

NOVA VAROS

- MUNICIPALITY OF POTENTIALS -



GUIDE FOR INVESTORS

PROFILE OF MUNICIPALITY

- Covers the area of 524 km²
- Altitude 436-1626 m
- The hilly and mountainous terrain
- Temperate continental climate with pronounced influence of Mediterren climate

LOCATION



- South – Western Serbia
- Zlatibor District
- Motorway M21 Belgrade – Adriatic Sea
- Located on border between Serbia, Montenegro and Bosnia and Herzegovina – the market of 12,5 milion consumers
- Distance to airport:
 - Belgrade - 260 km
 - Sarajevo - 200 km
 - Podgorica - 195 km
 - Užice/Ponikve (in constraction) - 84 km

DEMOGRAPHIC CHARACTERISTICS

- 32 settlements
- Population: 16 758 (Population Censuses of 2011)
- Of the total population, 50% live in the city and at the same density of 2 700 inhabitants / km², while in rural areas of the municipality is approximately the same population, but the population density is much lower - 35 inhabitants / km²
- Most of the population consists of Serbs - 90,1%; Bosniaks 5,1%; Muslims 2,5 %; док Others 2,3%
- A contingent the working age population (15-64 yr.) - 68%
- Highly educated 5.4%

ECONOMY

- 75 private small and medium-sized enterprises:
 - Manufacturing (milk, fruits and vegetables, wood, rubber and plastic)
 - Mechanical Industry
 - Manufacture of footwear
 - Pharmaceutical Industry



- 450 shops
- 3080 registered agricultural households
- 77 registered tourists households
- 5500 employees
- 2526 unemployed
- The average gross salary is 88% of the national average
- Market within a radius of 200 km is about 600 000 consumers

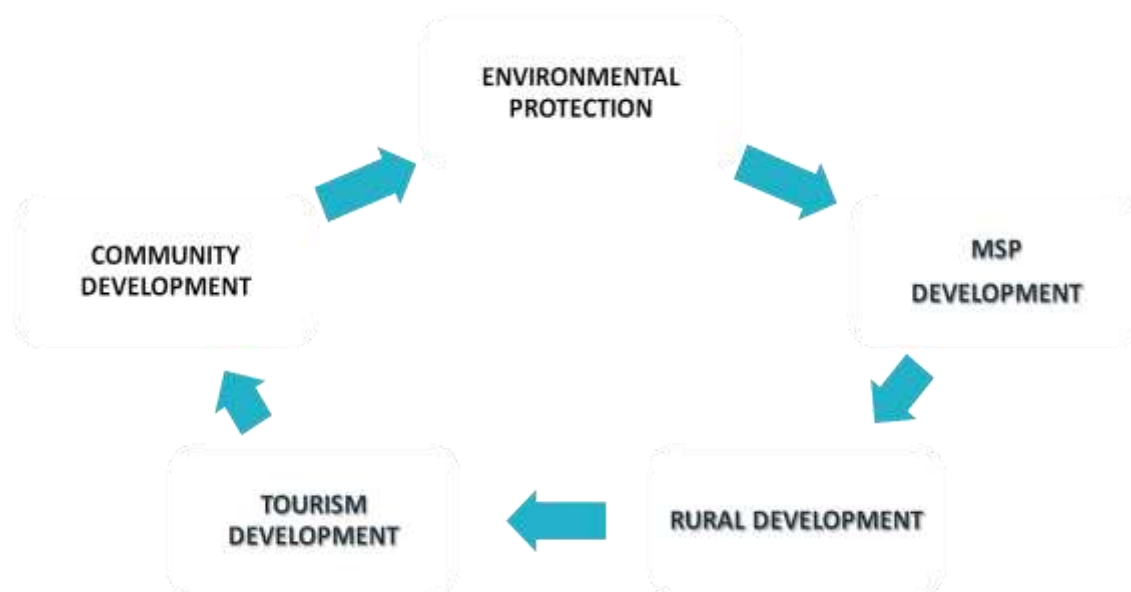


LOCAL SUSTAINABLE DEVELOPMENT STRATEGY 2010-2020.

VISION

„In 2020 the town of Nova Varoš and mountain Zlatar will be recognized on the tourist map of Serbia for the production of healthy food, sport and health tourism, development of small and medium enterprises based on sustainable development, human resource potential and exploitation of natural resources with existing hydro potential in the framework of high environmental standards“

DEVELOPMENT PRIORITIES



WHY INVEST IN SERBIA?

- The lowest tax rates on profits in Europe - 10%
- The status of candidate for EU
- CEFTA agreement is in effect
- SSP ratification process in the Member States for EU
- The new free trade agreements (Russia, Turkey, Belarus, Ukraine)
- The visa-free regime for Serbian citizens in force
- News and productive workforce with extensive experience in the management and production are available at competitive prices
- The average gross salary in Serbia in August 2012. is 508 €



WHY INVEST IN THE MUNICIPALITY OF NOVA VAROŠ?

