

WHY DID WE INVEST IN SERBIA?

- 10-year tax holiday for investments over 8.3 million euro, 100 new jobs
- Strong FDI record - 26 billion euro invested in Serbia since 2000
- Well developed network of local suppliers
- Skilled and competitive workers
- Ideal geographic location for just-in-time production
- Customs free access to a market of 800 million customers

Major international companies tell us why they are already here... **FOLLOW THEIR SUCCESS.**





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WELCOME TO SERBIA

Are you a firm seeking efficiencies and global market advantages for the products you offer the world? In Serbia, they can help make it happen.

Since 2000, Serbia has attracted nearly 26 billion euro in inward foreign direct investment. This success is because this country offers world-class intellectual capital, technically skilled labor, and customs-free access to 15% of the global market. Serbia has a deep industrial tradition, a strategic transportation and technical infrastructure, a private sector accustomed to complement international business, rich natural resources, ideal location, a growing network of R&D institutes, and high quality secondary and tertiary education.

In addition to all above, the country has political stability, a society that aspires to continued growth and progress, and finally cities and towns where local administrations understand inward investment and know how to service its needs.

Starting a business in Serbia means the opportunity to export to a market of one billion people. Serbia is a member of the Central European Free Trade Agreement (CEFTA), which covers a free trade area of 29 million people. It has favorable free trade agreements with a number of countries, including Turkey, EFTA members (Norway, Switzerland, Iceland, and Liechtenstein), Belarus, and Kazakhstan. Investors into Serbia would also enjoy duty-free exports to the European



Union and the United States for most products and services.

We invite you to consider Serbia's cities as potential investment locations. In the most recent (2014-2015) FDI Intelligence survey, they have been ranked among the top 10 European cities of the future, recognized for their cost effectiveness and well developed FDI attraction strategies. Come and check for yourselves! We have, and are happy to have done so. Read further to find out about our experiences...



BALL PACKAGING



In order to open up new markets, and strategically position the company in Southeast Europe, the management of Ball Packaging Europe considered several locations in the region, and decided to locate its new investment in Belgrade, Serbia. Some of the deciding factors for investing in Serbia were: encouraging tax policy, strategic position of the city of

Belgrade in Southeast Europe, location for the new factory fully equipped with infrastructure, skilled workforce and a package of incentives provided by the Government of the Republic of Serbia through the Serbia Investment and Export Promotion Agency (SIEPA (now RAS)). After the administrative procedures were completed in record

Ball Packaging Europe is one of the leading beverage can producers in Europe, headquartered in Zurich, Switzerland. It is a subsidiary of Ball Corporation, an international producer of high-quality packaging based in Broomfield, Colorado, USA. The company's European workforce includes over 3,000 employees and operates 13 beverage can production plants throughout Germany, France, the United Kingdom, the Netherlands, Poland and Serbia.



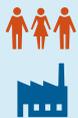


Mr. David Banjai

Former Ball Packaging Europe Belgrade General Manager

„BPE Belgrade employs local workforce in all segments of operation, not only in the production process. Our team has a high level of expertise, knowledge, and skills that allow constant progress and development of business through the exchange of best practices and experiences. We have created one of the world’s best teams in the industry; our employees now take on central functions, provide support to the head office, as well as to other factories in the group worldwide.”

time, buying land and preparatory work at the site finished, Ball Packaging Europe Belgrade (BPE Belgrade) started construction of the factory in May 2004. Just over a year later, the production at the newly opened factory began, in June 2005. The total area of the entire complex of BPE Belgrade is about 100,000 sqm.



190
highly qualified people
1.2 billion
aluminum cans a year

Today BPE Belgrade plant employs 190 highly qualified people, who produce 1.2 billion aluminum cans a year, in two production lines. BPE Belgrade is considered one of the best plants within the Ball Packaging Europe group. More than 85% of the production volume is exported to neighboring countries and

the region - Slovakia, Hungary, Romania, Greece, Czech Republic, Croatia, Slovenia, Bulgaria, Montenegro and Albania. The biggest buyers of tin cans that are produced in Belgrade are large companies that produce beer, juices and soft drinks, but also small and less known brands in the Republic of Serbia and the region.

Total investment in the new BPE Belgrade factory is 65 million euros, making it one of the largest realized investments in the Republic of Serbia. It is also known as one of the most successful greenfield investments in Southeast Europe, receiving a prestigious regional award entitled “International Investor of the Year 2014”. The award was granted by the Organization for Economic Cooperation and Development (OECD) at its third annual Ministerial Conference on

Investments and Trade in Southeast Europe.

BPE Belgrade annually invests around one million euros in improving the quality, efficiency and performance of production, as well as safety at work. The company applies the following standards and systems: ISO 9001 - Quality Management, ISO 14001 - Environmental Management, HACCP food safety system, and OHSAS 18001 health and safety system at work.

