



GEFIN INSOLV I.P.U.R.L.

LICHIDARE | REORGANIZARE | FALIMENT | CONCORDAT PREVENTIV | MANDAT AD-HOC
NR. ÎNREG. R.F.O. II - 0589/2012 | CIF R020406721
MEMBRU U.N.P.I.R. - Filiala BIHOR

PRESENTATION

SC FLORELIA PROD COMIMPEX SRL Santandrei

Meat Factory

Headquarter - Santandrei, Bihor county, J05/2707/1992, tax code 2400925

societate in faliment, in bankruptcy, en faillite

BIHOR Court case no. 7822/111/2009, Trade, Administrative and Fiscal Section

Liquidator

Gefin Insolv I.P.U.R.L

Associate coordinator

Jr.Marcel Buhas

October 2011



GEFIN INSOLV I.P.U.R.L.

LICHIDARE | REORGANIZARE | FALIMENT | CONCORDAT PREVENTIV | MANDAT AD-HOC
NR. ÎNREG. R.F.O. II - 0589/2012 | CIF R020406721
MEMBRU U.N.P.I.R. - Filiala BIHOR

TABLE OF CONTENTS

PRESENTATION	1
Introduction.....	3
The company.....	3
Meat and meat products market.....	6
Management.....	7
The investment.....	8

Introduction

Gefin Insolv I.P.U.R.L., with headquarters in Romania, str. Iosif Vulcan nr.7, ap.7, Oradea, Bihor county, assigned as liquidator of, in the case no. 7822/111/2009, of **SC FLORELIA PROD COMIMPEX SRL Santandrei**, *societate in faliment, in bankruptcy, en faillite*.

At the beginning of the insolvency proceedings in the year 2009, takes into account both the economical-financial situation of **SC FLORELIA PROD COMIMPEX SRL** and the conclusions arising from analyzing the facts by the liquidator, the information provided by the debtors representative but also from the conclusions drawn from the 05/20/2011 evaluation report.

FLORELIA PROD COMIMPEX SRL owns among other assets, a "meat factory". During 2006-2009 it was an important meat and meat products (chicken and other meats) producer and distributor, with a dominant position in the North-Western part of Romania.

FLORELIA PROD COMIMPEX SRL's economic sector was severely affected by the economic crisis. Still, the company has a great business development and even extension potential for the activity in the coming years. The meat products market is currently assessed by the Romanian Meat Association at one billion euro.