- Great natural resources: forests, water, arable land suitable for organic production
- Tourism potentials: Air Spa Zlatar, SRP Uvac, summer and winter recreational and sports tourism...
- Comparative labor costs (wood processing, textiles, engineering, plastics processing) compared to the average of Serbia
- The average gross wage in Nova Varoš in August 2012. was 448 EUR
- The Local Economic Development Office
- Great cultural and historical heritage
- Municipal taxes 99% lower in the first year
- Spatial Plan of Nova Varoš – 2011.
- Time needed for a building permit: maximum 60 days
- The General Regulation of the local government Nova Varoš – 2012.
- Strategy for sustainable development in Nova Varoš area 2010-2020.
- Currently implemented projects:
 - Regional sanitary landfill „Banjica“ for Nova Varoš, Priboj, Prijepolje, municipality
 - Treatment plant for waste water in Nova Varoš
 - Cogeneration power plants for heat and electricity
- The Municipality of Nova Varoš is a successful partner in programs and projects financed by the EU and USAID
- Established Office for Local Economic Development



AREAS OF INVESTMENT IN NOVA VAROŠ



- Renewable Energy
- Tourism
- Agricultural – farming, hydropower, organic production, berries and wild fruits
- The wood processing industry
- Manufacture of plastic and rubber



RENEWABLE ENERGY

- Hidro resources:
 - Mini hydro plants
 - Pumped storage hydro power plant
- Solar Energy – Nova Varoš has over 2000 hours of sunshine per year which is above the national average
- Biomass – Nova Varoš is among the greenest municipalities in Serbia, 22400ha



TOURISM

- Zlatar tourist zone – 228,1ha, with supporting infrastructure available to the investors for the construction of tourist facilities



- According to the plan approved general regulation „Zlatar Tourist Zone“, construction of more high class hotels, and three most attractive locations are:

- the ski track "Briježda"
- southwest of the existing sports fields near hotel "Panorama"
- west of the hotel "Panorama" with the existing lookout

- Ski track Briježda – improving the content ski area



- Lakes (Zlatar, Uvac, Radoinja) sport and recreation on the water
- Sports Complex Nova Varoš with hotel



- The longest cave system in Serbia - "Usac-cave system" (length 6.2 km)
- Special nature reserve "Uvac", with the largest colony "griffon vulture" in the Balkans



- Ethno-eco tourism



AGRICULTURE

- Great potentials for:
- Construction and processing facilities for the production and processing of milk and meat (farms, dairies, slaughterhouses...)



ZLATAR CHEESE
protected
geographical origin

- Organic production – about 10000ha



- Plantations and processing facilities for the berries (raspberry, blackberry, blueberry, strawberry, aronia...)



- Production of potatoes, grains (especially buckwheat, rye and berley)



- Beekeeping – meadows and forests, honey and other bee products



- Fish farming – the streams and lakes



- Buying off and processing of forest fruits (cranberry, blueberry, blackberry ...), mushrooms (porcini, chanterelle, meadow mushroom ...) and herbs (lemon balm, yarrow, wild mint ...)



WOOD PROCESSING

- 22400 ha of forest
- over 100 mills for the processing of timber
- a large number of skilled workers in the wood
- large amounts of wood by-products (sawdust, bark parts, branches and the like., Which are excellent raw materials for the production of biomass)
- a large number of skilled workers in the wood processing

Investment opportunities in final processing of the massif furniture, etc.



PLASTIC AND RUBBER PROCESSING

- Tradition and trained manpower in plastic and rubber industry
- Provided market

Possibility of investing in existing companies in this sector in terms of expanding the product range and volume of production



HUMAN RESOURCES

- Available workforce 2670
- The number of unemployed people with higher education (as at 30.09.2012. year)
 - ✓ Medicine: 14
 - ✓ Economics: 13
 - ✓ Technical activities: 6
 - ✓ Social services: 54
- The number of unemployed people with higher education (as at 30.09.2012. year)
 - ✓ Medicine: 1
 - ✓ Economics: 52
 - ✓ Technical activities: 70
 - ✓ Social services: 35
- Skilled workforce in the field of wood processing, textile, machinery and chemical industry
- The possibility of retraining the workforce

Investment sites

Location N°1 "BRANOŠEVAC"



Location N°1 "Branoševac" consists of four cadastral parcels: 379/2, 380/2, 381/1 and 381/2 KO Nova Varos. Site is located in the eastern part of the city, on the right side of the highway M21, at the entrance to town from Uzice.

For this location is required project allotment and Urban Development Project to define parcels and access roads within this area.

The total covers the area is 2ha 20a 26m².

