation is allowed for affiliated companies with at least 75% of shares.

Tax Incentives

Serbian taxation law offers tax holidays up to 10 years conditionally of certain investments and the creation of additional jobs.

Tax credits for the taxation period are granted for

- acquisition of fixed assets
- employment of registered unemployed people
- carrying forward of losses

Value Added Tax

VAT accounts for 18%. 8% VAT is charged for daily products as well as for construction materials for the building of houses. VAT rates in Serbia are the lowest in the Balkan region.

Competitive Advantages

Taxation, Corporate and Foreign Investment Law

Free Zones

Free Zones can be established in Serbia. Parts of the Business Park Area are reserved for a Free Zone.

Double Taxation

| Country | Dividend | Interest | Royalties |
|---|----------|----------|-----------|
| Italy, Romania, Austria | 10 | 10 | 10 |
| Germany | 15 | 0 | 0 |
| Croatia, Bosnia and Herzegovina | 10/5 | 10 | 10 |
| Slovenia | 10/5 | 10 | 10/5 |
| Ukraine | 10/5 | 10 | 10/0 |
| Czech Republic | 10 | 10 | 10/5 |
| Belgium | 15/10 | 15 | 0 |
| France, Sweden | 15/5 | 0 | 10 |
| Denmark, Finland, Netherlands | 15/5 | 0 | 10 |
| Bulgaria, Hungary, Macedonia, Poland, Russia, Slovak Republic, United Kingdom | 15/5 | 10 | 10 |

* If the recipient company owns / controls at least 25 percent of the equity of the paying company, the lower of the two rates applies.

Source: PricewaterhouseCoopers

Corporate Law

Limited liability companies can be founded within a couple of days with an equity of only 500 EUR. Companies can file annual reports by IAS. Foreign Investors have the same rights and duties as Serbian citizens.

Customs Rate

Goods imported to Serbia for capital investments are free of customs duties.

Market Conditions and Market Intelligence

Market potentials: Free Trade Areas

Serbia is part of a **Free Trade Area** on the Balkan with **app. 50m inhabitants, whereof 15% are of Serbian origin**. Serbia also shares Free Trade Agreements (CEFTA) with Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Moldova, Montenegro and United National Interim Administration Mission in Kosovo.

Serbia is the **only country** in the Region which maintains a **Free Trade Agreement** with Russia, Belarus and USA. The **Business Park's Harbor at the Danube River** creates the basis for perfect logistics to and from Russia on the Danube waterway via the Black Sea.

Market Intelligence

Unique market intelligence provides investors of special industries with in-depth domestic market demand. Supply chains of domestic companies were surveyed. The results **show missing products on the domestic market**.

Competitive Advantages

Market Conditions and Market Intelligence

Serbia Macro-economic data

Serbia is a growing market, Serbia Central Bank predicts GDP growth of 3 % in 2011 and 4,5 percent growth in 2012.

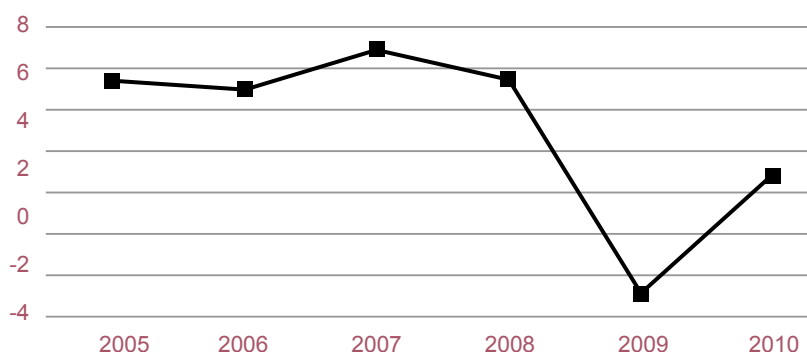
Growth rates in Serbia are higher than in Central Eastern European Countries and far higher than in the EU-Euro Zone.

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------------|-------|--------|--------|--------|--------|-----------------|
| GDP growth (real, in %) | 5,6 | 5,3 | 6,9 | 5,7 | -3,1 | 1,7 |
| GDP per capita in EUR (real, in %) | 2,792 | 3,144 | 3,899 | 4,547 | 4,093 | 4,138 |
| Exports (in EUR mn) | 3,608 | 5,102 | 6,432 | 7,429 | 5,961 | 4,597 (jan-aug) |
| Import (in EUR mn) | 8,439 | 10,463 | 13,507 | 16,478 | 11,505 | 5,017 (jan-aug) |

Source: Ministry of Finance and Statistical Office of the Republic of Serbia

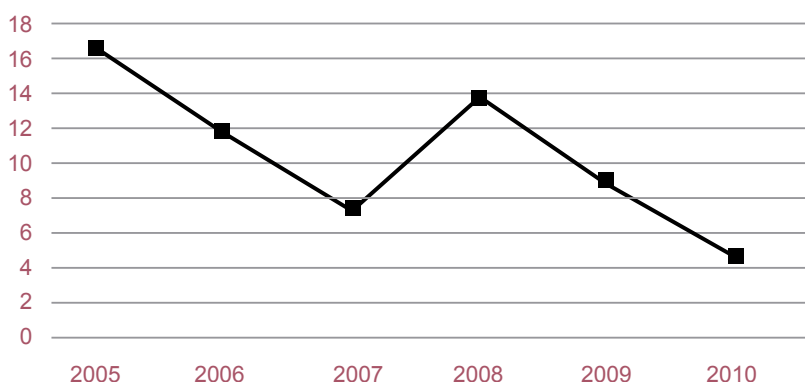
Serbia Macro-economic data

GDP



Source: CEE Market

Inflation rate at Year End in Percent



Source: National Bank of Serbia

Competitive Advantages

Natural Resources

Agriculture and Forest

Serbia is rich on agriculture (61% of land) and forest (27,3% of land). Agricultural land is concentrated in the region of Vojvodina (1,64 m ha arable land), where most of Serbian water reserves are located.

In 2010, Serbia produced:

- 1.6 m tons of wheat (in average 1/3 of the crop exceeds domestic requirements and 85% of the crop is classified as the first class)
- 7.2 m tons of maize, whereof in average 1/4 up to 1/3 exceeds domestic requirements
- 378.000 tons of sunflower
- over 541.000 tons of soya bean
- 3,3 m tons of sugar beet

Serbia abounds in high-quality oak and beech forests, and represents an ample raw base for both primary wood and furniture production.

Mining and semi-processing

Serbia possesses modest mineral reserves, but has deposits of coal, ferrous and non-ferrous metals in abundance.

Natural Resources supply

On the Danube river, goods, raw materials etc. can easily be transported from Europe and Russia to the Beocin Business Park.



Industries in Focus

Priority industries

Based on Market Intelligence, a list of priority industries was created that can make the best use of the competitive advantages of the location.

Due to these results, companies

- in the field of construction and building materials
- focusing on production and manufacturing in different industries and
- needing well developed logistics conditions perfectly fit to the Beocin Business Park



CONTACT



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Trg BFC 1, 21300 Beočin
Serbia

For further information,
please refer to

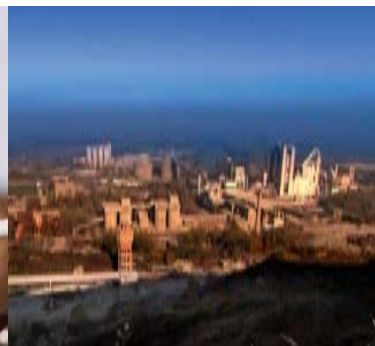


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