BPE Belgrade cooperates with primary schools in the Republic of Serbia to educate children and young people and raise awareness about environmental protection, recycling, and other topics.



BOSCH

Invented for life



The Bosch Group is an international leader in the field of research and development with 4.5 billion euros invested in R&D in 2013 and about 5,000 registered patents, or an average of 20 new patents every working day.

Bosch has been operating in the Republic of Serbia since 1991. The Representative office in Serbia also covers the Republic of Montenegro and FYR of Macedonia. In 2006, as a result of exceptional business development, the Representative office grew to



The Bosch Group is a leading global supplier of technology and services. It was founded in Stuttgart, Germany, in 1886 as a workshop for precision mechanics and electronics. In 2013, the Bosch Group generated total revenue of over 46 billion euros and employs 281,000 associates. Company operations are divided into four business sectors: automotive technology, industrial technology, consumer goods, and energy and construction technology. It comprises of more than 360 subsidiaries and regional companies in some 50 countries. Together with its sales and service partners, Bosch is represented in 150 countries.



Jovanka Jovanovic

General Manager of Robert Bosch d.o.o Srbija

„The attractiveness of the location, logistics advantages, availability of skilled workforce, and a very good support of the Government of the Republic of Serbia and the local community are the main reasons why the Bosch Group decided to invest in the municipality of Pecinci and the Republic of Serbia.”

became a separate company. Robert Bosch d.o.o Srbija deals with the trade of a wide range of Bosch products, including spare parts for cars; diagnostic tools and equipment, power tools, security systems, and products in the field of thermodynamics.

In 2009, Robert Bosch d.o.o Srbija established a Center for providing a wide range of services for the Bosch Group worldwide. Around 80 staff, primarily mechanical engineers, provide services such as data and product management, engineering design components of braking systems, and quality management.

Within the Robert Bosch d.o.o Srbija company there is also a factory for the production of automotive components, with 22,000 square meters of production capacity, which began operations in 2012. The product

range is primarily geared towards the European and then the world market.

Robert Bosch d.o.o Srbija employs 380 associates. An independent enterprise operates within the Bosch Group in



Serbia as well, engaged in the trade of household appliances, with Bosch and Siemens as the dominant brands.

In order to ensure competent production staff, in cooperation with GIZ (German Agency for Technical Cooperation) and the Secondary Technical School in Pecinci, and with the support of the Ministry of Education and Science of the Republic of Serbia, a project was initiated to introduce educational profile of an industrial mechanic into a school curriculum. During their education, in addition to theoretical knowledge, students will have the opportunity to gain practical technical knowledge using Bosch equipment at school and during internship at Bosch manufacturing facility. The best students will be guaranteed a job after graduation.



Continental CONTITECH



In order to expand production capacity, the management of Continental-Contitech decided in 2010 to open a new factory for the production of systems for engines and transmissions, as the existing production capacities in Romania (Timisoara) and Hungary (Szeged) were not able to respond to customer requirements. Locations considered for a new factory were in the region of the Baltic countries, Serbia, Ukraine, Moldova, Bulgaria and the region of North Africa.

The criteria that the company management requested for the new factory location were: good regional and logistics connections, the existence of infrastructure, political stability in the country where the project is located, the availability of skilled labor, the willingness of the local community and the state to support the new plant and the possible incentives from the local government and the state.

After a thorough evaluation of the locations, the management of Continental-Contitech decided that the company will invest in the Republic of Serbia, specifically the city of Subotica, because of the proximity of the existing factories in Romania and Hungary, the proximity of the European market, as well as logistics and transportation advantages.

The decision on investing was in particular facilitated by the willingness of the Republic of Serbia, Vojvodina Province, and the city of Subotica to provide maximum support to the entire project. The support to the realization of this investment was given by the Government of Serbia through SIEPA (now RAS), by the Government of Vojvodina Province through the VIP Fund, and the city of Subotica, which approved additional incentives for hiring workers. The chosen location was quickly, fully equipped and

Continental AG, headquartered in Hanover, Germany, is one of the largest tire manufacturers and suppliers of automotive industry worldwide. The company Conti-Tech AG, owned by Continental, develops and manufactures parts, components, and systems for automotive and other industries. Continental AG employs over 175,000 people in 49 countries.



Matthias Schönberg
Head of the ContiTech Fluid
Technology Business Group

„Subotica city offers excellent logistics support to our customers, and additional benefits are local labor market and the proximity of our companies in Szeged, Hungary and Timisoara, Romania.”

ready for use. This was facilitated by rapid and effective procedures for issuing building permits and site preparation for the new factory in the industrial zone Mali Bajmok, which operates in the regime of a free zone.

