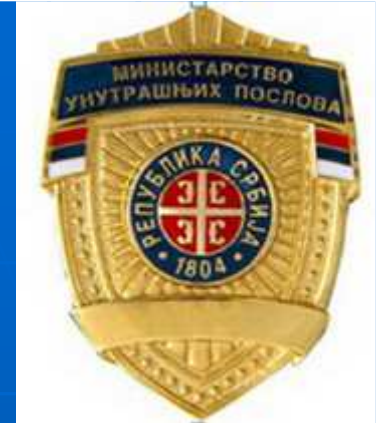




Republic of Serbia

“AGROŽIV”

- REVIEW OF ACTIONS TO PROVE
CRIMES
- Abuse of power from Article 359
Penal Code RS
- Money laundering Article 231
Penal Code RS

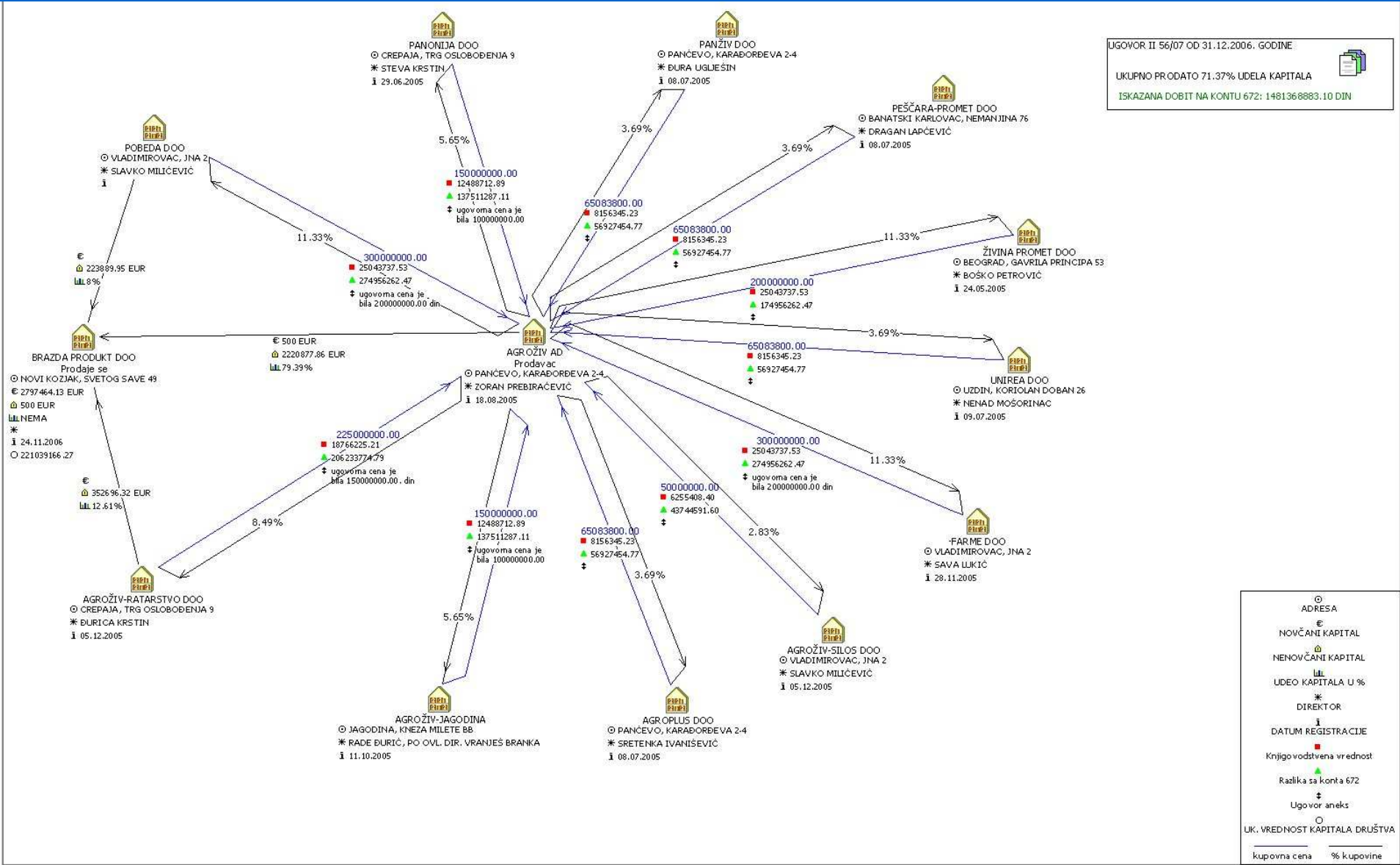
- Agroživ was the leader in poultry breeding and production of poultry products in the region.
- It operated as a HOLDING company consisting of 36 subsidiaries, among which were many companies with social capital.
- Holding was owned by three individuals who owned 100% of shares.