Note: The total surface of parcels in the area is larger than the area of the zone. Zone is not covering the whole parcels, but only part of them, while the rest is not included due to unfavorable terrain for construction.

Building parcels are owned by the state, and the user is municipality Nova Varos.

INFRASTRUCTURAL FACILITIES

Electricity: according to the conditions provided by the competent institution-Electrodistribucija LTD Kraljevo, in January 2012 for the supply of electricity for facilities that are planed in the future, is necessary to plan the construction of a new substation with power cable line with a length of about 300 m.

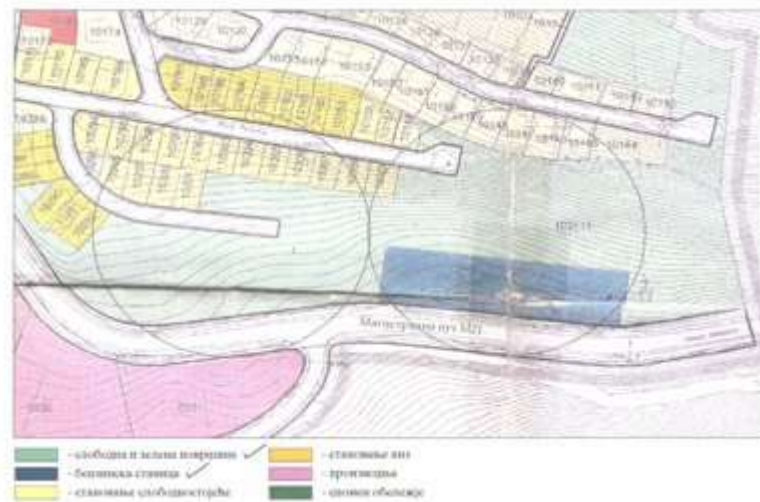
Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obligated to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, joining the new facilities at the location on the Telecommunication network can be carried out underground, putting the appropriate cable from a UK cabinet MA18 to the facility.

Traffic infrastructure: traffic access to the site is via the internal road from the north side of the site. Construction of new roads will be predicted with urban development projects. Railroad Belgrade-Bar, with just a short destination passes through the territory of Nova Varos (railroad

station Bistrica) and is about 15 km away from the location. Distance from the highway E-75 is about 2200km, and the plan is to build the highway E-763 Belgrade-Montenegro, which will pass through the territory of Nova Varos. The nearest airports are in Belgrade - Nikola Tesla – 240 km and Nish - Constantine the Great – 255 km, 175 km Srajevo and Podgorica 190 km. From a regional center Užice distance is about 70 km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation plan ("Municipal Official Gazette", br. 5/2002), the site is located in the zone 10 "Branoševac II." Beside to family housing, in this unity, are planned service and gas stations along the highway. The development of general regulation plan is in progress for headquarters of the local government of Nova Varos (expected to be adopted in June), that will include mentioned lot areas in zones of commercial activities (trade, services, business). Through this plan of general regulation are given better urban conditions and parameters than the current master plan and those are:

Construction rules:

- Floors: P +4 + L,
- Free and green space: at least 20% without parking,
- Construction index: maximum of 3.0 and 3.2 (for corner lots),
- Occupancy index: maximum 60% and 70% (for corner lots),
- Building typologies: free standing, single-or double-walled,
- Parking: One parking place/80m² BGP business and trade.



Orto-photo image

For mentioned unit are given the following features and parameters:

Allowed purposes on this unit are compatible purposes, trade and commercial activities, hospitality sales and administrative operations, other activities that provide modern services for residents of the village as a function of supply, leisure, culture, entertainment, recreation and others. and which do not threaten the environment.

Minimum Utility of Building Plots: electricity, telecommunication installations, water and sewage.

Location 2 "INDUSTRIAL AREA 1"



Location no. 2 "Industrial area 1" consists of cadastral parcels: 476 KO Nova Varos. Site is located in the eastern part of the city, on the right side, Jovan Cvijića street, DP-231 Nova Varos - Sjenica.

The total area of this lot is 03a 09m², partly under the building that is in poor condition and scheduled for demolition.

INFRASTRUCTURE EQUIPMENT

Electricity: according to the conditions provided by the competent institution-Electrodistribucija LTD Kraljevo, in January 2012, for the supply of electricity for facilities that are planned in the future, is necessary to plan the construction of a new substation with power cable line with a length of about 300 m.

Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obligated to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, new buildings at the mentioned location should be connected to the telecommunication network with air inlet cable from excerpt KA 20, where should be installed distribution pole, two pieces.

