



S A L F O R D

Salford uspešno upravlja sa \$195 miliona investicija u sledećim kompanijama u Srbiji i regionu

Salford is successfully managing \$195 million invested in the following companies in Serbia and the region

IMLEK



IMLEK

BAMBI



BAMBI

KNJAZ MILOŠ

KNJAZ MILOŠ

KNJAZ MILOS

NOVOSADSKA MLEKARA



NOVI SAD DAIRY

MLEKARA SUBOTICA



SUBOTICA DAIRY

IMPAZ



IMPAZ

MLEKARA ZEMUN



ZEMUN DAIRY

BANAT



BANAT

MLJEKARA BANJA LUKA



BANJA LUKA DAIRY

Salford Capital Partners Inc.
Rep. Office Belgrade
Kneginje Zorke 96
11000 Belgrade, Serbia
Phone/Fax: +381 11 344 29 22
+381 11 344 29 23

Norfolk House
31 St James's Square
London SW1Y 4JJ, UK
Phone: +44 (0) 20 7004 7900
Fax: +44 (0) 20 7004 7910

Slobodan Petrović
 generalni direktor predstavništva
 u Beogradu

Slobodan Petrovic,
 General Director of the Belgrade
 Representative Office

Salford menadžira investicije od 195 miliona dolara na Balkanu



Salford Manages 195 Million USD Invested the Balkans

Salford kupljene firme u petogodišnjem ciklusu restrukturira, oporavlja i očekuje povećanje njihove vrednosti
 Rizik u Srbiji daleko manji od procena zapadnih zemalja

Over a five-year cycle, Salford restructures and rehabilitates the acquired companies, with a goal of increasing their value. Risk in Serbia is far lower than assessed by developed countries

Salford Capital Partners Inc je fond menadžment kompanija koja je u Srbiji napravila pravi mali investicioni bum. Ova kompanija je za kratko vreme učestvovala u kupovini devet preduzeća, i tim putem plasirala oko 195 miliona dolara kapitala. Sada kompanije aktivno oporavlja i tim putem im podiže vrednost, a kada za dve-tri godine one postanu stabilne i profitabilne, Salford će ih prodati i uloženi rizik kapitala i rad naplatiti kroz razliku u ceni.

Koliko ste uložili u preduzeća koja ste kupili?

– Od 2003. godine uložili smo 195 miliona dolara gotovog novca u osam srpskih firmi i jednu u regionu. Najveći deo tih sredstava otišao je direktno u kompanije, a deo novca koji je Salford plasirao potrošen je za kupovinu akcija od malih akcionara. U Srbiji smo kupili pet mlekar (Imlek, Novosadska mlekar, Mlekar Subotica, Impaz i Zemun), dve konditorske fabrike (Bambi i Banat) i jednu fabriku vode (Knjaz Miloš). Nedavno je kupljena još jedna mlekar u Banja Luci. U suštini, za Salford 2003. i 2004. su bile godine akvizicija, 2005. godina je godina restrukturiranja, a 2006. i 2007. godina treba da budu godine rasta.

Ovo je vrlo značajan novac koji je ušao u Srbiju kroz direktne privatne investicije i u ovoj oblasti Salford je najveći fond menadžer u Srbiji. Ne samo da smo najveći po plasmanu uloženi sredstava, nego smo i jedan od retkih zastupnika fondova koji su došli u Srbiju da ulažu novac direktno u kompanije, a zatim ta preduzeća reorganizujemo i restrukturiraju. Sada već u Srbiji postoje i portfolio fondovi, koji kupuju akcije na berzi. Ali, osim nas i još jednog fonda, ne postoje oni koji su došli da ulažu sredstva na ovakav način, da aktivno pomognu kompanijama da stanu na noge i počnu dobro da rade.

Salford Capital Partners Inc. is a fund management company which has been behind a real investment boom in Serbia. Over a short period of time, this fund manager has acquired nine companies and, invested around 195 million US dollars worth of capital. It is now actively restructuring the companies in order to raise their value. Once these companies become stable and profitable, expected in two to three years time, Salford will exit these investments and compensated for its invested capital risk and work through difference in price.

