



## FROM BUSINESS PLAN FOR 2002

# PLANNED INCREASE OF REPAIR SCOPE

The Business Plan of the Shipyard for 2002, provides increase of repair scope of ships on the sum of Euro 14.572.000, which is for 5% more in respect to the last year realization of production.

The most important task for the Shipyard in this year is to provide the employment. In order to realize this aim, the most severe market requirements concerning quality and terms will be accepted, while the price policy will be adapted to the scope of employment and to the analysis of invoiced works from defined markets, i.e. adjusted to profitability of works with particular clients. One of the main tasks within this year is to obtain capital for modernization of capacities.

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## „ROYAL CROWN TO EXCELLENCE“ AWARD

The International Selection Committee of the Worldwide Marketing Organization have nominated Adriatic Shipyard to receive the „Royal Crown to Excellence“ Award. This recognition is granted every year to those Companies or Professionals that have achieved an outstanding performance due to the quality of their products or services. The Award Ceremony will be held in the city of Puerto Valarta, Mexico on September 14th. 2002.

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### GENERAL MANAGER AND PRESIDENT OF BOARD OF DIRECTORS STANKO ZLOKOVIC

## PROFITABLE BUSINESS AND PROFIT INCREASE

**W**hat will be a priority in the forthcoming period?

Profitable business with trends to increase profit from year to year and all inclusive restructuring of the Shipyard. In front of us is modernization and revitalization of capital assets and equipment through additional credit obligations, additional capitalization or privatization. The increase of productivity and profitability through development of introduced standard ISO - ISO 9001 - 2000 and ISO 14000.

In order to realize set targets before all it is necessary to employ production capacities and to carry out production tasks. We are going to overcome a sharp competition by active and adaptable price policy, increase of quality and with general trustworthy appearance and execution of contractual obligations for the satisfaction of clients.

I am sure that the Shipyard, by applying world standards in its business, will realize set aims, and by the same will enable development and better standard of employees and stock holders.



## STANKO ZLOKOVIC PRESIDENT OF MANAGEMENT BOARD

The first meeting of Shipyard Management Board was held on the 31st May of this year. On this meeting were elected President of Management Board, Executive Manager and Secretary.

For the President of Management Board was elected Stanko Zlokovic, former Manager of the Shipyard.

Danilo Zlokovic was elected for Executive Manager and Rade Ilic for Secretary.

**DANILO ZLOKOVIC, EXECUTIVE MANAGER OF THE SHIPYARD**

# **INVESTMENT IN THE SHIPYARD MAKES A SECURE PROFIT**

**T**he Board of Director has nominated Mr. Danilo Zlokovic, former Assistant General Manager for Commercial and Technical Affairs, for a new Executive Manager. Mr Zlokovic is employee of the Shipyards 38 years already and he has passed his whole former working engagement in this firm. Due to his exceptional skillfulness, diligence and organizational capabilities, from year to year he was carrying out the most responsible managerial affairs in the firm. He was a member of Management Board in two mandates, Sales Manager and in two mandates the Manager of Technical Department. He is a recipient of numerous republic and governmental acknowledgements. According to the opinion of Mr. Zlokovic for further development of the Shipyards, it is indispensable to find a strategic investor.

- The Shipyards manages its affairs well, but this firm has capacities for more and better. For more profitable operations are needed additional investments. This is the only way to modernize the equipment, to renovate tools, to evolve accompanying developing programs. The Shipyards has a huge technical capacities, has a professional personnel and long tradition which makes a good base for acquiring of profit and realization of our vision to become a leader in ship repair of the region. Our services are competitive on the world market, in prices as well as in the quality and terms. By introduction of quality standard ISO 9000, the level of services has been raised on the higher level, and we expect soon the introduction of ISO

14000 and ISO 1800 which are related to environmental protection and security. It is essential also to emphasize that the Shipyards has no obligations - was underlining Executive Manager Mr Zlokovic and was adding:



- Of course that it is not irrelevant a suitable geographic position with good climate which enables repair of ships during the whole year. All this goes in favor of fulfillment of the most essential condition set by all investors - that we are the firm being able to realize a profit and that investing in our firm is worthwhile. But before all, for foreign investor the most urgent is to come to a complete political stabilization of the country enabling all future processes to be developed without great impacts. In that way, we could reach economic recovery of the whole region which will be than attractive for income of the capital. To invest a capital at the right time in the right project is a main interest of everybody who has a money. Our firm satisfies all stated conditions - said Mr. Danilo Zlokovic.