In February 2011, the city of Subotica signed a Memorandum of Understanding with the German investor Continental-Contitech, and already in January 2012 the construction of a factory started in the industrial zone Mali Bajmok. **The factory started production after record time of 10 months** (January-October 2012), with the first deliveries of car parts for Audi in Gyor (Hungary) and Porsche in Leipzig (Germany).

The factory ContiTech Fluid Srbija d.o.o currently employs more than 500 workers from the territory of the Republic of Serbia. **The factory in Subotica today regularly supplies European**

car manufacturers such as Mercedes, BMW, Audi, Renault, Volkswagen and others, with systems for engines and gearboxes. The annual production is at more than 2 million units in 100 product groups and 1,000 components, specifically - hoses and hose lines for cooling and lubrication of automotive transmissions and turbo systems, which are exported 100%.

Management of Continental-Contitech is pleased with the fact that all the agreed time frames and financial aspects were respected. The negotiations began in 2011, while operations commenced as early as October the following year. The factory investment totaled around 15 million euros. Expansion of the production is already agreed, specifically the construction of another production plant, and additional workers will be employed. Currently 1,500 square meters are leased in ad-

dition to the existing factory, and this space is used for the production of rubber hoses for the reduction of CO₂.



Mr. Zivko Topalovic, CEO

„**The existing infrastructure, speed of issuance of building permits, administrative procedures and existing transport corridors and logistics, provide solid and stable business environment, similar to the business environment in the EU.**”



FIAT CHRYSLER AUTOMOBILES



Fiat Chrysler Automobiles (FCA), the seventh-largest automaker in the world, designs, engineers, manufactures and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram, SRT, Ferrari and Maserati, in addition to Mopar, the parts and service brand. The Group's businesses also include Comau (production systems), Magneti Marelli (components) and Teksid (iron and castings).

The FCA Group is organized into four regions – NAFTA (U.S., Canada and Mexico), LATAM (South and Central America), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa).

With the goal to access new markets and to expand the production capacity,

Wherever the Group is present it is focused on sustainability, to the priority areas such as reductions in the environmental impact of our products and manufacturing processes, professional development of employees and promotion of their individual well-being together with a culture of health and safety, research and solutions to enhance safety for all road users, improvements in the customer experience, efforts to promote a culture of responsibility throughout the supply chain and support of local communities. That commitment to society, environment and corporate responsibility makes the group ranked among the global leaders in sustainability.

Most recent proof of this broad commitment is the fact that FCA has once again been included in the prestigious Dow Jones Sustainability Index (DJSI) World. The Company received a score of 88/100 compared with an overall average of 60/100 for companies in the Automobiles industry evaluated by RobecoSAM, the specialist in sustainability investment.

The Group achieved the highest score in its industry sector for innovation management, climate change strategy, occupational health and safety, labor practices, human rights and stakeholder engagement.



Mrs. Silvia Verneti - Blina
Director FCA Srbija d.o.o.

„Seven years ago we have made the decision to come to Serbia after thorough market research. We saw Serbia as a country with good strategic position, adequate infrastructure and great human resource potential. Being at a unique position in the European market, Serbia offers diverse possibilities and, above all, high quality workmanship. The decision to come to Serbia proved to be a right one. For the past three years, since production started, we have recorded very good results and constant growth, primarily due to the efforts and hard work of our employees.”

in 2008 FCA began to search for a location for its new factory in the East Europe region, finally deciding to invest in the Republic of Serbia (Kragujevac). Educated and qualified work force and industrial culture, previous successful cooperation between FIAT and Zastava Automobile industry, as well as the location itself and state incentives offered to new investors by the Government of Serbia, through SIEPA (now RAS - Serbian Development Agency) were the main key factors for the selection of Republic of Serbia as the new FCA industrial location.

FCA Serbia d.o.o. Kragujevac, former FIAT Automobili Serbia, was founded in 2008, as a partnership project of the company Fiat Group Automobiles (FGA) with the Government of the Republic of Serbia, where Fiat has a 67, and the Republic of Serbia the remaining 33



percent stake. The company has established excellent cooperation with the local government in Kragujevac and the Ministry of economy of the Serbian Government. The new FCA Serbia plant in Kragujevac was officially opened in April

2012 and today it represents one of the most sophisticated production facilities within the FIAT Chrysler Automobiles Group worldwide. With over 3,000 employees, FCA Serbia is a desirable employer, a socially responsible company, active investor in Serbia and the Serbian leading exporter. In Kragujevac-based plant, so far it has been invested over EUR 1.3 bio, out of which EUR 850 mio for the purchase of the latest state-of-the-art equipment. Fiat 500L range (Standard, Living, Trekking) is being produced in Kragujevac-based plant. Model Fiat 500L is commercially available on the market since September 2012, and it is exported to European and NAFTA markets.

