



TEASER - Hotel Internacion ad Sombor

In accordance with the Decision of majority shareholders, hereby offered is for sale 74,6% of shareholders capital in Hotel Internacion a.d. Sombor. Hereafter presented are basic characteristics and data referring Hotel Internacion a.d. Sombor. To potential buyers submitted shall be a detailed Hotel memorandum.



About the Hotel

History of the only hotel in Sombor is more than a century and a half long. It was built in baroque style in 1856 and was named „at French emperors“ soon it was changed to „Hunters horn“. After the II WW it was named „Sloboda“, and the final name was given after privatization in 2004. Largest investment was undertaken in 1983 when the new part of the Hotel was built with total 5.600 m².

It is located in main center of Sombor, on the edge of pedestrian zone and historical part of the city. The hotel disposes with 6 apartments, 13 rooms with French beds, 41 two beded rooms and 4 single bed rooms. Within the hotel is the famous restaurant „Hunters horn“ with summer/outdoor accommodation, Cristal hall for ceremonies, Press centre, disco club, bar, info centre, hair-dresser, supervised parking space, ATM and boiler-room.

After privatization, reconstruction of the hotel was carried out, the apartments and two floors were reconstructed in accordance with highest criteria. All rooms dispose with air conditioning, mini bar, cable TV, telephone and wireless internet. Total capacity of the hotel is 118 beds (also there are 30 auxiliary beds).

By categorization of the Ministry of Trade and Services, hotel Internacion is a two star hotel. The hotel is in proces of acquiring a third star from which positive influence on increased guests visits is expected.

Restaurant „Hunters horn“ has 250 seats and offers „a la carte“ menu during the whole day. Acknowledged cooks prepare dishes from italian, french, hungarian and domestic cousine. The restaurant was named after the old hotels name which it had until end of II WW. From the summer terrace extends a pleasent wiew towards the town centre, city museum and square of the Republic, wher always stands a carriage the old symbol of Sombor.

After privatization, fulfilled were all obligations from the Contract with the Privatization agency, so the new owner has no obligations referring social program or engagement in the same industry (possibility of converting to business-shopping centre or other).

Shareholders structure

Nr.	Shareholder	Number of shares	% of ownership
1.	Maglich Bogdan	269.540	59,68
2.	Tiragić Nataša	67.395	14,92
3.	Others (208 total)	114.692	25,40

Key points

Hotel is located in the main town centre

Only hotel in West-backa region

Hotel capacity 118 beds (plus 30 auxiliary)

Cristal hall of unique architecture with 400 seats capacity

Press centre with 60 seats

Property area 6.500 m²

Total parcel area 8.500 m²

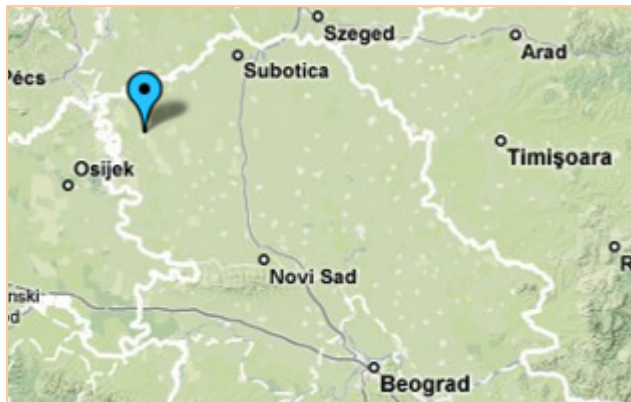
Apprised property value 4.7 ml EUR

Expected acquisition of a third star

Low indebtedness

Announced considerable investments in tourism development of upper podunavlje region





Tourism potential of Sombor

Sombor is an old city located in a plain, it is rich in culture and political past and the only city in Serbia built in preserved Vienna style of architecture. Sombor is also famous by its wood alleys and verdure, arranged parks, beautiful buildings, spirit, art, it has the oldest school for teachers, gymnasium, theatre, library, museum, Milan Konjović gallery, poet Laza Kostić and carriages. Regarded as the greenest city in the country.

Tourist attractions of Sombor are in very rich fishing waters on the Danube and its creeks, as well as best hunting grounds for famous danube deer's and other wild animals in forests from Bezdan to Apatin. Recently popular is observing rare bird species with which the region is very rich.

Master plan for developing upper podunavlje anticipates considerable investment into tourism of the region. There is interest from foreign investors for the inactive military airport near to Sombor, which the government has designated for privatization and to be for civil purposes. Also in progress is construction of a harbour near Bezdan, it's to utilize the advantages given by the location which is on the place where the Danube enters our country.

Number of visits

Year	Number of visits
2003	12.821
2004	10.973
2005	10.204
2006	11.619
2007	13.108
2008	10.155

Location

Sombor is 175 km from Belgrade, 220km from Budapest and 308 km from Zagreb. It's located in the north-west part of Vojvodina, near the border with Croatia, Hungary and the Danube.

Hotel Internacion is located in the old part of the city and with its 8 floors as the highest building it overreaches the surrounding roofs. View on the green panorama of Sombor from the hotel is an irreproducible experience.

On the satellite image of Sombor centre, with a red circle marked is the hotel complex.

Balance sheet

in 000 rsd		2006	2007	2008
I	NON CURRENT ASSETS	179.193	176.251	170.303
1.	Property, plants and equipment	179.192	176.251	170.302
2.	Long-term financial placements	1	0	1
II	CURRENT ASSETS	5.984	6.573	14.745
1.	Inventories	1.411	1.858	2.893
2.	Receivables	3.109	2.968	7.963
3.	Short-term financial placements	1	1	1
4.	Cash and cash equivalents	454	335	104
5.	Value added tax and deferrals	1.009	1.411	3.784
TOTAL ASSETS		185.177	182.824	185.048
A	CAPITAL	169.682	166.206	167.177
I	Original and other capital	195.814	195.814	195.814
III	Reserves	2.235	1.533	1533
V	Retained profit	58	58	1.029
VI	Loss	28.425	31.199	31.199
B	LONG-TERM PROVISIONS & LIAB.	15.495	16.618	17.871
II	Long-term liabilities			
III	Short-term liabilities	15.495	16.618	17.871
1.	Operating liabilities	6.279	6.523	8.593
2.	Short-term financial liabilities	8.199	8.420	7.886
3.	Profit tax liabilities	42	51	8
4.	Other short-term liab. and accruals	975	1.624	1.386
TOTAL LIABILITIES		185.177	182.824	185.048

Income statement

In 000 rsd		2006	2007	2008
I	TOTAL REVENUES (1+2+3)	47.169	29.675	33.375
1.	Operating revenue	29.869	28.516	27.165
	- Sales	29.363	26.182	26.353
	- Other operating revenues	506	2.334	812
2.	Financial revenue		249	173
3.	Other revenue	17.300	1.000	6.037
II	TOTAL EXPENSES (1+2+3)	47.105	34.020	32.405
1.	Operating expenses	41.936	33.630	31.353
	- cost of sold goods	4.436	1.866	97
	- material	11.572	10.393	9.508
	- salaries and other personal costs	12.478	11.038	10.356
	- amortization	6.871	3.194	1.593
	- other operating expenses	6.579	7.139	9.799
2.	Financial expenditures	1.662	152	546
3.	Other expenditures	3.507	238	506
III	PROFIT BEFORE TAX (I-II)	64		970
V	PROFIT TAX	6		
VI	NET PROFIT	58	-4.255	970