## **FROM THE ASSEMBLY OF SHIPYARD STOCK HOLDERS ADOPTED NEW STATUTORY**

**O**n the Assembly of Shipyards Share Holders, held on 27th May of this year, an information on uniform list of stock holders was adopted, a new Statutory was passed, a Management Board of the Shipyards and a new auditor. were elected

For members of Management Board were elected: Asim Telacevic, Manager of the Fund for Development, Vladimir Vukmirovic, President of Montenegrin Chamber of Economy, Stanko Zlokovic, Manager of the Shipyards, Vladimir Zmukic, Manager of Economic and Financial Department and Branislav Durovic, previously employed in the Shipyards.

Upon carrying out the mass voucher privatization, employees, citizens and others are owners of 37,90% of the Shipyards capital, while Funds are owners of 62,10% of the capital. The capital belonging to Funds is intended to be sold to strategic investor through international public tender.

## **WINNERS OF ANOTHER PRIZE**

**T**he Shipyards has also become a winner of another recognition - „Business Partner 2002“. This recognition has been awarding the eight years to enterprises and its managers governed in his business by high and stable, professional standards and hard ethic norms. The decision about winners is brought by the commission, consisting of respectable representatives of economic, cultural and public life on the basis of research of team „Mass Media“ from Belgrade.

## **CROWD ON DOCKS**

**T**he employment of production capacities of the Shipyards in the previous five months was extremely good. Organizers of production were forced to dock contemporaneously two ships in order to meet requests of clients.

In accordance with saying of Technical Manager, Mr. Petar Zvicer, the employment of capacities was 100% , and besides of workers from the Shipyards, 200 subcontractors were also engaged.

Thanking to exceptional engagement of workers and managerial staff, all repair works on ships were completed within terms and with high-quality.



## **PROVIDED BUSINESS ARRANGEMENTS**

**A**ccording to announcements of Mr. Petar Tusup, Sales and Marketing Manager, good employment of the Shipyards will continue in the forthcoming period. The arrival of two ships for detailed repair is expected these days and we are working out on approximately ten offers.

- The good employment of production capacities, besides a well done work in the previous period, is a result of very aggressive and justified appearance on the international market. A collaboration with new companies has been realized and with former business partners such cooperation has also been continued. In the business policy of our firm, central position always has a client and his requests - said Mr. Tusup.



## **REALIZATION OF NUMEROUS CONTACTS**

**R**epresentatives of Adriatic Shipyards have visited maritime fair Posidonia 2002.

This year, as exhibitors, were participating over 1630 various companies from 80 countries from all over the world. Besides usual marketing activities, our representatives on the fair have

made a series of constructive meetings and contacts with former collaborators as well as with potential clients. General estimation is that the fair took place in the best order and that Pireus remains as the crucial place for further development of maritime business.



In the Maritime Training Center, situated in the basement of new business building of the Shipyard, has come a first equipment dedicated to training of seamen.

The team of Japanese experts has carried out installation of tanker hands-on stimulators. It is a very valuable and modern equipment which was given as a present to the Center by MITSUI Company.

Delivery of two more stimulators is expected in August - one of it is bridge stimulator with video projection including 10 areas of navigation with 10 types of ships - video image will be 8,5 meters long and 2,5 meters high with angle of visibility of 135 degrees.

**MARITIME TRAINING CENTER**  
**TRAINING STARTS**  
**IN SEPTEMBER**

This stimulator is equipped with 4 different types of radar, electronic cards and real navigation devices. The other one is engine hands-on stimulator with the most modern equipment for real stimulation

of various ship's situations.

The above mentioned equipment, in the value of 1,5 million dollars, is financed by Japanese Company MITSUI. Furnishing of Training Center should be completed up to 6th September when the opening ceremony and start of training courses are planned.

The Training Center is set to be as a foundation for contemporaneous education and schooling of seamen i.e. graduate maritime pupils and students under international norms and conventions.

According to saying of Mr. Nenad Lazovic, originator of the idea to form a training center and owner of Azalea Maritime Agency from Herceg-Novi, in the Center will be carried out a training which should be a

unique, as far as teaching is concerned, as well as per contemporaneous and demanding equipment: - For the first time in Europe, such equipment is installing. The training in this Center will enable future seamen to be qualitatively prepared for sailing on modern types of ships and to get acquainted with requests of their future profession. This is the best way to create a quality staff who will continue maritime tradition of this region - 13 centuries old - said Mr. Lazovic.

Within the premises of Training Center will also be situated two polygons for fire fighting and rescue training.

All those who are going to finish successfully the training course in the Training Center, will have a great chance to get aboard of MITSUI O.S.K. ships. At the present, approximately 150 seamen from this region are sailing on ships belonging to this company.