 **> 3000**
FCA Serbia employees over 3000 people



Grundfos Group is represented by more than 80 companies in more than 55 countries. Grundfos products are sold in many countries through local distributors. The company has approximately 19 000 employees and 3 billion euros in annual sales, of which 5% is allocated for research and development.

As part of the Grundfos globalization strategy, being closer to the customers in Eastern and South Eastern Europe, the management of the company began with a search for a location of a new factory in the Balkans. Following a detailed assessment of all potential locations, the management decided to invest in the Republic of Serbia, i.e. in the municipality of Indjija. Main argumentation for selecting Serbia and the Municipality of Indjija, was the existence of an educated and skilled

workforce, benefits by the Government of the Republic of Serbia for each new job created, assistance provided by specialized agencies and institutions of the Government of the Republic of Serbia, the Government of Vojvodina Province (SIEPA (now RAS) and VIP), and favourable free trade agreements, as well as positive business environment, developed infrastructure and regional position of the municipality of Indjija (close to the city of Belgrade and Novi Sad, near the airport, investment location fully equipped with infrastructure, and effective local administration).

Initial preparations for the start of production in Serbia began in 2009, when the company Grundfos bought 150,000 m² of land to build a production plant in Indjija. The initial production setup was established during 2010 in rented facilities, and the first pump was

Grundfos was established in 1945 in the small town of Bjerringbro in the Kingdom of Denmark. Grundfos is represented in the market of pumps for 70 years; and with an annual production of 16 million pump units makes Grundfos the leading pump manufacturer of circulators. The company holds 50% of the world market share for these pumps. In addition to pumps, Grundfos produces standard and submersible motors, as well as superior electronics for monitoring and control of pumps.



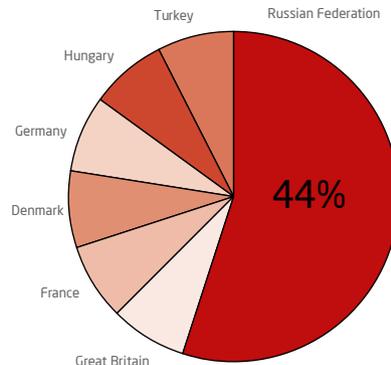
Jim Toft Nielsen
 General Manager of Grundfos Srbija d.o.o.
 “The key factors for the decision to invest and build Grundfos factory in Serbia were: The existence of an educated and skilled workforce, incentives to investors by the Government of the Republic of Serbia, favorable free trade agreements, as well as developed infrastructure and a good geographic position.”

produced in April 2011. In February 2012 the construction of the new factory in Indjija began, and after only 10 month construction period the team was able to move into the newly build production facility,

Grundfos in Serbia now has about 366 employees, of which 350 workers at the factory in Indjija, and about 16 employees in sales and marketing throughout the Republic of Serbia. The factory in Indjija extends to 27,000 m², and this is only the first phase of Grundfos plan for the Republic of Serbia. The total investment in the first phase currently amounts to 33 million euro, and total sales of pumps in 2014 was about 92 million euros.

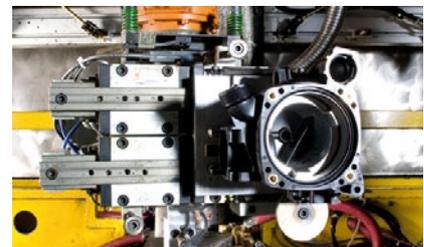
Grundfos in Serbia currently produces three types of pumps, one of which is the most popular and best-selling Grundfos product which covers more than 50% of

the world market. It is a small circulatory pump for heating and water circulation. Almost 100% of the entire production of Grundfos plant in Serbia is exported, of which 55% in the Russian Federation, and the rest in Turkey, Hungary, Germany, Great Britain, France and Denmark.



Grundfos Serbia exports

It should be emphasized that Grundfos is very satisfied with local workforce (engineers, craftsmen and workers on machines in production), and mention training and seminars that the company regularly organizes and conducts in order to educate employees.



As a strategic and long-term partner, the company Grundfos is involved in many social and humanitarian activities throughout the territory of the Republic of Serbia.



Schneider Electric has been present in the market of the Republic of Serbia since 1997, and in 2002 it opened a representative office, which now operates under the name Schneider Electric Serbia d.o.o. As part of the acquisition of the Spanish company Telvent, in 2012 Schneider Electric bought the Novi Sad based DMS Group that was founded in 2000 by a team of professors from the Faculty of Technical Sciences in Novi Sad. Schneider Electric recognized that DMS Group has a specific organization and great potential for further expansion beyond national borders. Today, Schneider Electric DMS NS employs over 1,000 experts, 30 of them with PhDs. It has a long-term cooperation with universities, power plants, manufacturers of IT equipment and IT experts worldwide. In 2013 alone, the company's export was worth around 25 million euros.