How much have you invested in the companies you have acquired?

– Since 2003, we have invested 195 million US dollars worth of capital into eight Serbian companies and one in the region. The largest part of these funds was allocated directly into the companies, while a portion of funds was used to purchase shares from the small shareholders. We have bought in Serbia five dairy companies (Imlek, Novosadska Mlekar, Mlekar Subotica, Impaz and Zemun), two confectionery producers (Bambi and Banat) and one water company (Knjaz Milos). Recently, another dairy factory in Banja Luka was purchased. In essence, 2003 and 2004 were the years of acquisitions for Salford, 2005 is the year of restructuring, while 2006 and 2007 will be the years of growth.

This is a substantial amount of capital invested into Serbia through private equity investments, sphere in which Salford is the top fund manager in Serbia. Not only are we the biggest according to the size of invested funds, but we are also among the rare private equity fund managers whose aim is to reorganize and restructure the purchased companies. Portfolio funds are now active in Serbia, and are purchasing shares on the stock exchange. However, apart from us and one other fund, no one else has come to invest money directly into companies, and to actively assist them to stand on their feet and start working well.

Zašto ste u Srbiji izabrali oblast hrane i pića za ulaganje?

– Procena je bila da je Srbija pretežno agrarna zemlja, koja se u velikoj meri oslanja na poljoprivredu. Procenili smo da Srbija u tim oblastima ima potencijala, da ima dobru sirovinsku bazu i da ona treba da bude odskočna daska za ceo region, gde nameravamo da širimo svoje aktivnosti na isti način.

Mi aktivno gledamo i region, već smo kupili jednu mlekaru u Banja Luci, razmatramo investicije u mlekaru u Hrvatskoj i

Makedoniji, analiziramo tržišta mineralnih voda u Makedoniji i Bosni.

Zašto ste kupili preduzeća koja su bila u problemima?

– Salfordova strategija je kao što je već pomenuto da za račun fondova koje zastupa kupuje preduzeća, da ih restrukturira, oporavi i učini profitabilnim, i da izade iz tih projekata u onom trenutku kada kompaniji više nije potreban, zato što su one postale stabilne i jake.

To je poslovna filozofija, vizija i strategija i mi smo se toga držali u Srbiji i identifikovali kompanije koje imaju veliki potencijal, ali su im potrebna finansijska sredstva, aktivna podrška menadžmentu i jačanje značajnih funkcija u okviru kompanije.

U međuvremenu se očekuje i da će domaće ekonomije ojačati čime će se smanjiti rizik investicija, ali će se i stope rasta umanjiti i približiti stopama koje su uobičajene u razvijenijim zemljama.

Veći rizik - veći povraćaj

Salford je fond menadžment kompanija koja se bavi plasiranjem i upravljanjem direktnim investicijama međunarodnih investicionih fondova.

Strategija i vizija Salforda je da prvenstveno plasira investicije u zemljama u tranziciji gde su rizici dosta veći, ali uz dobro poznavanje lokalnih prilika, ti rizici mogu znatno da se umanje i očekivani povraćaj na investicije uveća. Za sada je Salford investirao u bivšim sovjetskim republikama, kao što su Gruzija i Ukrajina, u Rusiji i na Balkanu. Na Balkanu je odabrana Srbija, jedna od poslednjih zemalja jugoistočne Evrope koja je ušla u tranziciju. Strategija za investicije u Srbiji je prerađivačka industrija hrane i pića, sa krajnjim ciljem da se napravi jedan regionalni holding u ovoj oblasti poslovanja.

Ovim putem će se stvoriti jake i internacionalno prepoznatljive kompanije koje će moći uspešno da se takmiče na regionalnom tržištu.

Kakva je dalja poslovna strategija Salforda za ova preduzeća i koju ulogu on ima u upravljanju?

– Ove godine planiramo da objedinimo proizvođače mleka u jedno preduzeće i da konditori takođe postanu jedna kompanija. Zajedno sa kompanijom za proizvodnju mineralne vode to će postati jedan holding, koji prema planu treba da ima oko 400 miliona dolara prihoda u 2005. godini.