Maritime Training Center will fulfill all standards set by international norms, i.e. requests of I.M.O (International Maritime Organization) and will issue certificates on accomplished training, recognized by all domestic and foreign companies.

**FROM BUSINESS PLAN FOR 2002**

**PLANNED INCREASE**  
**OF REPAIR SCOPE**

(CONTINUED FROM PAGE 1)

According to adopted Business Plan, during the period of next year, the Shipyard will offer for sale 62,05% of the capital remained after mass voucher privatization, to strategic investor, through international tender. The privatization of Shipyard will be open and transparent and in the function of new capital and new business operations. The expert team from the Faculty of Economics in Podgorica, in collaboration with the Management of enterprise, has made a Restructuring Program of Adriatic Shipyard which should be the ground for its privatization.

Besides the basic activity - ship repair, the Shipyard will activate additional affairs such as: reconstruction and conversion of ships, port services, repair of smaller floating objects and manufacturing of various steel constructions.

For the period of this year are planned a continuation of negotiations with foreign partner on construction of the station for collection and separation of oily waters and unloading of derivatives, as well as a construction of modern acetylene station.

By Business Plan it is also foreseen a continuation of activities in realization of the Project on integral informative system to support already applied ISO



Standard in the Shipyard which should be implemented in collaboration with European Center for Peace and Development, University for Peace - Association in Montenegro.

Set targets could be reached through maximal engagement of employees and management of the Shipyard, under conditions of open market economy and competitiveness, stability in credit and monetary sphere in foreign - trade exchange.

**AWARD OF MONTENEGRIN**  
**CHAMBER OF ECONOMY**

**STANKO**  
**ZLOKOVIC**

**THE MANAGER**  
**OF THE YEAR**

The General Manager of Adriatic Shipyard Bijela, Mr. Stanko Zlokovic, was proclaimed as „the Manager of the Year“ in Montenegro. This recognition of Montenegrin Chamber of Economy was awarded to Mr. Zlokovic for results attained in 2001.

As it was emphasized in explanation of the award, Mr. Zlokovic is contemporaneous type of the manager, with great creative potential who has succeeded, together with his collaborators, to obtain profitable business operations and to set up forthcoming lines of development.

Results of such work have classified the Shipyard in the very top among the most successful companies in Montenegro.

The recognition of Montenegrin Chamber of Economy, which is awarded every year to enterprises and individuals for results that have been achieved, have distinguished them from belonging branches and groups.