Schneider Electric NS DMS produces software that enables big savings in power distribution and which is used today by almost all the countries in the region, as well as cities such as Philadelphia, Vancouver, Toronto and others. The American consulting company Gartner named the software as the highest quality product in the world for several consecutive years in the field of smart grid (smart grid use in the management of electrical distribution systems). The great success was repeated in 2013, at smart grid technology fair in San Diego (California, USA).

Schneider Electric supplies over 70 million users through its network of 50 companies and more than 130 dispatch centers worldwide. Licensed partners have a significant place in the company's operations. This kind of partnership is reflected in the transfer of

Schneider Electric is an international company specialized in the field of energy management that offers energy efficient solutions to reduce electricity consumption, as well as technology and processes that enable achieving the same productivity or comfort with less energy. It currently employs 160,000 people in over 100 countries and has an annual turnover of 24 billion euros.



Dragoljub Damljanovic

General Manager, Schneider Electric Srbija d.o.o:

“Schneider Electric recognized knowledge, innovation and experience of young engineers in the Republic of Serbia and invested resources in the DMS from Novi Sad, which is now a global center of Schneider Electric research, development and production of software for optimal management of electricity distribution. Since we offer solutions for efficient energy management in different segments, from data center, across a variety of industries, buildings, DMS has complete offer in the segment of power distribution, and our efforts to become recognized as specialists in energy management has been given a new meaning.”



technology between Schneider Electric development centers around the world and local companies that have the potential (technology, development, sales) to assume a part of the responsibility for creating a product and product placement. All equipment produced by licensed partners is subject to quality control, and is in line with current international standards.

Licensed partners of Schneider Electric in Serbia are:

- Melpo - licensed partnership for Okken low-voltage switchboards
- SNE Energy - licensed partnership for SM6 and RM6 medium voltage installations
- Elnos BL - licensed partnership for compact TS Biosco CS / CM

In Serbia, a network of over 20 official distributors and system integrators has been developed. They have their own stock of goods, and also contracts with about 60 retail outlets throughout the Republic of Serbia. The company pays special attention to strategic clients, some of which are present in Serbia:

- Lafarge
- Holcim
- Coca Cola
- Nestle
- Veolia
- Saint Gobain
- FIAT
- Microsoft
- IBM
- Marriot



employs over **1,000** experts in Serbia



30 with PhDs

In 2013, the company's export was worth around

25 million euros





SIEMENS

Siemens is a global company with 168 years long tradition behind its successful business. It is recognized for technical improvements, innovation, quality and reliability of products and services it offers in 190 countries. The company integrates all these qualities into its own solutions in the fields of energy, industry, transportation, medicine, and infrastructure projects. Siemens today is a leader in the world market with a recognizable brand.

Siemens has been present in Serbia since 1887 when it participated in a pioneering effort of electrification of Serbia - construction of the first public thermal power plant in Dorćol (Belgrade), construction of the first Serbian hydroelectric power plant on the river Djetinja in Uzice, and in many other projects which are of historic im-

portance for the development of the economy of the country.

Siemens d.o.o. Beograd was founded in 1996 with the aim to contribute to faster recovery and development of the economy and infrastructure systems in Serbia and today employs about 1,200 people. The company employs some 1000 employees at the factory in Subotica, which produces and assembles generators for wind-power plants. Since its founding in 2003 with 12 employees, this factory had significant growth owing to development of wind industry market and management decisions. The factory in Subotica was built in a fully equipped industrial zone Mali Bajmok, which operates in the regime of free zone. Since its founding, the factory has produced more than 15,500 generators

Siemens AG was founded by Werner von Siemens and Johann Georg Halske on 12 October 1847. Today, Siemens AG is a German multinational conglomerate company headquartered in Munich. It is one of the largest engineering companies in the world. The core businesses of the company lies in the areas of industry, energy, healthcare, and infrastructure. Siemens and its subsidiaries employ approximately 343,000 people worldwide, and have reported global revenue of around €71.9 billion in FY2014, according to their annual report.



Ivan Knezevic

Deputy General Manager, Siemens d.o.o. Belgrade
“Our company’s 128 years of successful business in Serbia is a true indicator of a long-term partnership between the Serbian economy and Siemens. Based on our experience of doing business in Serbia, the quality of local human resources is definitely a comparative advantage of this region. Additionally, the country has a significant industrial tradition, complemented by stimulating income taxes.”

for wind-power plants ranging from 1.5 to 6 MW. The generators manufactured in this factory are exported to Europe, but also to the American market, thus placing Siemens in the group of 10 largest exporters in Serbia. The fact that one in four wind generators in Europe has been produced in Subotica testifies to the successes of the factory.

Using a good geographic position of the Republic of Serbia, the regime of free zones and high-quality workforce, Siemens has so far invested 20 million euros in the factory in Subotica. Further 10 million euros are planned to be invested in the development of the factory.