Transportation infrastructure: there is currently transport links with the main road through the Jovana Cvijića street. Railroad Belgrade-Bar with just a short destination passes through the territory of Nova Varos (railroad station Bistrica) and is about 15km away from the location. Distance from highway E-75 is about 2 200km, and the plan is to build a highway E-763 Belgrade to Montenegro, which will pass through the territory of Nova Varos. The nearest airports are Belgrade - Nikola Tesla - 240km and Nish - Constantine the Great - 255km, 175km Sarajevo and Podgorica 190km. From a regional center Uzice distance is about 70km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation plan ("Municipal Official Gazette", br.5/2002) parcels are located in Zone 3 "Industrial Zone". The industrial zone is a unique work zone for construction and modernization of existing industrial facilities, and construction of new production plants and storages of all types, services, workshops, etc. The development of general regulation plan of the headquarters of the local government of Nova Varos is in progress (expected to be adopted in June), that will include the mentioned lot in zone of manufacturing activity. Through this plan of general regulation are given better urban conditions and parameters than the current master plan and those are:

Construction rules:

- Floors: P +3 + L,
- Occupancy index: up to 50%
- Free and green space: at least 20% without parking,
- Construction index: maximum 1.0,
- Building typologies: free standing or in a series,
- Parking: One parking place/100m² BGP.

Allowed work on this unit - demolition, new construction, renovation, build on, reconstruction, recovery, repair, change of the subject after consent of the analysis of the impact of planned activities on the environment.



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LOCATION 3 „INDUSTRIAL AREA 2“



Location N° 3 "Industrial Area 2" consists of three cadastral parcels: 487/8, 487/10 and 488/5 KO Nova Varos. Site is located in the eastern part of the city, on the left side of the highway M21 from the direction of Uzice.

The total area of the plot is 06a 20m².

For this location is required project allotment, to form a single building lot.

INFRASTRUCTURE EQUIPMENT

Electricity: according to the conditions provided by the competent institution-Electrodistribucija LTD Kraljevo, in January 2012, for the supply of electricity for facilities that are planed in the future, is necessary to plan the construction of a new substation with power cable line with a length of about 100 m.

Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obligated to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, joining the new facilities at this location on telecommunication network, should be solved by construction CDMA wireless access networks.

Transportation infrastructure: traffic connection with the M21 highway makes the old route of the highway, so that the site actually represents an island location between the old and new routes. Railroad Belgrade-Bar with just a short destination passes through the territory of Nova Varos (railroad station Bistrica) and is about 15km away from the location. Distance to the highway E-75 is about 2 200km, and the plan is to build new highway E-763 Belgrade to Montenegro, which will pass through the territory of Nova Varos. The nearest airports are in Belgrade - Nikola Tesla - 240km and Nish - Constantine the Great - 255km, 175km Srajevo and Podgorica 190km. From a regional center Užice distance is about 70km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation plan ("Municipal Official Gazette", br.5/2002), the lots are located in zone 5 "Voćnjak" by purpose of "production". The development of general regulation plan of the headquarters of the local government of Nova Varos is in progress (expected to be adopted in June), that will include mentioned lot area in zone of "commercial activity". Through this plan of general regulation are given better urban conditions and parameters than the current master plan and those are:

Construction rules:

- Floors: P + L,
- Free and green space: at least 20% without parking,
- Construction index: maximum of 3.0 and 3.2 (for corner lots),
- Occupancy index: maximum 60% and 70% (for corner lots),
- Building typologies: free standing, single-or double-walled,
- Parking: One parking place/80m² BGP business and trade



Ortho-photo image

For the mentioned unit are given the following features and parameters:

Allowed purposes of this typical unit are compatible purposes, trade and commercial activities hospitality sales and administrative operations, other activities that provide modern services for residents of the village as a function of supply, leisure, culture, entertainment, recreation and others. and that does not threaten the environment.

Minimum Utility Building Plot: electricity, telecommunication installations, water and sewage.

LOCATION 4 "CENTER"



Location N° 4 "Center" consists of a cadastral parcel 1134 KO Nova Varos. Site is located in the central part of the city, near the main road M21, with its northern side.

The total area of the lot is 15a 04m².

The plot is a building in very poor condition, partly demolished because of dilapidation, and scheduled for demolition in order to build a new facility.

INFRASTRUCTURE EQUIPMENT

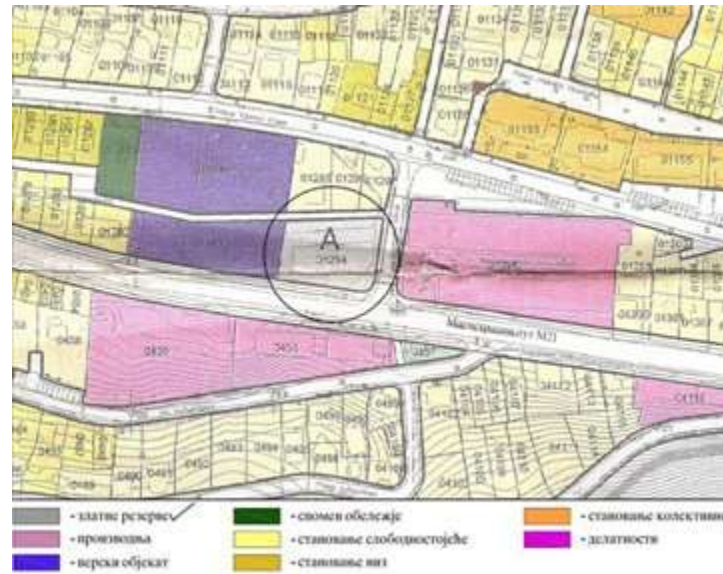
Electricity: according to the conditions provided by the competent institution-Elektro distribucija LTD Kraljevo, in January 2012, for the supply of electricity for facilities that are planned in the future, is necessary to plan the construction of a new substation with power cable line with a length of about 100 m.

Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obliged to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, the new buildings on the site should be joined to the telecommunication network with an Air transmissible cable with terminals HA 34.

Transportation infrastructure: traffic connection with highway M21 makes Borisavljevića street alley. Railroad Belgrade-Bar with just a short destination passes through the territory of Nova Varos (railroad station Bistrica) and from the location is about 15km away. Distance to the highway E-75 is about 2 200km, and the plan is to build new highway E-763 Belgrade to Montenegro, which will pass through the territory of Nova Varos. The nearest airports are in Belgrade - Nikola Tesla - 240km and Nish - Constantine the Great - 255km, 175km Srajevo and Podgorica 190km. From a regional center Užice distance is about 70km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation plan ("Municipal Official Gazette", br.5/2002), the lots are located in zone 1, "Center" on purpose "Gold reserves." The development of general regulation plan of the headquarters of the local government of Nova Varos is in progress (expected to be adopted in June), that will include the lot in the zone of commercial activity. Through this plan the general regulation are given better urban conditions and parameters than the current master plan and those are:

Construction rules:

- Floors: P +4 + L,
- Free and green space: at least 20% without parking,
- Construction index: maximum of 3.0 and 3.2 (for corner lots),
- Occupancy index: maximum 60% and 70% (for corner lots),
- Building typologies: free standing, single-or double-walled,
- Parking: One parking place/80m² BGP business and trade



Ortho-photo image

For the mentioned unit are given the following features and parameters:

Allowed purposes of this typical unit are compatible purposes, trade and commercial activities hospitality sales and administrative operations, other activities that provide modern services for residents of the village as a function of supply, leisure, culture, entertainment, recreation and others. and that does not threaten the environment.

Minimum Utility Building Plot: electricity, telecommunication installations, water and sewage.

LOCATION 5 „ZLATAR“



Location No.5 "Zlatar" consists of cadastral plots 175/3 KO Brdo. Site is located outside the city, on the right side of Regional Road Nova Varos - Sjenica coming from Nova Varos. The total area of the plot is 82A 02m².

INFRASTRUCTURE EQUIPMENT

Electricity: according to the conditions provided by the competent institution-Elektro distribucija LTD Kraljevo, in January 2012, for the supply of electricity for facilities that are planned in the future, it is necessary to plan the construction of a new substation with power cable line with a length of about 100 m.

Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obligated to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, the new buildings on the site should be joined to the telecommunication network via underground, with appropriate cable from UK closet EA02 to the building .

Transportation infrastructure: vehicular access to the unit should be achieved from the local road with width of 6m. According to the functional road network ranking this road is a secondary road network, and belongs to the streets that serve to access to different facilities. For the newly planned road is provided access from the national road, so there is a full program of transport links. Because of the terrain and the distribution of lots, access roads should be planned as a "dead-end road", length 440m. Railroad Belgrade-Bar with just a short destination passes through the territory of Nova Varos (railroad station Bistrica) and from the location is about 15km away. Distance to the highway E-75 is about 2 200km, and the plan is to build new highway E-763 Belgrade to Montenegro, which will pass through the territory of Nova Varos. The nearest airports are in Belgrade - Nikola Tesla - 240km and Nish - Constantine the Great - 255km, 175km Srajevo and Podgorica 190km. From a regional center Užice distance is about 70km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation of general tourist zone Zlatar (Municipal Official Gazette 4/2008) in the area designated for hotel and apartment facilities - pensions. For the subject lot in 2009 was developed an urban project for new division of land to lots 175/1 and 175/3 KO Brdo, Zlatar, Nova Varos.

For the mentioned unit are given the following features and parameters: Possible purposes are the service sector, public utilities, facilities for the hospitality services, and related sports, recreation, entertainment, shopping, cultural and other activities. For the construction of guest houses, according to the plan of the General Regulation, there are following parameters:

Construction rules:

- Minimum plot size 2000 m²
- Width of the front facing the street min. 20m
- Height of 10m
- Floors: P +1 + M,
- Free and green space: at least 40% of the no parking,
- Construction index: maximum 0.8
- Occupancy index: up to 25%
- The distance from the control lines min. 5m
- The distance from the lateral limits of the plot min. 1/2 the building height
- Parking: One parking place/70m² or one parking space / one hotel units.