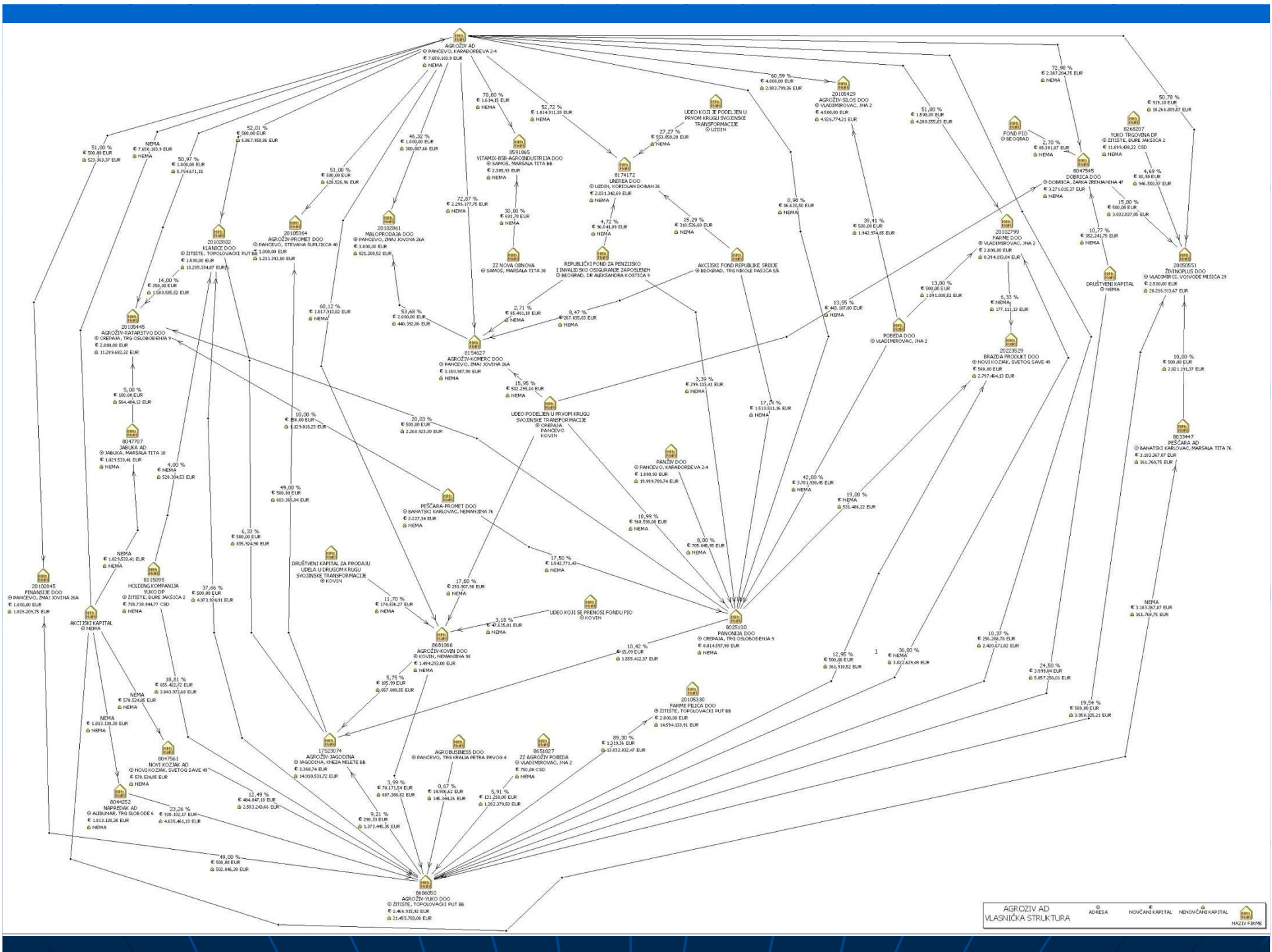
- Dissatisfied with their position, the workers of "Agroživ" filed a police report which indicated that their salaries are paid illegally, 6 months delayed, and that the owners pay themselves dividends every month.
- In addition, with the operating work of the police, the reports of workers were confirmed, and a large number of other frauds were discovered in the holding company.

- The greatest number of identified frauds was made when converting social capital into the private and when the holding company took loans from banks.
- Police investigation that included the use of special investigation methods by orders of the examining judge took just over a year.

- In conducting the inspection it was observed that the companies operating within the holding company made their internal capital market, which they used for making profit which was shown in the annual financial reports.
- Profit was accomplished by making a big difference between book value (real value) and the alleged market value.
- All contracts were concluded on 31/12.

- Companies from the system concluded fictitious contracts on the sale of share based on which holding showed gain in annual financial reports.
- Holding then displayed such reports to banks which, based on that, gave them loans.
- Total debt of the holding company before the implementation process reached 123 million euros, and the total capital value of all companies within the holding company was around 60 million euros.





- Loan amounts that the holding received from banks was constantly increasing, the last loan was in the amount of 54 million euros.
- The loans were used for servicing the previously obtained loans, one part for regular operations and one part for the payment of dividends.

- Dividends were paid to the owners of the holding on the basis of the profit achieved on the basis of fictitious contracts on the sale of share among companies in the holding.
- During the period covered by the police checks 1,500,000,000.00 dinars was paid out to the owners, or about 18 million euros.

- The police arrested the owners of the holding and directors of companies in the system who concluded fictitious contracts on the sale of share on the basis of which the profits were shown in the annual financial reports.

Thank you for your attention

The end