PEPSICO



A company of **PEPSICO**

Marbo Product is one of the leading snack producers in the region of West Balkans. The company operates since November 1995, when the first brand - Chipsy was launched. Bosnian counterpart Marbo doo was founded in 2000. Production facilities are settled in Maglic, a village located in Backi Petrovac municipality, and in Laktasi, municipality in Bosnia and Herzegovina, near Banja Luka.

When the company was established there weren't many relevant players in the chips market in Serbia. The founders of Marbo recognized the opportunity and seized this segment of the market with a good strategy and a quality product. They built up a good local company that eventually attracted attention of a global player in the snack market. PepsiCo acquired both companies, in Serbia and Bosnia

and Herzegovina, back in 2008, which then became part of the PepsiCo Group. Marbo's production facilities located in Maglic and Laktasi become part of PepsiCo's network of 200 plants around the world.

Today Marbo operates within PepsiCo West Balkans business unit and employs 1,200 people in Serbia and Bosnia and Herzegovina, whose experience and commitment are making brands Chipsy, Clipsy, Pardon and Gud a synonym of a quality snack.

PepsiCo integrated regionally successful brands into its brand family and Marbo got the strong support of the global partner and multinational company's know-how. The first phase of integration was harmonization with the PepsiCo standards and it lasted until 2011. During this phase, business processes were intensively

PepsiCo products are enjoyed by consumers one billion times a day in more than 200 countries and territories around the world. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 22 brands that generate more than \$1 billion each in estimated annual retail sales.

At the heart of PepsiCo is Performance with Purpose - a goal to deliver top-tier financial performance while creating sustainable growth in shareholder value. For more information, visit www.pepsico.com.



Michail Orfanoudakis

Commercial Director PepsiCo West Balkans

„We consider Serbian market a challenging one, however with excellent potential. Despite challenges, Marbo had a series of successful activities shaped by our vision, commitment and international experience of the PepsiCo group.“

harmonized - manufacturing, logistics, and commercial. This process was crowned with a unified SAP software for structured planning as well as monitoring of key performance indicators. The integration made the local company a part of the leading global food and beverage company which generated more than \$66 billion in net revenue in 2014, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana.

The factories in Maglic and Laktasi are using modern technologies and implementing leading standards for safety and product security - FSSC 22000 and ISO 14001. Following the PepsiCo acquisition, significant investment followed in a manufacturing plant in Maglic, some of which are purchase of a modern line of high capacity for production of potato chips and construction of a waste water treatment plant. Today, Marbo factory is one of the most

modern factories of this type in the Western Balkans, in fact the whole Europe, and thanks to the continuous improvement of standards, it is one of the most representative examples of safety workplace. In 2014, Maglic plant hosted an independent audit of the External Global Environmental and Health & Safety Management System (GEHSMS). Final score ranked Maglic factory on a first position in Europe and on the second position globally among all PepsiCo factories that were subject to this audit, in the category of Environmental and Health and Safety measures and standards.

Marbo represents a synonym for successful business in Serbia. The company is recognized as an excellent partner both externally and internally. The proof of the latter is receiving a Best Employer certification in very competitive, food industry, as well as an award for the best partner in business.

Additionally, Marbo stimulates local production and cooperates with more than 10 local farms, from which it buys

raw materials ensuring the usage of the highest quality raw ingredients so that consumers get the highest quality chips and other products. Moreover, Marbo is the largest industrial purchaser of potatoes on the Serbian market and every year purchases 32,000 to 35,000 tons of potatoes.

Marbo brands are beloved snack brands both in Serbia and the West Balkans region, where the company exports a third of local production. Marbo's brands Chippy, Clipsy, Pardon and Gud are enjoyed by consumers in regional markets - Croatia, Slovenia, FYROM, Montenegro, Greece, Albania, Bulgaria and Romania. As a proof of quality, Marbo is also producing products for markets in Western Europe, Belgium, Holland and France.

In the future Marbo Product plans to ensure that it remains a great company by staying true to its values - sustained growth through empowered people and acting with responsibility and trust.



Clay blocks	No. 1 worldwide
Facing bricks	No. 1 in Europe co-leader in the USA
Clay roof tiles	No. 1 in Europe
Plastic pipes	Leading position in Europe
Ceramic pipes	No. 1 in Europe
Concrete pavers	No. 1 in Central-East Europe

Potisje Kanjiza factory was founded back in 1903 by a Kanjiza landowner, Herman Grunfeld. Its true recognition and rapid economic growth came in the postwar period, after 1945. In October 2003, this successful company was taken over by the Austrian group Tondach, which purchased shares on the Belgrade Stock Exchange in the amount of 30 million euros. After buying the factory, Tondach invested about 45 million euros in the modernization, production automation, and capacity increase. Since 2013, Tondach has been operating as a

subsidiary of Wienerberger AG, the world's largest producer of bricks.