## REFERENCE LIST OF VESSELS REPAIRED IN THE YEAR 2001

Vessel name	Dwt	Type	Owner / Operator	
Sentinel	1590 grt	Research ship	Diamar SPA - Italy	
Boka Star	925 grt	RO-RO cargo ship	ShipStar Shipping Service - Honduras	
Capo Marina	1707	LPG tanker	EGM Genoa - Italy	
Saint	17475	Bulk carrier	Alcon Holding - Greece	
Santa Barbara	23720	General cargo	Croatia Line - Croatia	
Capo Cervo	3537	LPG tanker	EMG Genoa - Italy	
Big Wave	69346	Bulk carrier	Teo Shipping - Germany	
Benedetta	602 grt	Floating dock	Gradni Lavori Finacosit - Italy	
Capo Manuela	2448	LPG tanker	EGM Genoa - Italy	
Orjen	72050	Bulk carrier	Jugoceanija - Yugoslavia	
Four Springs	84970	Tanker / crude	Reederei Ernst Jacob - Germany	
W.S. Berber	32175	Tanker	Eltokxween int. Shipping - Malta	
W.S. Nile	47658	Tanker	Eltokxween int. Shipping - Malta	
MSC Melbourne	21370	Container carrier	Fenban Shipping - Cyprus	
Cielo di Spagna	19345	General cargo	Docendale Shipping - Bahamas	
Lepetane	26711	Bulk carrier	Dabinovic - Monaco	
Panamax Ride	62657	Bulk carrier	Cyprus Maritime - Cyprus	
Capo Cervo	3537	LPG tanker	EMG Genoa - Italy	Note: Second time in for repair
Kator	30435	Bulk carrier	Dabinovic - Monaco	
Reborn	8480	General cargo	Mediterranean S&T - Malta	
Nomadic Pollux	17160	General cargo	Mathilda Shipping AS - Norway	
Tramper	8438	Bulk carrier	Graig Shipping Management - UK	
Bearing Sea	89999	Oil carrier	Tanker Pacific Manag. - Singapore	
Solin	24374	General cargo	Salona Maritime Ltd - Malta	
Makarov	30960	General cargo	Unicom - Cyprus	
Kamenari	131.94 grt	Ferry	Pomorski Saobracaj - Yugoslavia	
Canmo	5210	General cargo	Mayer ship AS - Norway	
Milenium Majestic	17154	General cargo	Millenium Maritime Services Co.- GR	
Kapitan Sviridov	19240	Bulk carrier	Murmansk Shipping Co. - Russia	
Grant Carrier	30850	Multipurpose	Jugoceanija - Yugoslavia	
Grant Mariner	34800	Multipurpose	Jugoceanija - Yugoslavia	
Lepetane	131.94 grt	Ferry	Pomorski Saobracaj - Yugoslavia	
Arkaim II	5210	General cargo	Mayer ship AS - Norway	
Vigsnes	6105	Bulk carrier	Storesund Management - Norway	
Dolisie	29538	Bulk carrier	Dockendale - Bahamas	
Spring Delight	12783 grt	Reefer	Jacob E. - Germany	
Kamenari	131.94 grt	Ferry	Pomorski Saobracaj - Yugoslavia	
Tiburón	268 grt	Fishing vessel	Brockton Ficheries SA - Greece	
Blue Caribe	1492 grt	Chemical tanker	Stargas - Italy	
Italica	6080	General cargo	Diamar Spa - Italy	
Novi	28972	Bulk carrier	Jugoceanija - Yugoslavia	
Grootsand	2175	Reefer	Riga Transport - Latvia	
Borgfeld	4190	Bulk carrier	Beluga Shipping - Germany	
Gargantua	4250 grt	Barge	Augustea Imprese Maritime - Italy	
Anja C	3650	General cargo	Dovanko Marine - Greece	
Chembulk Trader	22305	Chemical/Oil tank.	Jacob E. - Germany	
Hope I	30900	Bulk carrier	Jadroplov - Croatia	
Sun Emilia	6565	General cargo	Norbulk shipping - UK	
Gerasimos K	4368	General cargo	Meganisi Shipping - Greece	
Orjen	72050	Bulk carrier	Jugoceanija - Yugoslavia	
Tazerbo	3210	LPG	G.N.M.T.C. - Libya	
Norgas Voyager	8700	LPG	Norwegian Gas Carriers - Norway	
Akti A	26771	Product tanker	Ancora Investment Trust - Greece	
Dania - Carina	7196	General cargo	Reederei Uwe Suhr - Germany	
Armelle	26771	Bulk carrier	Dabinovic - Monaco	
Reborn	8480	General cargo	Mediterranean S&T - Malta	Note: Second time in for repair
Delfino Grigio <i>ex UND Transfer</i>	6476	Ro-Ro	Armatore SARDI - Italy	

## REFERENCE LIST OF VESSELS REPAIRED IN THE YEAR 2001

Delfino Bianco <i>ex UND Transporter</i>	9750	Ro-Ro	Armatori SARDI - Italy
Manamaria	23928	Log-Bulk	Entrust Maritime - Greece
Corinth	39799	Tanker-product	Tanker Pacific Management - Singapore
Pop Reefer	1766	General cargo	Fab Live - Yugoslavia
Alexander the Great	13102 grt	Passenger vessel	Oberon Cruise Lines Ltd - Cyprus

## TECHNICAL CAPACITIES AND TECHNICAL FACILITIES

Since the foundation in 1927, „Adriatic Shipyard Bijela, the biggest shiprepair yard in the south part of Adriatic, has undergone various development and production project stages. The long-standing tradition in shiprepairs and shipbuilding along with highly-qualified personnel and the latest technological equipment, guarantee successful performance of any shiprepair operation, being the primary activity, and any other subsidiary operation including various steel welded constructions. The Shipyard can repair simultaneously nine ships of the high deadweight. „Adriatic Shipyard“ has 812 employees of all specialities among which a great number of constructors and innovators.

### „ADRIATIC SHIPYARD BIJELA“ DISPOSES OF:

#### Two steel floating docks:

DOCK-6 – 100000 kN (10000 T) lifting capacity, inside free span 25,5 m with two 70/50 kN crane

DOCK-12 – 330000 kN (33000 T) lifting capacity, inside free span 44,0 m with two 120 kN crane

Wharf of 1300 m total length, with distribution of all types of energy supply and five partial cranes of 250 KN x 4 and 100 KN x 1 lifting capacity

„Adriatic Shipyard Bijela“ covers the total area of 120.000 sq m.

Enclosed workshops of 14000 sq m total area comprised of the following divisions:

- Ship mechanics and machining
- Electro-mechanical
- Locksmith-piping
- Steel construction
- Anticorrosive protection
- Maintenance and energetic

Workshops are connected to all energy supplies and equipped with 14 bridge cranes of 25-400 kN lifting capacity.

