

**Privatization Oportunity in ROMANIA**  
**S.C. ȘANTIERUL NAVAL MANGALIA SA**  
**Defense Industry Sector**

Location and Adress:	<b>Address:</b> MANGALIA, str. Intrarea Portului nr.1 jud. CONSTANȚA ROMANIA <b>Phone:</b> 0241/751390 <b>Fax:</b> 0241/751259 <b>Website:</b> www.mangalia shipyard.tomrad. <b>e-mail :</b> snm@mangalia.astral.ro				
Sector:	<b>Defense Industry</b>				
Activities:	Set up since 1956 it is an important producer of sea and river navy and trade ships of small tonnage. Yard layout allows design , construction , repair and up-to-dating of sea and river ships. Steel work , outfitting and repair of ship equipment (mechanical, electrical and sanitary, iron ,steel and other non-ferrous material casting , painting and anti-corrosive protection , mechanical processing , naval and/or road transporting services etc can be carried out Production is structured on specialized workshops according to the above mentioned activities.				
Ownership:	S.C.Șantierul Naval Mangalia S.A .is a 100 % state-owned company and it is organized as a joint-stock company in accordance with the Law no.31/1990 republished in the Official Monitor no.33 / 1998.				
Workforce:	Shipyard has a number of 271 employees , at a different level of skill , as follows : 62 in administration and management , 171 directly productive workers and 38 indirectly productive workers.				
Output Capacity:	2001			2000	2002
	Output USD	Capacity USD	Capacity utilization (%)	Output USD	Output USD
	925.726 USD	3.927.000	23	1.601.782 USD	1.848.421
Market position:	In February 2002 the shiptard has built and repaired ships up to the amount of USD 258 988, out of which 56,5 % for export. The beneficiary companies were Sault Shipping –Gibraltar , Philipp Ebert &Sohne – Germany , Aeromaritime Systembau GmbH-germany , Ocean Talent –Cyprus and sapir Kokav -Israel				

Fixed assets:	<p>Shipyard possesses an area of 30,3004 ha as own property located within Mangalia town The built area , on ground , is of 3,355 ha. There are 15 buildings intended for production , 8 buildings as warehouses and 6 social buildings as well as quays of more than 700 m total length and a sea depth of 5-6 m</p> <p>S.C.Santierul Naval Mangalia S.A. has a floating dock of 1750tf , a slip way of 600 tf(by changing the transporting cables it can reach 800 tf ) and there can be carried out repair works to more ships at the same time ; a plasma cutting machine type ERGOREX and automatic and semi-automatic shield welding stations ; induction ovens for casting of ferrous and non-ferrous metals ; hoisting devices of 16 tf and 50 tf ; cold and hot galvanization ; machining devices ; road transporting means ; tugs and boats etc.</p> <p>Note : beginning with January of 2003 the shipyard concedes to Mangalia Town Council an area of 13 ha and assets amounting ROL 3,1billion for establishing of an industrial park in accordance with the Government Decision no.HG1348 / 2002, including a ground built area of 0,7 ha.</p>
Upside Potential:	<p>In the course of the years most of the Romanian Navy's vessels have been built at Mangalia Shipyard. After 1990 , for lack of orders for navy ships , different ships of Romanian and Foreign owners have been built and repaired such as &gt; fishing ships , life rescue boats , pushers , barges , coasters , chemical tankers , container ships . In this zone there are personnel skilled in shipbuilding who may be employed anytime . Our company has the technical potential and , with minimum of investments, there could be built any ships of small tonnage adequate to the yard conditions. There would be necessary investments in new equipment . For lack of funds no investment project has been made.</p>

Financial Highligths	Income Statement	Q2-2002 USD'000	2001 USD'000	2000 USD'000
Audited Figures	Net sales Revenues	1,113,515	1,130,865	312,357
	Other Operating Revenues	649	11,142	3,325
	Costs of Goods,Materials and Services	291,312	561,234	137,166
	Labor Costs	535,478	469,283	90,340
	Other Expenses	115,213	100,425	22,343
	Operating Expenses	172,161	12,066	65,834
	Financial Revenues	8,218	8,136	1,928
	Financial Expenses	20,803	55,270	13,256
	Financial Result		-12,585	-47,134

	Extraordinary Revenues	10,206	18,549	49,334
	Extraordinary Revenues	50,853	70,666	3,618
	Extraordinary Result	-40,647	-52,117	13,153
	Gross Profit	118,929	-87,185	67,659
	Tax on Profit	7,752	0	21,755
	Net Profit for the Financial Year	111,177	-87,185	45,904

Financial Highlights	Balance Sheet	Q2-2002 USD'000	2001 USD'000	2000 USD'000
Audited Figures	Intangible Assets	934,739	1,007,107	1,245,232
	Stocks (material )	334,814	437,861	422,111
	Other operating assets	476,102	158,479	233,048
	Advanced expenses	1,161	2,213	3,000
	Total Assets	1,747,316	1,605,661	1,903,391
	Socially Owned Capital	1,044,565	1,106,716	1,348,799
	Reserves	2,955	3,131	17,092
	Undistributed Profit	104,598	110,821	42,026
	Profit	111,177	16,346	45,904
	Profit Distribution	0	16,346	45,904
	Other funds	7,277	7,710	9,396
	Subsidiaries for investments	26,049	29,594	101
	Total Capital	1,087,425	1,036,329	1,333,304
	Long Term Loans	722,292	115,982	119,116
	Liabilities	570,916	435,764	421,865
	Commissions	16651	17,641	28,923
Advanced revenues	31	33	183	
Total Liabilities	1,747,316	1,605,661	1,903,391	

Valoare dolar –2000-la 31.12.2000 = 25.926 lei

Valoare dolar –2001-la 31.12.2001 = 31.597 lei

Valoare dolar –2002-la 30.06.2000 = 33.477 lei

DIRECTOR

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