Potisje Kanjiza today employs 425 highly skilled workers and is the largest manufacturer of roof tiles made of fired clay in this part of Europe. The company owns a well examined site of raw materials sufficient for the next 40 years, located in the immediate vicinity of the factory. Potisje Kanjiza annually produces about 70 million tiles of which about 60% is exported to Romania, Bulgaria, FYR Macedonia, Albania, Montenegro, Bosnia and Herzegovina, Ukraine, and Russia. In 2013 alone, export to Russia for the construction of the Olympic Village in Sochi amounted to 700,000 pieces of tile. Potisje Kanjiza is the only manufacturer that offers a 33 year guarantee for its products.

The management of the company,

Founded in 1819 by an Austrian brick manufacturer, Wienerberger has developed over the past three decades into an international building materials group that combines clay building materials, pipes and pavers businesses. Wienerberger has over 200 production sites in 30 countries, all over the Europe and in the US.



 **425** highly qualified people

 **70 million tiles**

33 year guarantee for its products



Istvan Jenei
 General Manager of Potisje Kanjiza
 „Over 110 years of tradition with quality and educated workforce are the guarantee for good products and the key to successful business“.

in cooperation with the Ministry of Education and Science of the Republic of Serbia, has initiated a pilot project for the education and scholarships for children to train for carpenters and

roofers in secondary vocational schools in Knjazevac, Ada, and Subotica. The management also cooperates with other secondary and post-secondary schools for construction and architecture

throughout Serbia. Potisje Kanjiza cooperates with a large number of small and medium-sized enterprises engaged as suppliers and subcontractors.

Wienerberger-facts	
Divisions:	Clay Building Materials Europe Pipes & Pavers Europe North America Holding & Others
Production sites in the following countries:	Austria, Switzerland, Czech Republic, Slovakia, Poland, Estonia, Finland, Hungary, Romania, Bulgaria, Russia, Italy, Croatia, Slovenia, Serbia, Germany, Denmark, Sweden, Norway, Netherlands, Great Britain, Belgium, Macedonia, France, India, Canada, USA, Greece, Turkey, Ireland
Free float:	100%
Revenues 2014:	€ 2,834.5 mill.
Results 2014:	operating EBITDA € 317.2 mill. operating EBIT € 100.2 mill.
Employees 2014:	14,836





As a leader in innovating the IT sector, Microsoft's goal in Serbia is to be a true partner of the Serbian government by further investing in the local IT industry, as well as helping increase awareness about the importance of computer literacy and intellectual property rights. Microsoft started operating in Serbia in 2001, when representatives of the Serbian government signed a strategic IT collaboration agreement with Bill Gates, setting a cornerstone for long term ascent of scientific and technological development in Serbia. During more than a decade of existence, Microsoft Serbia has managed to achieve remarkable results in the development of the domestic IT market.

Belgrade is the site for the first Microsoft R&D operation in Southeastern Europe – Microsoft Development Center Serbia

(MDCS). The site started its operation in 2005 and now it is a premier employment destination for local engineering talent. The center has made notable contributions within respective divisions (STB, Office and Online Services Division). Building on strong skills in core sciences (Mathematics and Physics), MDCS features exceptional number of International Olympians in Informatics and Mathematics. Unique areas of expertise are in applied mathematics (machine learning, statistics, data science) and distributed data processing. Due to its technical talent, the core strength of MDCS team is ability to convert research ideas into core product contributions for all divisions present in the center. Besides creating components for Microsoft software, The Microsoft Development Center in Serbia helped create key components for SQL, Office 2013, and has developed PDF Reflow,

Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. Microsoft is founded in 1975 by Bill Gates and Paul Allen. The company is headquartered in Redmond, Washington, USA.





Zeljko Vujinovic
Microsoft General Manager for
Serbia and for Montenegro

„Microsoft is present on the Serbian market for 13 years; opened the Development Center 10 years ago. We are always used as an example to many other foreign companies and are excellent promoters of Serbia and their potential for foreign companies to start business on this market and do investments.“

which is part of the latest Office and used by millions of people around the world.

Today, Microsoft's Development Center in Serbia employs 190 very promising and bright young people from Serbia, which is a clear indicator of the development of our business here, as well as the Serbia's overall IT potential. Also, Microsoft Development Center engages more than 25 interns from Serbian Universities every year.

Since 2004, all Microsoft programs are available in Serbian, while key programs from the Office platform (Word, Excel, Power Point and Outlook) are available in both the Cyrillic and Latin scripts. In this way, Microsoft Serbia helped reach a better understanding of new technologies, while increasing user productivity in Serbia, and helping maintain cultural identity through respecting the local language and

culture.