Outdoor working platforms, total 4600 sq m, are connected to all energy supplies and equipped with 250 kN x 2 portal cranes and 80 x 500 kN auto-cranes

All operating areas, wharfs and docks are equipped with distribution system for energy supply.

#### Classification societies and agents

„Adriatic Shipyard Bijela“ and ship owners may use the services of any Classification Society in the world.

Lloyd's Register of Shipping and RNA have their permanent representatives in „Adriatic Shipyard Bijela“.

Yard's own laboratory, which operates within the Technical Control Department deals with any necessary measurement material and/or welded joints testing by methods which imply material destruction.

The laboratory holds the licenses granted by Classification and Register Societies for ultrasonic gauging of plates thickness and steel mechanical features testing, in compliance with the Rules and Regulations of the aforementioned Societies.

## REFERENCE LIST OF VESSELS REPAIRED IN THE YEAR 2002

January - May

Vessel name	DWT	Type	Owner / Operator
Cem Princess	8848	Cement carrier	Tordenskjold ASA - Norway
Fres	3722	Offshore-supply	Alexander Navigation Co. Ltd.
Kapitan Kudaly	19240	Bulk carrier	Murmansk Shipping - Russia
Ivan Susanin	19590	Bulk carrier	Murmansk Shipping - Russia
Sveti Stefan	3883 gt	Passenger-ferry	Fortune Overseas Navigation Ltd - Yugoslavia
Kamenari	131.94	Ferry	Pomorski Saobraćaj - Yugoslavia
Vilyuysk	17025	Tanker	Primorsk Shipping - Russia
Caribbean Bulker	17061	Bulk carrier	Lauritzen Bulkers - Denmark
Igalo	300 grt	Ferry	Pomorski Saobraćaj - Yugoslavia
Sunshine	36884	Tanker-product	Tanker Pacific Management - Singapore
Norgas Victory	11772	LPG	Norwegian Gas Carriers - Norway
Quiri	32135	Oil tanker	Pioneer Tankers Shipping - Greece
Swanland	3150	General cargo	Everard & Sons Management - UK
Italica	6080	General cargo	Diamar Spa - Italy
Antartica	23000	Explorer	Diamar SPA - Italy
Perast	301 grt	Ferry	Pomorski Saobraćaj - Yugoslavia
Dania	3036	General cargo	Combi Trade GmbH - Germany
Black Sea	104942	Tanker	Cofeer Brothers Management
Sirius	9582grt	General cargo	Flensburger Schiffsparten - Germany
Lepetane	301 grt	Ferry	Pomorski Saobraćaj - Yugoslavia
Montrose	52743 grt	Oil tanker	Fairsea Shipping - UK
Mineral Trader	25321	Bulk carrier	Barclay Shipping - Greece
Yellow Star	1809	LPG	Stargas - Italy
Marquise	54686	Bulk carrier	Marquimar Motorship - Greece

## REALIZED POSITIVE RESULTS

# TOTAL INCOME OF 15 MILLION EURO

The Shipyard has finished the last year with positive financial result. There was realized a total income of DEM 30.104.455 which is for 67% higher than realized income in the previous year and for 29,2% higher in relation to the planned one.

During 2001, the Shipyard carried out repairs on 62 floating objects, i.e. on 55 ships from foreign and on 7 from domestic market.

The Shipyard has succeeded to realize in 2001 set targets:

- Increase of scope of ship repair
- Increase of salaries
- Positive business operations
- Investments

A total income of DEM 30.104.455 was realized in the last year which represents increase of 67% comparing to incomes in the previous year, and for 29,2% in relation to the planned income.

The Shipyard has carried out during 2001 repairs on 62 floating objects, i.e. on 55 ships from foreign and on 7 from domestic market. From the total sum of realized incomes, business incomes make 92,6% and amount to DEM 27.886.241, from which incomes from foreign and domestic market relates to DEM 26.580.324, in regard to the previous year these incomes are higher for 96%. The greater employment of production capacities in 2001 comparing to previous year, resulted with

increase of business income for 69%. It is present a fall of sales on domestic market which is normal due to circumstances under which were our two biggest ship companies due to loss of ships.

The price policy was adapted to market requests and a great effort was made in order to accept competitive repair terms.

With increased scope of work has also come an increase of salaries, and average net gain in 2001 was for 65% higher comparing to the previous year.

During the preceding year, the Shipyard invested significant assets in repair of cranes, repair of docks and repair of tug boats, in the total amount of approximately DEM 800.000.

The repair of docks and tug boats was also carried out.