Naš zadatak je da popravimo brend i korporativni imidž tih firmi, da ojačamo prodaju i marketing, kao i da finansijski organizujemo na zapadni način. U proizvodne kapacitete uglavnom ne mora značajno da se ulaže, jer su postojeći proizvodni procesi i oprema uglavnom zadovoljavajući i dobro funkcionišu.

Why have you chosen to invest into food and beverage industry in Serbia?

– Our assessment was that Serbia was predominantly an agrarian country, largely relying on this industry. We estimated that Serbia had a potential in this area, due to good raw material base and that the country should be a springboard for the entire region, where we intend to spread our activities in the same manner.

We are actively monitoring the region as well, we have purchased a dairy company in Banja Luka, we are considering investments in dairy companies in Croatia and Macedonia, and are analyzing the mineral water markets in Macedonia and Bosnia.

Higher Risk - Higher Return

Salford is a fund management company engaged in the placement and management of private equity investments on behalf of international funds. Salford's strategy and vision is primarily to allocate investments in transitional economies where the risks are much higher, but with a good knowledge of local conditions, these risks can be considerably reduced and the expected return on investment increased. So far, Salford has invested in former Soviet Republics, such as Georgia and Ukraine, in Russia and in the Balkans. The country chosen in the Balkans was Serbia, one of the last countries of South Eastern Europe to embark upon transition. The strategy for investments in Serbia focuses on the processing food and beverage industry, with the ultimate goal of creating a regional holding company in this industry. This will lead to the creation of strong and internationally recognizable companies which will be able successfully to compete in the regional market.

Why have you acquired companies with problems?

– Salford's strategy, as already mentioned, is to purchase companies for the account of the funds it represents, to restructure them, rehabilitate and make them profitable. Then to withdraw from these projects at the moment when it is no longer needed within the companies due to the fact that they have become stable and strong. This is the business philosophy, vision and strategy and we abided by it in Serbia. We identified the companies with a large potential, but in a need of financial resources, active management support and the strengthening of important internal functions.

Also, we expect that the domestic economies will strengthen which will reduce the risk of investments, but the growth rates will also be reduced and converge to the usual rates in developed countries.

What is Salford's further business strategy for these companies and its role in the management?

– This year we are planning to integrate milk producers into one company as well as merge confectionery producers. Together with the company producing mineral water, these companies will form a holding, which is expected to have an income of around 400 million US dollars in 2005.

Our task is to improve the brand and corporate image of these companies, to intensify sales and marketing efforts, and to organize finances in the western manner. There is mostly no need for any major investments in the production capacities, since the existing production processes and equipment are usually satisfactory and are functioning well.

Zašto ste većinom radili dokapitalizacije, a ne neki drugi oblik preuzimanja?

– Šest preduzeća smo inicijalno kupili kroz dokapitalizaciju jer je kompanijama bila potrebna finansijska injekcija. Iz istih razloga se planira i unos svežeg kapitala i u Knjaz Miloš gde je “preuzimanje” obavljeno kroz otkup akcija u okviru javne ponude. Kompanije su zbog finansijskih sankcija, koje su trajale mnogo duže nego sankcije na robama, ostale bez obrtnog kapitala. Svim našim kompanijama je bio potreban gotov, raspoloživi novac kao obrtni kapital, zatim novac za investicije i iz tih razloga smo radili dokapitalizacije. Time što smo uneli svež kapital u ta preduzeća, omogućili smo da se u njima pokrene proizvodnja i ojača njihova sirovinaska baza i te kompanije se dalje polako razvijaju. Ali, već ove godine, kompanije za sve te potrebe počinju da ulažu iz sopstvenog cash flow-a, koji se sada generiše iz normalnog biznisa

Da li su preduzeća koja ste kupili počela da posluju profitabilno?

– Prošle godine su nam sva preduzeća bila profitabilna, osim fabrike vode "Knjaz Miloš" u koju smo tek ušli i koja je prošle godine imala skoro pet miliona evra gubitka. Profit koji su imale naše ostale kompanije ostao je većinom u njima jer nije preraspoređen većinskim vlasnicima. U načelu, Salford retko vraća uložena sredstava kroz dividendu, već profite ostavlja u kompaniji kako bi se kompanije što brže oporavile.