Furthermore, Microsoft also helped launch a legalization campaign during which 30 thousand computers in the public administration were licensed, while

our company donated free software packages for 50 thousand computers to various academic institutions in Serbia and more than 1M\$ worth software annually for the non-profit sector.





A famous Italian company for the production of underwear and socks, Pompea from Medole, after a detailed market analysis and testing opportunities for investment in the region of Southeast Europe and North Africa, decided to buy the knitwear factory Brusjanka from Brus (southern Serbia). In 2004, it started the production of men, women and children's underwear and men's socks. Benefiting from a favorable business environment in the Republic of Serbia, tax breaks, experienced and educated workforce and support of the Government of the Republic of Serbia through the Serbia Investment and Export Promotion Agency (SIEPA (now RAS)), the company Pompea invested a total of 7 million euros in its factory in Brus, employed 530 workers, and exported the entire production to Italy.

Due to a very positive experience in the Republic of Serbia, and because of the free trade agreement that the Republic of Serbia has signed with the Russian Federation, the company Pompea in 2006 decided to expand its capacity. After considering several locations throughout the Republic of Serbia, the management of the company Pompea decided to build its new factory and set up a subsidiary company Modital d.o.o. in the town of Zrenjanin, in the industrial zone Bagljas. The willingness of municipal leaders to provide maximum support to the new investor, the organized local administration, the Industrial Zone with complete infrastructure, the educated workforce and the support of the institutions of the Government of the Republic of Serbia and the Government of Vojvodina Province (SIEPA (now RAS) and VIP), were the main reasons

Pompea S.p.A. was founded in 1996 and it is a world excellence company in the production and sale of pantyhose, seamless lingerie, sportswear, leisurewear and swimwear. It employs over 1,500 workers worldwide.

Its headquarters is in the city of Medole, Italy. Pompea is commercially present in more than 60 countries worldwide. With 80 million euros turnover per year, Pompea is one of the largest manufacturers of socks and underwear in the European market.



Claudio Berardi

Deputy Managing Director, Modital d.o.o. part of Pompea Group

„Despite the global economic crisis and problems with liquidity of the domestic economy, the company Pompea is still investing in Serbia. Pompea decided to invest in the Republic of Serbia and to strategically position itself in this part of Europe, using all the benefits the country offers to domestic and foreign investors. It was the right choice ”.

for Pompea to decide to build a new production plant in Zrenjanin, with 16,000 m² of production and warehouse space in 2007. The new factory was built in less than a year, as one of the first greenfield investments in Serbia. The total investment

amounted to 12 million euros. The factory currently employs 320 people, with annual production of 45 million pairs of women's stockings and the entire production is exported to Italy and the Russian Federation.

During 2014, the company Modital

Serbia exported goods worth over 10 million euros.

Since the very beginning of operation of the factory in Zrenjanin, Serbia Modital company has been working closely with local suppliers and subcontractors in the Republic of Serbia.





EUROPE



SERBIA

Capital City
Belgrade

Currency
Serbian Dinar (RSD)

Language
Serbian

Airports
Nikola Tesla - Belgrade
Constantine The Great - Nis

Tax and customs
free industrial zone

Pirot, Subotica, Zrenjanin, Novi Sad,
Kragujevac, Sabac, Uzice, Smederevo,
Krusevac, Svijalnac, Apatin, Vranje

Water transport

• **Ports on the Danube:**

- Apatin
- Backa Palanka
- Novi Sad
- Pancevo
- Belgrade
- Smederevo
- Prahovo

• **Ports on the Sava:**

- Sabac
- Belgrade

Distance from Belgrade to:

- Budapest **384km**
- Vienna **612km**
- Bucharest **641km**
- Sofia **756km**
- Prague **907km**
- Munich **930km**
- Warsaw **1,067km**
- Zurich **1,175km**
- Berlin **1,255km**
- Frankfurt **1,282km**
- Rome **1,289km**
- Istanbul **1,356km**
- Amsterdam **1,722km**
- London **2,042km**
- Moscow **2,235km**



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Belgrade, February 2016



RAS

Development Agency of Serbia

- RAS - www.ras.gov.rs/en



- VIP - www.vip.org.rs



AMCHAM SERBIA
A LEADER IN CHANGE

- AmCham - www.amcham.rs



AHK

Delegation der Deutschen Wirtschaft
in Serbien
Delegacija nemačke privrede
u Srbiji

- AHK - www.serbien.ahk.de



PRIVREDNA
KOMORA
SRBIJE

- PKS - www.pks.rs



NALED

NATIONAL ALLIANCE FOR LOCAL ECONOMIC DEVELOPMENT

- NALED - www.naled-serbia.org



CONFINDUSTRIA
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- Confindustria - www.confindustriaserbia.rs



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