Ortho-photo image

Location 6 "Voćnjak"



Location No.6 "Voćnjak" consists of six land plots: 31/8, 660/1, 660/12, 661/8, 662/2 and 666/2 KO Nova Varos. Site is located in the western part of the city, at the exit , on the left side of the highway M21 from the direction of Uzice.

The total area of the lot is 38a and 2m ².

For this location is required project allotment and Urban Development Project, to define parcels and access roads within this zone.

INFRASTRUCTURE EQUIPMENT

Electricity: according to the conditions provided by the competent institution-Elektro distribucija LTD Kraljevo, in January 2012, for the supply of electricity for facilities that are planed in the future, is necessary to build new brick substation with higher power instead of existing substation which is located behind the warehouse company "Radača" .

Water and sewage: according to the conditions provided by the competent institution JP "3rd September" Nova Varos, in January 2012, investors whose facilities will obtain a permit, whether temporary or permanent, are obligated to address the utility company for relocation of underground utility installations.

Telecommunications: according to the conditions provided by the competent institution - "Telekom Serbia", Directorate for Engineering execution unit Uzice / Prijepolje, in January 2012, the new buildings on the site should be joined to the telecommunication network by air terminals with HA 21, but is necessary to build two pieces of concrete distribution pillars.

Transport Infrastructure: The site is located near the M21 motorway but not any of the lots has exit to it. The problem of access roads will be resolved by the end of the General Regulation Plan, the plan predicts construction of a roundabout and a third lane that will enable safe disconnection from the main road and access to existing and future facilities. Railroad Belgrade-Bar with just a short destination passes through the territory of Nova Varos (railroad station Bistrica) and is about 15km away from the location. Distance to the highway E-75 is about 2 200km, and the plan is to build new highway E-763 Belgrade to Montenegro, which will pass through the territory of Nova Varos. The nearest airports are in Belgrade - Nikola Tesla - 240km and Nish - Constantine the Great - 255km , 175km Srajevo and Podgorica 190km. From a regional center Užice distance is about 70km.

URBANISTIC INDICATORS



Excerpt from the regulation plan (use of the space)

According to the current regulation plan ("Municipal Official Gazette", br.5/2002), the lots are located in zone 5 "Voćnjak" with a purpose of "production". The development of general regulation of the headquarters of the local government of Nova Varos is in progress (expected to be adopted in June), that will include the lot in area of "commercial activity". Through this plan of general regulation are given better urban conditions and parameters than the current master plan and those are:

Construction rules:

- Floors: P + L,
- Free and green space: at least 20% without parking,
- Construction index: maximum of 3.0 and 3.2 (for corner lots),
- Occupancy index: maximum 60% and 70% (for corner lots),
- Building typologies: free standing, single-or double-walled,
- Parking: One parking place/80m² BGP business and trade.

For the mentioned unit are given the following features and parameters:

Allowed purposes of this typical unit are compatible purposes, trade and commercial activities hospitality sales and administrative operations, other activities that provide modern services for residents of the village as a function of supply, leisure, culture, entertainment, recreation and others. and that does not threaten the environment.

Minimum Utility Building Plot: electricity, telecommunication installations, water and sewage.



Ortho-photo image

Location 7 “Sports Center with Sports Hotel“

The Municipality of Nova Varos is giving opportunities to all persons interested in business cooperation to participate in the financing for development of the project „Sports Center with Sport Hotel **** in Nova Varos“.

Methods of financing the project are:

- Joint Ventures
- Concession
- 100 % Ownership

The Municipality of Nova Varos as the local partner in the project offers:

- Location with area of 45.000 sq.m.
- utility infrastructure on the site
- the completed first phase of project documentation



- Location for construction of the Sports Centre with Sport Hotel**** is situated on the most attractive point in Nova Varos, at the crossroads of the main road M22 Belgrade - Podgorica, road Nova Varos – Sjenica – Ivanjica, and road entering Nova Varos. Owner of the location is the Municipality of Nova Varos.
- The location surface amounts to 4.5 ha. The terrain is inclined, with an altitude difference of 29 meters on the tract 360 m long.



- Sports Centre with Sport Hotel**** is situated in the most prominent part of Nova Varos, which makes the project particularly valuable.