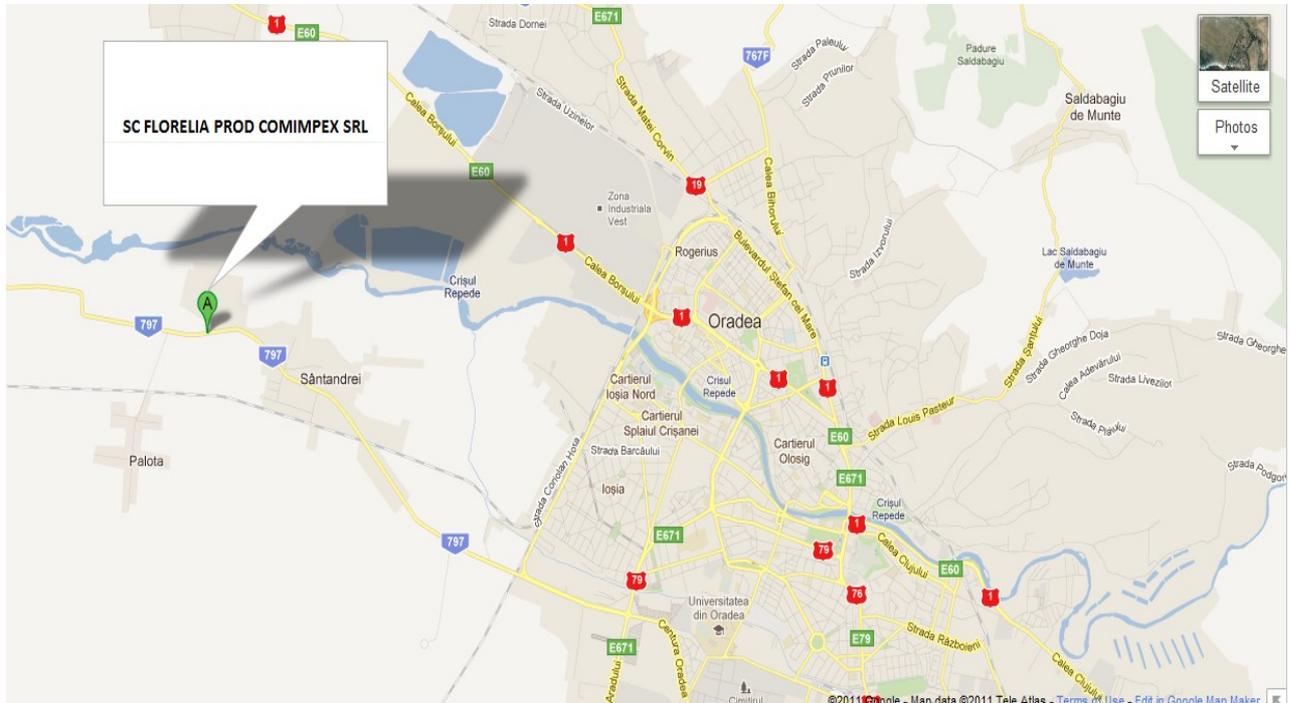
The company

SC FLORELIA PROD COMIMPEX SRL Santandrei hereinafter "FLORELIA" was founded in 1992 as a family business. In 2006, with EU funding, it manage to finalize the building with modernly equipped current meat factory. The company's primary activity is the manufacture and production of meat products: salami, sausages, chicken, etc., and as a secondary activity the sales of part of its production through its own stores.

The plant's production capacity is 6 tons of chicken meat per hour and 15 tons of meat products per day.

In December 2009 FLORELIA's insolvency procedure started and as the economic crisis evolved, in December 2010, as a result, the company went

into bankruptcy. Currently, the company is not engaged in any activity, and the assets have been sealed by the liquidator, Gefin Insolv I.P.U.R.L.



Florelia has the headquarter in Santandrei, Bihor county 10 km west from Oradea, where the meat factory is located:

- land area of 30.000 m²
- Buildings:
 - 1014 m² of warehouse (mainly refrigerating rooms),
 - 100 m² of offices and
 - 3308 m² of production space.



The factory was built in 2006 and is highly equipped in accordance with EU standards regulations.

The total investment (buildings and equipment), went up to 3 million euro, financed with SAPARD funds (EUR 1.5 million), and funds loaned out from the BRD bank, Italo Romena Bank (EUR 1.5 million) and Alpha Bank. The company has all necessary certificates in order to be able to sell within the EU;

In detail, the company's assets are:

- The meat factory - built area of 3.291,98 m² / usable area 2.993 m²
- refrigerating rooms - built area of 1.017,15 m² and 924 m² usable area
- concrete platform of 19.000 m²
- Fence with a built surface of 700 m²
- septic tank of 120 m³
- 50 m³ water tank and 280 ml drilling