Works on completion of Maritime Training Center in business building of the Shipyard were intensified. During the past year, a partner of the Shipyard has started construction of acetylene station on the land of the

Shipyard given on a long lease, so that costs for acetylene as source of energy are almost divided into halves.

We are continuing a realization of Project on integral informative system which will be carried together with employees of the Shipyard and European Center for Peace and Development (ECPD), University for Peace of UN - Association in Montenegro. By realization of this Project will be constructed informative system which should link all elements essential for establishing of business, enabling control on all segments important for the work of the Shipyard.

By employing a highly educated engineering personnel and qualified workers, the process of creating a quality structure of employees was continued. The great attention was also dedicated to specializations and to additional education of workers.

On a marketing plan and PR were achieved significant results, specially in the field of research of the market, forming of communications and image of Adriatic Shipyard.

The Shipyard has very good cooperation with all republic agencies particularly with resort Ministry and Montenegro Chamber of Economy.

## IMPLEMENTATION OF LAW ON ECONOMIC COMPANIES

# IN ACCORDANCE WITH EUROPEAN RESOLUTIONS

The Law on economic societies has come into force on 16th February 2002 and in view to the same all enterprises in Montenegro are binding to reconcile its registration with stipulations of this Law. The basic reason for enactment of this Law is normative reconciliation with European resolutions.

The Law on economic companies anticipates more simple procedure for registration of firms as well as for more effective administration. By its implementation, all unnecessary limits will be removed during foundation of enterprises, which will contribute to the stimulation of founding of new and attraction of fresh capital and investments.

### Organs of stock company

The stock company and the company with limited liabilities are unique forms of organizing economic subjects with features of juristic person.

The Law on economic companies anticipates the following organs within stock companies:

1. Assembly of Stock Holders, as the highest organ of the Company
2. Board of Directors, as organ of management in the Company
3. Executive Manager, as executive organ of the Company

### Assembly of Stock Holders

The new item in the Assembly of stock holders is that all stock holders of the Company, independently on the number and class of the stocks in their posses, have a right to attend at the Assembly of stock holders of the Company. The Assembly can make decisions only upon questions on agenda. The quorum of the Assembly is precised by the Law itself. Namely, the Assembly makes decisions by the majority of votes of repre-

sented stocks except in cases when it is otherwise determined. Each stock gives the right for one vote in the Assembly unless in case of electing Board of Directors, when every stock gives number of votes equal to the number of members of Board of Directors which is to be elected.

### Board of Directors

The new item at Board of Directors is the same title of this

organ. The Law does not use expression „Management Board“. Authorities of the Board of Directors are set up by Statutory of the Company. The Assembly of the Company elects members of the Board of Directors by public vote except if 10% of the present or represented stock holders in the Assembly do not request to put this on a secret vote. The right to propose candidates for members of the Board of Directors have stock holders owning at least 1/10 of the stock capital. The Board of Directors sets structure and contents of management and administration of the Company unless otherwise defined by the Statutory.

### President of Board of Directors

- Represents the Shipyard in front of third parties
- Responsible for legal work of the Shipyard
- Propose business plan and other plans and programs of

work and measures for putting the same into effect

- Sets proposals of acts on which decision is made by the Board of Directors and drafts of acts on which decision is to be made by the Assembly.

### Executive Manager

Executive Manager is bound to carry out orders given by the Board of Directors and to put into effect their decisions in connection with:

- Business operations of the Company
- Representing interests of the Company
- Managing the property of the Company
- Signing of contracts
- Opening of accounts with banks
- Employment of persons in the Company
- Issuing of necessary orders and instructions for the well-being of the Company within restriction of authorities of Executive Manager established by the Statutory of the Company.

It is discretion right of the Board of Directors to nominate and to release the Executive Manager of the Company.

Beside Executive Manager, stock company has also a Secretary, who is elected by the Board of Directors.

The law is not acquainted with Supervisory Board as an organ of the Company, but anticipates compulsory auditing of Company financial reports at the expiration of financial year but before the meeting of the Assembly of stock holders. The auditing should be carried out by independent auditor elected by the Assembly of Stock Holders. The right to propose the nominee for the auditor have stock holders with at least 1/10 of stock capital.

The Shipyard has undertaken on time necessary activities and has completed a process of reconciliation with a new law, so that it is now organized and is managing under regulations of Law on economic companies.

# 75<sup>TH</sup> ANNIVERSARY OF THE SHIPYARD



## SUPPORT OF THE GOVERNMENT OF MONTENEGRO

Regarding the significant jubilee - 75 years of the Shipyard, Mr. Filip Vujanovic, Premier, has sent a telegram with congratulations:

- I believe that Adriatic Shipyard, as one of the mainstays of our maritime economy, will continue a trend of strengthening and keeping its position on the international market - underlined Premier Vujanovic.

