

According to the Article 38. of Privatization Law (<<Official Gazette of the Republic of Serbia>>, number 38/2001), as well as Article 5. of the Decree on Sale of Capital and/or Property by Public Auction (Official Gazette of the Republic of Serbia>> no. 45/2001, 45/2002 and 19/2003) the Privatization Agency of the Republic of Serbia hereby publishes:

## PUBLIC ANNOUNCEMENT for participation in the public auction

### Information about PUBLIC AUCTION:

The Privatization Agency as a joint offer is offering 70% of the socially owned capital of the entity undergoing privatization, which is 63% of the total capital and 100% participation of JSC industry of equipment and vehicles GOSA holding Co., Smederevska Palanka in the capital of Limited liability enterprise for production of furniture "GOSA - FABRIKA NAMESTAJA", SMEDEREVSKA PALANKA which is 10% of the total capital. Total of 73% of the capital is offered for sale. Participation of JSC industry of equipment and vehicles GOSA holding Co., Smederevska Palanka in the capital of the entity, is sold based on the authorization given to the Agency.

The price for the auction documentation for each enterprise is **30.000** din, which should be paid after receiving invoice from the Privatization Agency.

Purchase of auction documentation is obligatory for those wishing to participate in the auction. After presenting evidence of payment and signing a Confidentiality Agreement, the auction documentation can be collected on business days from 10:00 to 17:00 from 07.11.2003. until 01.12.2003 from: The Privatization Agency, Terazije 23/V, room number 511  
**Deadline for submitting of applications is 02.12.2003. till 17.00.** Completed application forms for participation in the auction, which are included in the auction documentation, together with signed sale and purchase agreement and evidence of payment of the deposit are submitted in envelope clearly marked on the outside:

**" APPLICATION FOR PARTICIPATION ON PUBLIC AUCTION 101203"**  
Privatization Agency, Auction Center, Terazije 23/V, 11000 Beograd. APPLICATIONS THAT SHOW THE NAME OF THE COMPANY

TO BE PRIVATIZED OR THE FULL AUCTION SALE CODE ON THE OUTSIDE OF THE ENVELOPE MAY BE REJECTED.

The auction will take place on **10.12.2003** at: Yugoslav Chamber of Commerce, Terazije 23/II, Beograd at 11:00 a.m. Registration of the participants will take place on **10.12.2003.** at the same address from 09.00 until 10.50. **Means of payment for a part of socially owned capital which is sold as a joint offer (63%):** domestic currency, foreign convertible currency, bonds issued to individuals who are the citizens of the Republic of Serbia, against unpaid household foreign exchange savings with maturity not longer then capital sale day (10.12.2003). If a participant applies only for second auction payment can be made with bonds issued to individuals who are the citizens of the Republic of Serbia, against unpaid household foreign exchange savings regardless of maturity date.

**Means of payment for a participation percentage of JSC industry of equipment and vehicles GOSA holding Co., Smederevska Palanka (10%) in the total capital of the entity undergoing privatization, can be ONLY in domestic currency or foreign convertible currency,**

**but the part of the sales and purchase price ( achieved at the auction) proportionally to the participation of the holding in the entity undergoing privatization, is paid in the lump no matter if participant applied for first or second auction.**

If first class bank guarantee is used for a payment of the deposit, it has to be payable within 48 hours after pronouncing the buyer at the auction.

Deposit for participation at the public auction will be returned 15 days after the auction.

The Agency holds the right to change the auction or deadline date for applications if need occurs and informs interested parties. Site visits may be arranged with the Privatization Agency after signing the Confidentiality Agreement (Phone number: + 381 (11) 3020-804; 011/3020-803 Fax: +381 (11) 3020-881. Visits may take place from 07.11.2003 until 01.12.2003.

\* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 05.11.2003.

\*\* Total operating revenues and expenditures for 2000. and 2001. and expressed in EURO have been calculated using the average real exchange rate for the two years respectively (2000. and 2001.).

## Short description of the public auction procedure:

Sale of capital by Public Auction is performed by the Auctioneer starting price and each following increase. If after invitations for announcement no interest is shown, auctioneer announces the commission that is chosen by the Privatization Agency, acceptance of new announced price no bidder raise his/her hand, end of the auction with the hit of the hammer. The sale price will be the highest offered price and winner will be the bidder who Supervision of the Auction, registration of the participants, the auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and accepted it. If after the third announcement for acceptance of the minutes is done by the Commission which is also involved in other the winner will be the bidder who accepted it. If after the third new starting price there were no interested bidders, the auction is activities concerning the auction in accordance with the law, announcement of the starting price no interest is shown, declared unsuccessful and participant forfeit their deposits. When Conditions for starting of public auction are fulfilled if at least one auctioneer declares first auction unsuccessful with the hit of the hammer on the second auction only one bidder participates, he is invited to person has acquired the status of participant and if this person or hammer and starts second bidding where means of payment can accept starting price for three times. If he accepts starting price he his/hers duly authorized representative are present. be in foreign exchange household savings bonds of any maturity, is declared a buyer where starting price is sale price. If he refuses The Auctioneer will open the first auction at the time settled for its Participants will be bidders applied for the second auction and the starting price, the auction is declared unsuccessful and he opening where means of payment can be cash and matured from the previous auction if it was unsuccessful. If on the second forfeits his deposit. foreign exchange household saving bonds. If on the first auction auction more then one bidder participates, the auctioneer . more then one bidder participates, the auctioneer announces the announces starting price and each following increase. If after third

### 1) Basic data on enterprise to be privatized: Enterprise with limited liability for production of furniture "GOSA – FABRIKA NAMESTAJA", SMEDEREVSKA PALANKA

**Auction sale code: 101203-1 946**

**Core activity: Manufacture of furniture and other wooden products**

Total estimated value of the capital sale : 40.922.700 D n or \*613.066 EUR  
That is 73 % of the total capital of the enterprise.  
Deposit for participation in the auction is: 4.092.000 D n or 61.306 EUR  
Starting auction price is: 8.184.540. Din  
Minimum investment in enterprise to be privatized: 5.279.400 Din.

**Most important assets of the enterprise:**

**A) Buildings – (m<sup>2</sup>):**

1. Machinery workshop (3408), 2. Boiler room (120), 3. Polishing department (720), 4. Final assembling (2040), 5. Offices (382), 6. Warehouse (370)

1) Drying equipment (SOP KRSKO), 2) Hydraulic press (Junior 100), 3) Four side grating machine (AC – 4- 230), 4) Double formatting machine (SKENER), 5) Polishing line (LK – A5 -14)

**C) Land (m<sup>2</sup>):** Land for development: ( 0 ), Agricultural land: ( 0 )

**Financial information for year:**

Shown in:	2001.		2002.	
	Din	**EURO	Din	**EURO
Total operating revenues	11.606.000	195.065	4.595.000	76.133
Total operating expenditures	25.746.000	432.720	16.869.000	279.496

**D) Most important products/services:** 1) Production of construction carpentry, 2) Production of office furniture, 3) Production of kit hen furniture, 4) Retail sale of furniture , 5) Wholesale trade with wood

Number of employees: 130; of which with University degree:1