Posle velikog iskustva koje imate u Srbiji, koja je vaša poruka stranim investitorima?

– Smatramo da Srbija nije ni izbliza onako riskantna kao što strani investitori procenjuju. Treba ovde doći i provesti neko vreme i shvatiti da su rizici daleko manji. Salford je to shvatio na vreme, došao je, investirao i mi zaista smatramo da se ovde može raditi. Svakom bismo preporučili da dođe i da radi, jer su povraćaji još uvek daleko, daleko veći nego na drugom mestu.

Nemamo probleme u kompanijama, nemamo štrajkove, imamo dobru saradnju sa zaposlenima i menadžmentom, sve to funkcioniše na jedan zadovoljavajući način. Mislim da je dobra stvar i jedna dobra poruka svima da ono što obećamo, zaista i uradimo i zaposleni onda to lako prihvate. To ne mora uvek da bude idealno i nije idealno, jer tu ima i poteškoća, ali kroz zajedničke napore svi se problemi prevaziđu.

Kako procenjujete privrednu situaciju i ambijent u Srbiji i da li je Srbija dovoljno atraktivna za ulaganja?

– Ja imam pozitivno mišljenje, ali to ne znači da u Srbiji nema problema. Pojedini zakoni su doneti nedovoljno promišljeno, dosta zakona još fali, tako da u tom pogledu situacija nije baš idealna. Politički rizik, između ostalog, je još jedan faktor koji utiče na investitore.

Investitori priželjkuju povećanu političku stabilnost, a kada se ona i ostvari investiciona klima će biti poboljšana.

Why have you mostly opted for recapitalization, instead of some other form of takeover?

– We have purchased six companies through recapitalization, as these companies required a financial injection. For the same reason, we are planning to place fresh capital into Knjaz Milos as well, where the takeover was initially carried out through the purchase of shares during public bid process. Due to the financial sanctions, which lasted much longer than the trade sanctions, companies have been left without operating capital. All our companies needed readily available cash for operating capital, as well as money for investments, and this is the reason why we opted for recapitalizations. We brought fresh capital into these companies, and made it possible for them to launch production, to strengthen their raw material base and through this reactivate gradual development.

However, already this year, the companies are starting to meet all these needs out of their own cash flow, which is now being generated from normal business operations.

Have the companies you acquired started to be profitable?

– All our companies were profitable last year, except Knjaz Milos, mineral water producer which we have just entered into and which had almost five million euros worth of losses last year. The profit generated by our other companies remained mostly within them, as it was not distributed to the majority owner. In principle, Salford rarely returns the invested funds through dividends, but rather opts for leaving the profits in the companies so that they could recover as fast as possible.

Given your large experience in Serbia, what is your message to foreign investors?

– We believe that Serbia is not as risky as foreign investors assess it. It is necessary to come here, spend some time and through that understand that the risks are much smaller. Salford realized this in time, came here, invested and we really do believe that it is possible to do business. We would advise everyone to come and work here, because the returns are still much higher than in other places.

We have no problems within the companies, no strikes, we have good cooperation with the employees and management, and everything is functioning in a satisfactory manner. I believe that our good principle is that whatever we promise we fulfill, and it is easier for employees to accept the changes. This is not always ideal, because difficulties also exist, but all problems can be overcome through joint efforts.

How do you assess the economic situation and environment in Serbia and is the country sufficiently attractive for investments?

– I have a positive opinion, but this does not mean that the problems are not existent in Serbia. Some of the laws that were adopted were not sufficiently thought out, many laws are still lacking, so that the situation in this regard is not absolutely ideal. The political risk is also one of the factors that has an affect on investors. Investors are hoping for greater political stability, and when this is achieved, the investment climate will improve.

Salford Capital Partners
Rep. Office Belgrade
Knežinje Zorke 96
11000, Belgrade, Serbia
Phone/Fax: +381 11 344 29 22
+381 11 344 29 23



Norfolk House
31 St. James's Square
London SW1Y 4JJ, UK
Phone: +44 (0) 20 7004 7900
Fax: +44 (0) 20 7004 7910