SCNV PROJECT

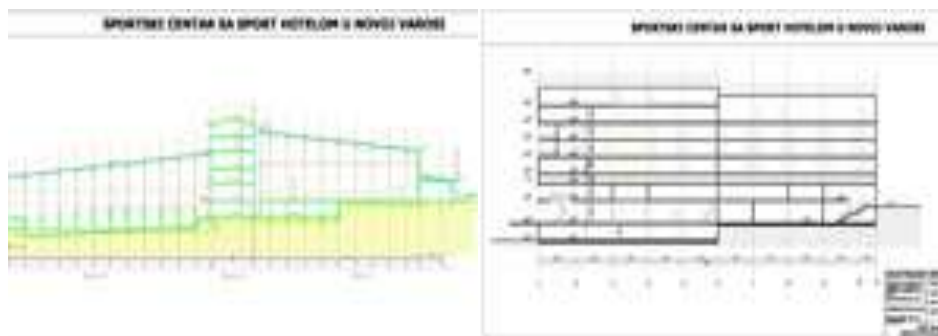


The Program of the Sports Center with Sport Hotel (SCNV) has been designed in line with the ultimate models of such a Center. The autor's objective was to equip it with such facilities as to offer possibilities of an active engaging in all sports, recreational activities, entertainment, restaurant services, organization of conferences and seminars, etc.

Amenities of SCNV are intended for visitors of all ages and categories. Varied offer, including whole- day use of Sports Center Nova Varos halls resulted in a positive outcome, in terms of profitability and productivity of the Investment.

Program comprises five Zones:

- Zone 1 Sports hall - multipurpose
- Zone 2 Swimming pool hall with Wellness centre
- Zone 3 Connecting building with common amenities
- Zone 4 Sport Hotel with 4 stars
- Zone 5 Landscaped complex and outdoor sports courts.



The Sports Center Nova Varos with Sport Hotel is unique in terms of its amenities in the immediate and larger area. In view of the competition in the neighboring area, the potential to sell the SCNV offer is highly certain.

Description of location and structures



The site for construction of the Sports Center with Sport Hotel in Nova Varos is situated between the main road M22 and road entering Nova Varos. The site is longitudinally oriented in West-East direction. The terrain is inclined, with an altitude difference of 29 meter on the tract 360 meters long. In view of the site position, the access to the complex is possible from both roads. Situation of the structures on the terrain is presented in the Conceptual solution, in line with all required conditions and standards.

The Hotel building is situated at the highest level of the terrain, enabling the guests to have a view of the surrounding area. Vehicle access to the hotel is from the main road, while the parking is planned to be in an underground garage.



The Sports hall building with an indoor swimming pool is situated approximately in the center of the site. It is divided into three zones which are functionally interconnected. The access to the building is possible from the North and South, and entry to the complex comprises five entrances: the main one from the South, entrance for athletes, entrance for VIPs, entrance for recreational users, and entrance to the

Wellness Center

In the Western part of the site, there are outdoor sports courts and outdoor swimming pool. The courts are situated in North-South direction and are distributed in different levels gradually descending from the Hall building.

The outdoor courts complex comprises three tennis courts, one court each for handball, basketball and volleyball, and Skate park. Nearby are situated two outdoor swimming pools: children's and entertainment one.

In the Southern part of the site, construction of an underground garage is planned, having a capacity of 150 vehicles, and the access from the main road.

The entire complex is landscaped, a trim track runs between sports courts, there is a parking place for 20 vehicles, with planned access and internal roads.

Actual phases of the project:

- Conceptual design of the project - completed
- Town-planning and technical conditions - received
- Construction site – ready
-

INVESTMENT

SPORTS CENTER WITH SPORT HOTEL WITH **** IN NOVA VAROS - TOTAL INVESTMENT IN CONSTRUCTION -				
Zone	Surface sq.m.	TOTAL construction	TOTAL equipment	TOTAL (Eur)
TOTAL ZONE 1	4.905,71	3.396.452,50	712.981,37	4.109.433,87
TOTAL ZONE 2	5.433,34	1.716.781,00 €	700.834,42 €	2.417.615,42 €
TOTAL ZONE 3	5.023,10	3.093.462,00 €	506.490,66 €	3.599.952,66 €
TOTAL ZONE 4	6.847,20	4.427.560,00 €	848.988,00 €	5.276.548,00 €
TOTAL ZONE 5	48.686,00	3.318.380,00 €	995.841,00 €	4.314.221,00 €
TOTAL INVESTMENT		15.952.635,50 €	3.765.135,45 €	19.717.770,95 €

ECONOMIC ANALYSIS

Investments and incomes of the Sports Complex with Sport Hotel with **** in Nova Varos

Economic – financial analysis in the business plan reduces all quantitative indicators presented in the technological-technical analysis to synthetic value-related indicators. After completing the financial construction, purchase of equipment and construction of the buildings with installations and infrastructure will be made. The scheduled term for the investment completion is end 2010, with estimate of the effects starting as of 01.01.2011.

In the first year of operation, the buildings will utilize a capacity of 65%, and first full-capacity operating year will start as of 01.01.2012. Effects, expenses and evaluation of the program were made cumulatively for the Sports Complex as a whole, in view of the fact that, for the time being, in organizational terms, it makes an economic entity.

