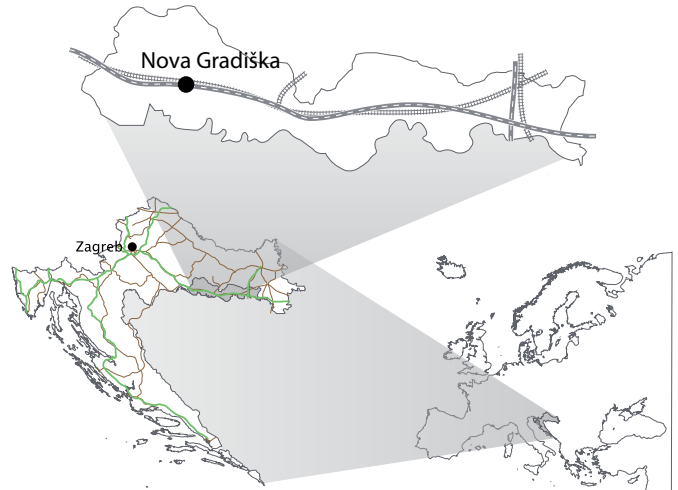


LOCATION

The property is located in Nova Gradiška, Brod-Posavina County, characterised by its exceptional geostrategic position at the crossroads of Pan-European corridor which connects Western Europe with South-East Europe and Middle East, as well as Northern and Eastern European countries with the Adriatic Sea.

Road border crossing with Bosnia and Herzegovina is 25 km away. The railway station Nova Gradiška is in the near vicinity, connected to the property location with an industrial railway. The city road, 300 meters from the sawmill and 500 meters from the factory, leads to the A3 highway entrance (4 km from the city centre).

The region is rich in forests, primarily oak, thus ensuring the long-standing source of raw material for wood-processing industry, which has a century old tradition. Given the long industrial tradition and experience, there is a skilled labour force.



PROJECT

The project includes the sale of assets (land, buildings, machinery and equipment) owned by the Wood Processing Industry “Stjepan Sekulić” Ltd. in bankruptcy at the 30. Public Auction that will be held on March 30, 2016 at 11:30, before the Commercial Court in Osijek, Permanent Attendance in Slavonski Brod, Trg pobjede 13, courthouse 73 / III.

The industrial production was established in this factory more than 80 years ago. The Company had been producing and exporting furniture, veneer, sawn material and parquet floor till 2009, when it faced the business difficulties and had to cease its production.

PROPERTY SPECIFICATION

The property consists of two facilities:

Sawmill (2) and Factory (1)

Each of them is being sold separately in the bankruptcy proceeding.



SAWMILL

The total area covers 80,572 m² of land with several production buildings (total gross developed area is 13,202.50 m²), parking and industrial yard, where the following machinery and equipment are located:

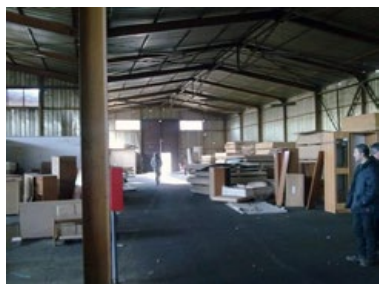
- ✓ Technology plant - sawmill, with a capacity of 25,000 m³ / year of sawn timber,
- ✓ Drying plant with a capacity of 380 m³,
- ✓ Steaming chambers with a capacity of 20 m³,
- ✓ Industrial railway and
- ✓ Individual wood-processing machinery and equipment.

The sawmill technology plant has been leased to the company working in the wood-processing sector.



FACTORY

The total area covers 60,504 m² of land in the city centre (out of which are the buildings with gross developed area of 25,411.83 m²), suitable for different purposes (retail stores, residential and commercial purpose, etc.).



According to the current physical plans and documents, the both areas are located at the boundary parts of the zone envisaged for business activities and mixed use (mostly residential). Given the already built production facilities within the zone, there is a possibility of reconstruction with a similar purpose.

TRANSACTION VALUE

The total initial prices at the public auction are:

- Sawmill (property, machinery and equipment) 7,604,188.57 HRK (**992,001.38 EUR**), out of which property amounts to 7,145,671.00 HRK (932,185.65 EUR), and machinery and equipment 458,517.57 HRK (59,815.73 EUR),
- Factory (solely the property) 8,409,133.52 HRK (**1,097,010.15 EUR**), which corresponds to 16% of the estimated value of each individual value of the property.

BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2011): **5,882 EUR**

Unemployment rate (2014): **38.0%**

Average gross salary: **858 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea. The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline.

There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski Brod is connected by road and railway infrastructure with international infrastructure corridors.

Most represented business activities in the County (measured by their share in total revenue) are manufacturing/processing

industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (49%), trade (14%), construction (11%) and agriculture, forestry and fishery (9%).

The processing industry has the largest part in the revenues from exports (predominantly metal industry, followed by wood processing, agriculture and production of furniture and chemical products), with its most important export markets in Bosnia and Herzegovina, Austria, France, The United Kingdom and Italy.

The County's industrial tradition is reflected in its education policy with Mechanical Engineering Faculty Slavonski Brod offering vocational, undergraduate, graduate and postgraduate studies in Production Engineering and Mechanical Engineering and Slavonski Brod Polytechnics with vocational studies in mechanical engineering and management.

The following industrial & business zones are available in the County: Industrial zone in Slavonski Brod, a very well developed Industrial Park Nova Gradiška and business zones Bjeliš, Rižino polje and Davor as well as business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

CONTACTS

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