He has also promised, that Adriatic Shipyard Bijela, will have a support of the Government, as before.

Remembering the day of the Shipyard makes a part of this collective which lasts through out decades. This is an occasion for gathering of employees and pensioners to remember the past, get acquainted with present business operations of the firm and plans for the future. It was quite solemn on the occasion of this very important jubilee. 75 years of existence and work of Adriatic Shipyard Bijela.

On that occasion, the formal meeting of Management Board was held where, among the oth-

ers, the President of Montenegrin Chamber of Economy, Mr. Vladimir Vukmirovic was also talking. Regarding to this he said:

- Adriatic Shipyard Bijela nowadays is a modern business system working successfully. Owing to clearly set business targets, permanent inducement of the creativity and care for the high quality of work, well chosen orientation, plan of work, long term plan of personnel policy, the Shipyard is going up slowly but surely on ascendant developing line

following requests of the world market. This has made a long term cooperation with maritime companies in the country and with numerous known companies in the world.

On the solemn meeting of the Management Board there was presented a restructuring program of the Shipyard made by the group of experts of the Faculty of Economics from Podgorica. According to the tradition, recognition have been awarded to workers for 10, 20, 30 length of service in the Shipyard.

### OUR SAILING THROUGH THE TIME

## FROM PIJAVICA TO ADRIATIC SHIPYARD

The idea of founding a shipyard in Bijela appeared in Todorovic family since 1911.

Namely, brother Krsto and Bozo from Bijela, since the second part of last century went to look for a better livelihood in Egypt, on construction of Suez Channel. They have acquired by their painstaking work a considerable estate and soon after, in the port of Alexandria, they have founded own shipyard which was developing successfully.

After the death of Krsto Todorovic in Alexandria on 1907, the shipyard in Alexandria was managed by brother Bozo, and Kosto, the son of deceased Kosto. But Bozo, with the significant experience in leading of the shipyard, has got the idea to establish a shipyard in his native Bijela and to return in his native country. Due to this, in 1907 he has bought a property in Bijela.

At that time, in 1912, Balkan war waged and due to that reason Bozo directed his activities on founding a dockyard in Bijela and returned back in Alexandria. During the First World War he remained in Alexandria and came back in Bijela just on 1922. Sick and old, Bozo Todorovic died in Bijela in 1923, not being able to realize his idea of founding a dockyard. But the idea of establishing a shipyard remained in the family Todorovic. The son of deceased Krsto Todorovic, Duro, got down to this.

At 1923, Duro Todorovic engaged Anton Vilovic

from Korcula, universal master, shipbuilder and caulker and together with him shipbuilders from Herceg-Novi, Karlo Benusi and Frano Gardasanic, they got down to work in Bijela.

On improvised dockyard on shore, on the location of Rake, the property of Todorovic, the repair of ships „Karlo“



and „Marica“ ownership of brothers Ilic, was carried out and a new brace ship „St. George“ was constructed.

By the time, improvised dockyard on Rake became inconvenients for developing of greater scope of work and pulling out of greater capacity of ships. At the beginning of 1926, Duro Todorovic rented out a lend on the western side of the brook Pijavica. On this rented lend, they have immediately constructed two slipways.

At the same time, Duro Todorovic submitted a request to the Administration of Naval Engineering of Boka Kotorska to get a permission to use a part of the

lend behind the already rented one, where were a pier and coal storage of the Navy, in order to get a space to store winch for pulling of bigger ships. But, such request was refused by the Navy.

There are evidences in documentation and photographs that slipway on the cape beside brook Pijavica was already in function in 1926.

In order to strengthen the shipyard with skillful shipbuilders, Anton Vilovic in 1927 called from Korcula his relative Ivo Praucic, and both of them associated themselves with Duro Todorovic and established a firm under title Shipyard „Pijavica“, Bijela.

During the first year of work, the Shipyard spreaded over 1000 sqm and was employing 10 workers.

Since then, that small workshop was developing increasing its capacities, so that nowadays it became Adriatic Shipyard Bijela with 820 employees and capital value of Euro 49.111.443. From that capital value, 37,75% is privatized, while the remaining part of 62,10% is foreseen for sale to strategic investor through international tender.

The Shipyard at the present has 6.288 stock holders. Results of mass voucher privatization were verified on the Assembly of stock holders held on the 27th May of current year.