When calculating and presenting the financial indicators, particularly in the part where summary reviews were formed and calculated, all legal regulations were used relating to this field in the Republic of Serbia

CALENDAR OF INVESTMENTS IN THE CONSTRUCTION OF SPORTS CENTER WITH SPORT HOTEL IN NOVA VAROS, PER YEARS (in €)						
	Type of works	% share	First	Second	Third	Total per type of works (in €)
A	Construction					
1	Site clearing – earth works	12 %	2.080.238			2.080.238
2	Rough construction works	41 %		7.007.153		7.007.153
3	Installations - Ej, Es, M, H	22 %		433.579	2.825.352	3.258.931
4	Handicraft works	25 %			3.606.313	3.606.313
TOTAL PER YEAR			2.080.238	7.440.732	6.431.665	15.952.635
B	Equipping					
1	Installation of equipment	45 %		1.694.310		
2	Mobile equipment	50 %			1.882.567	
3	Final works	5 %			188.258	
TOTAL PER YEAR				1.694.310	2.070.825	3.765.135
TOTAL INVESTMENT IN THE CONSTRUCTION						19.717.770 €

INCOME PLAN

Estimate of income per phases and contents is made based on current market prices and planned number of users, level of utilization of accommodation capacities, amount of rent for leased space, etc. Projection of the total income was made for the period as of 2011, which is considered to be the starting year of operation, with an average planned level of capacity utilization of 65% per year, through 2021, i.e. 10 years of operation with the planned full capacity.

In view of the fact that this comprises purchase of equipment and construction of the building which will be functional by the beginning of 2011, the period from 2008 to 2010 is investment period, with the start of effects being planned as of 01.01.2011 with the mentioned average capacity of 65% per year.

Of the total calculated income, about 20% is planned for foreign market in 2011, and 30% in 2012 and following operation years.

CALCULATION OF TOTAL INCOME - (from 2011 to 2021) - in €			
<i>No</i>	<i>Year of production</i>	<i>First year (65% capacity)</i>	<i>Ten years (plan.cap.)</i>
	<i>Elements</i>	<i>Value</i>	<i>Value</i>
I	INCOME FROM SERVICE SALE		
1	Income of Sports hall	1,011,234	1,555,744
2	Income of swimming pool	430,195	661,838
3	Income of public amenities	739,155	1,137,162
4	Income of outdoor courts and garage	349,891	538,294
	TOTAL (from 1 through 4)	2,530,475	3,893,038
	-Domestic market	2,024,380	2,725,127
	-Foreign market	506,095	1,167,911
II	INCOME OF HOTEL		
1	Income from accommodation	1,881,880	2,895,200
2	Income from restaurants	1,344,218	2,068,028
3	Income from space rental	132,492	132,492
	TOTAL	3,358,590	5,095,720
	TOTAL (I+II)	5,889,065	8,988,758
	-Domestic market	2,686,872	3,567,004
	-Foreign market	671,718	1,528,716

SPORTS CENTER WITH SPORT HOTEL ** IN NOVA VAROS**

Zone	Annual income
TOTAL ANNUAL INCOME FOR ZONE 1 – SPORTS ARENA	1.555.744,00 €
TOTAL ANNUAL INCOME FOR ZONE 2 – SWIMMING POOL	661.838,00 €
TOTAL ANNUAL INCOME FOR ZONE 3 – PUBLIC AMENITIES	1.137.161,52 €
TOTAL ANNUAL INCOME FOR ZONE 4 - HOTEL	5.095.719,50 €
TOTAL ANNUAL INCOME FOR ZONE 5 – OUTDOOR COURTS AND GARAGE	538.294,00 €
ESTIMATE OF INCOMES PER YEAR FOR THE SPORTS CENTER WITHA SPORT HOTEL**** IN NOVA VAROS	8.988.757,02 €

PROFITABILITY ANALYSES (u €)

<i>No.</i>	<i>Elementi</i>	<i>First year</i>	<i>Second year</i>	<i>Tenth year</i>
1.	TOTAL REVENUE	5.889,065 €	8.988,758 €	8.988,758 €
2.	GROSS PROFIT – before tax.	663,681 €	3.119,653 €	4.162,652 €
3.	NET PROFIT – after tax.	597,313 €	2.807,687 €	3.746,386 €
4.	FUNDS FOR REPRODUCTION	1.542,063 €	3.752,437 €	4.145,202 €

THE RESULT OF THE CASH FLOW ANALYSES

<i>No.</i>	<i>Estimate elements</i>	<i>Value of indicators</i>
1.	Time of investment return (in years)	7
2.	Internal profitability rate	14,53%
3.	Net actual value (in €)	19.916.363
4.	Relative net actual value	100,47%
5.	Total number of employees at the complex	266



MUNICIPALITY OF NOVA VAROŠ

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