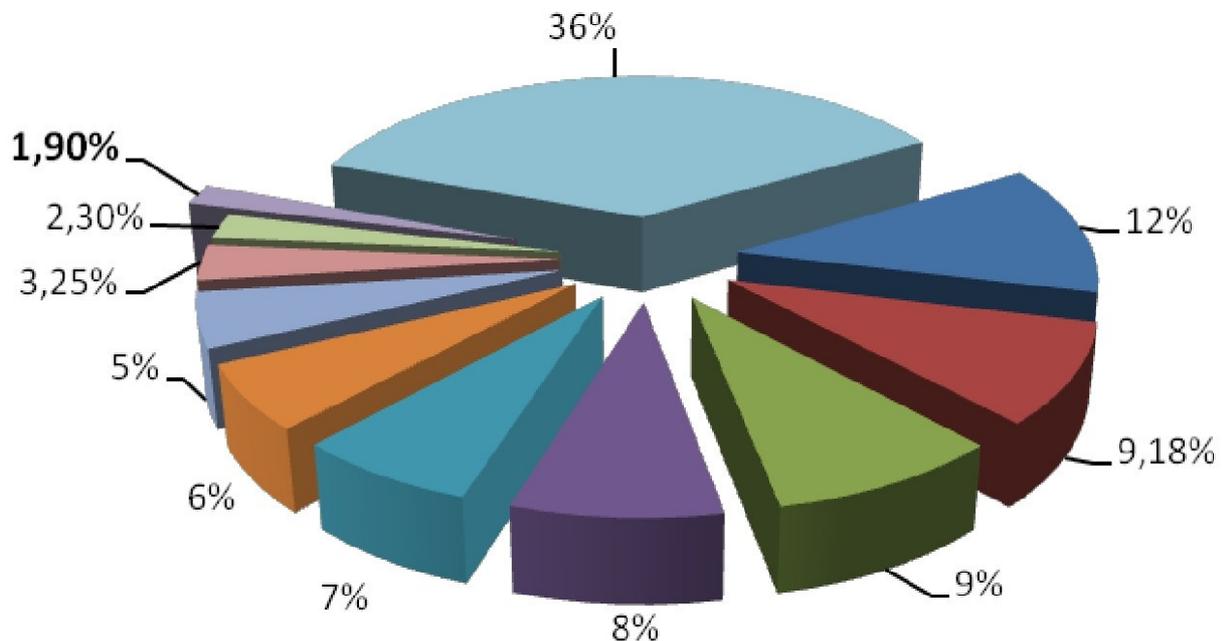


- Lot of land (built) with utilities (electricity, sewage), having an area of 30.000 m²
- Equipments and machinery for chicken and other processed meat products:
 - 2 refrigerating tunnels
 - cooling circuit (refrigeration)
 - Cooling unit for meat products
 - 120 K Cutter + G Wetter
 - meat injection equipment
 - 2 tumblers
 - HP 15 C Robot (Vemag)
 - Poultry processing line
 - ULMA SUPERCHIK 45P Packaging equipment
 - GY 7170 labeling machine



Meat and meat products market

According to the Romanian Meat Association, based on data provided by manufacturers, the market of meat and meat products is estimated to be worth one billion euros with a volume of 220.000 tons annually and is controlled by the top ten largest producers, having a 64% market share.



- | | | | | | |
|-----------|-------------|-------------|----------|----------|--------------|
| ■ CrisTim | ■ Aldis | ■ Unicarm | ■ Angst | ■ Caroli | ■ Elit Cugir |
| ■ Kosarom | ■ Campofrio | ■ Meda Prod | ■ Medeus | ■ Restul | |

In 2009 the consumption of meat products in Romania fell by 7%, August being the weakest month of the year. Florelia was one of the leading manufacturers and distributors of meat and meat products on the locally market, and according to manager's estimate the company's market share was around 4% in the 2008 – 2009 period for fresh meat and 2% for meat products

Currently, although some manufacturers turnover decreased in 2009 such as Angst (by 3%), or Aldis (by 13%), the market has an growing trend for both 2009 by 2.29% and 2010 by 2,37%.

Management

During 2007 and 2008 Florelia sold most of the production to large retailers. Because debt collection was slow, the management decided to sell through its own stores, stores being rented for this reason. The investment in this perspective resumed to equipping the rented stores with cooling units. The stores had 120 products available and generated sales of 80.000 lei per day.

In 2009, the company had approximately 250 customers and sales were structured as follows: the shops generating 25% of total sales, distribution (engros) 65% and exports 10% of total sales. The main foreign partners were located in Greece, Italy, Belgium, Hungary and Spain. The average gross margin in stores was 30%.

In the same year, the sales structure changed from 80% chicken and 20% pork to about 50% / 50%, thus improving company profitability, average gross margin being much higher with pork products.

The company's main products were chicken, pork, beef, sausages and salami but also the cutting and packaging of chicken and turkey. Florelia's salami and sausages were sold under the "Bihoreanul" brand name (the company's own), but other products (duck and rabbit meat) were only sold in bulk or packaged under the customer's own brand.

The company's capacity:

- 6 tons / hour for cutting and packaging chicken and
- 15 tons / day for salami and sausages.

Before the insolvency Florelia owned a fleet of 19 vehicles (the majority were in leasing), each with a capacity of 1.5 tons, which were used in the distribution network, structured as follows:

- Retail and Sub-distributors in all counties;
- own network in Bihor, Satu Mare and Maramures;
- 23 own stores of which 18 in Oradea, 2 in Satu Mare and one in each Sanmartin, Santandrei and Alesd
- external partners within the EU.

Florelia worked with the following suppliers: Avis 2000 (chicken), Camistin (chicken and raw materials for meat), Avicarvil and the Dutch company Storteboom (chicken legs).

In 2009, before entering an insolvency procedure Florelia had 186 employees, of which 139 were directly involved in production and sales processes.

The investment

As the main strengths of the company we would like to point out the very easy location in the northwest of the country near the Romanian border, only 9 km away from company headquarters, being among the few manufacturers in this area. Although certain costs are to be taken into account in order to start facilities and overall business, we want to mention that company assets are preserved in very good condition under the seal of the liquidator

Although the year 2009 was a ruthless year for Florelia, as it entered into the insolvency proceedings, things were similar for the entire economy including many of its competitors, leading to the conclusion that market sector expansion is very likely to occur in the coming years.

According to the evaluation report prepared in the insolvency proceedings a market value of 2,760,000 euros (without V.A.T) was set, including the plant (construction, fixed assets) with adjacent land, movables and inventory of the society. Also the mortgage lender Alpha Bank has shown willingness to finance the potential investor in favorable conditions

Liquidator

Gefin Insolv I.P.U.R.L

Associate coordinator

Jr.Marcel Buhas