## ...BY AIR, BY SEA AND BY LAND...

**B**y its location Montenegro belongs to the Middle Mediterranean region, that is to southern Europe. Montenegro borders with Albania in the south-east, in the south it shares the Adriatic Sea with Italy and in the west its neighboring countries are Croatia and Bosnia and Herzegovina. You can reach Montenegro by air, by sea and by land.



### By air

National carrier Montenegro Airlines operates scheduled flights from two international airports Podgorica and Tivat to Budapest, Rome, Frankfurt, Zurich and Ljubljana.

E-mail: [booking@mgx.cg.yu](mailto:booking@mgx.cg.yu)

International airport Cilipi (Croatia) is only 20 km away from border crossing with Montenegro, Debeli Brijeg. National carrier Croatia Airlines operates scheduled flights from this airport to almost all destination in the world.

Internet address: [www.croatiaairlines.hr](http://www.croatiaairlines.hr)

### By land

You can reach Montenegro by land through land border crossing: Debeli brijeg (Croatia), Vilusi, Scepan polje, Berkovici (Bosnia), Bozaj (Albania)

### By sea

Montenegro is connected to the rest of the world by the Adriatic sea. There are regular ferries on routes Bar-Bari (Italy)-Bar and Bar-Ancona (Italy)-Bar. Sea border crossings are: Bar, Budva, Kotor and Zelenika.

### Information:

Prekookeanska plovidba, Bar, fax + 381 85 311 652

Mercur adriatica, Bar, fax + 381 85 313 618

Vectra, Bar, fax + 381 85 317 204

Detailed information on

[www.visit-montenegro.com](http://www.visit-montenegro.com)

No visa is required when entering Montenegro directly. Visa is required when entering Montenegro through Serbia, that is the international airport Belgrade.

## MONTENEGRO IN FIGURES

Montenegro lies on the Balkan peninsula as one of two federal units of the Federal republic of Yugoslavia.

Montenegro was proclaimed an ecological state in 1991.

**Area:** 13.812 km<sup>2</sup>

**Number of inhabitants:** 620.000

**Capital:** Podgorica, Governmental seat and economic center, 150.000 inhabitants

**Former capital:** Cetinje, historical and cultural center

**Language:** Serbian

**Currency:** Euro

The length of the coast: 290 km

The length of the beach: 73 km

The longest beach: Ulcinj, 13.000 m

The highest peak: Bobotov kuk (Durmitor), 2.522 m

The biggest lake: The Skadar lake, 391 km<sup>2</sup>

The deepest canyon: The Tara canyon, 1.300 m

The biggest bay: the bay of Kotor

National parks: Durmitor (39.000 ha),

Lovcen (6.400 ha), Biogradska Heights (5.400 ha), The

Skadar Lake (40.000 ha)

National rarities and historical monuments protected by

UNESCO: Durmitor with the Tara canyon, Old City of Kotor

Traffic connections: International airports Podgorica and

Tivat, Harbor Bar and ferry-boat Bar-Bari (Italy), rail-

way Bar-Beograd, Adriatic Highway (Slovenia-Croatia-

Montenegro.)

## ESTABLISHING OF FIRM „AZALEA MARITIME TRAINING CENTER“ BIJELA

**A**zalea Maritime Agency R/V from Rotterdam, Azalea Maritime Agency from Herceg-Novi, Ministry for Maritime and Transport of Montenegro and Adriatic Shipyard Bijela have established a firm „Azalea Maritime Training Center“ Ltd. Bijela.

Basic activity of this firm is training of sailors for obtaining authorization on particular qualification of crew members on mercantile marine ships. The training will be carried out in accordance with international convention standards (STCW 95) with recommendations of International Maritime Organization (IMO).

Headquarters of the firm is in the basement of new business building of the Shipyard.

## HOTELS

„Delfin“, Bijela	phone: + 381 88 72 215
„Park“, Bijela	+ 381 88 32 077
„Plaza“, Herceg Novi	+ 381 88 22 151
„Centar“, Herceg Novi	+ 381 88 43 422
„Topla“, Herceg Novi	+ 381 88 43 722
„Igalo“, Igalo	+ 381 88 52 772
„Tamaris“, Igalo	+ 381 88 53 133
„Mediteranski centar“, Igalo	+ 381 88 58 111

## TEMPERATURES

January	9,2	100
February	9,7	75
March	11,0	159
April	14,2	181
May	18,1	272
June	23,0	288
July	25,6	359
August	24,4	338
September	21,2	240
October	16,9	240
November	13,0	100
December	10,2	93

Average air temperatures on degrees C and annual average and number of sunny days in Boka Kotorska.

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„Boka Adriatic“ – Bijela

Phone: + 381 88 71 555

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