

PUBLIC ANNOUNCEMENT for participation in the public auction

Information about PUBLIC AUCTION:

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 01.07.2003. until 22.07. 2003 from: The Privatization Agency, Terazije 23/V, room number 511

Deadline for submitting of applications is 23.07.2003. 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 310703" 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 **31.07.2003** at: Yugoslav Chamber of Commerce, Terazije 23/II, Beograd at 11:00 a.m. Registration of the participants will take place on **31.07.2003.** at the same address from 09.00 until 10.50 **Means of payment:** 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 (31.07.2003). 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.
If participant applies only for second auction, deposit can be paid with 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 (31.07.2003.). 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 01.07 until 22.07.2003.

* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 01.07.2003.

** 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. The Auctioneer is chosen by the Privatization Agency. Supervision of the Auction, registration of the participants, declaring of the unsuccessful auction, signing of the auction minutes is done by the Commission which is also involved in other activities concerning the auction in accordance with the law. Conditions for starting of public auction are fulfilled if at least one person has acquired the status of participant and if this person or his/hers duly authorized representative are present.

The Auctioneer will open the first auction at the time settled for its opening where means of payment can be cash and matured foreign exchange household saving bonds. If on the first auction more then one bidder participates, the auctioneer announces the

starting price and each following increase. If after invitations for acceptance of new announced price no bidder raise his/her hand, the auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and the winner will be the bidder who accepted it. If after the third announcement of the starting price no interest is shown, the auctioneer declares first auction unsuccessful with the hit of the hammer and starts second bidding where means of payment can be in foreign exchange household savings bonds of any maturity. Participants will be bidders applied for the second auction and from the previous auction if it was unsuccessful. If on the second auction more then one bidder participates, the auctioneer announces starting price and each following increase. If after third

announcement no interest is shown, auctioneer announces the 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 accepted it. If after the third announcement for acceptance of new starting price there were no interested bidders, the auction is declared unsuccessful and participant forfeit their deposits. When on the second auction only one bidder participates, he is invited to accept starting price for three times. If he accepts starting price he is declared a buyer where starting price is sale price. If he refuses the starting price, the auction is declared unsuccessful and he forfeits his deposit.

1) Basic data on enterprise to be privatized: Socially owned meat industry «MIP», POZAREVAC

Auction sale code: 310703-0259p

ID number:07163169

Core activity: Production and processing of poultry meat

Total estimated value of the capital sale : 276.530.000 Din or *4.302.777 EUR
That is 70 % of the total capital of the enterprise.

Deposit for participation in the auction is: 13.827.000 Din or 215.139 EUR

Starting auction price is: 27.653.000 Din

Minimum investment in enterprise to be privatized: 178.068.000 Din.

Most important assets of the enterprise:

A) Buildings – (m²):

1. New building of slaughter house (14930), 2. Main manufacture building (13103), 3. Management building (1210), 4. New boiler room with coal (740), 5. Object for cleaning of waste waters (207)

B) Equipment:

1) Roto machine, 2) Packing machine (Tiromat), 3) Filling machine (Vemar, Townsend), 4) Line for producing of ham (Dorit, Transvic), 5) Line for melting of fat (Westfalia)

C) Land (m²): Land for development: (194783)

Financial information for year:

2000.

2001.

Shown in:	Din	**EURO	Din	**EURO
Total operating revenues	175.713.000	3.479.465	142.387.000	2.393.139
Total operating expenditures	213.811.000	4.233.881	335.043.000	5.631.164

D) Most important products/services: 1) Slaughtering of pigs, 2) Slaughtering of cattle, 3) Semi lasting sausages, 4) Long lasting sausages, 5) Dried meta products

Number of employees: 350 of which with University degree: 18

**2) Basic data on enterprise to be privatized: Joint stock company for manufacture of equipment for vehicles
«TEHNIKA AD», KULA**

Auction sale code: 310703-0566p
ID number:08004587
Core activity: Manufacture of spare parts and equipment for vehicles

Total estimated value of the capital sale : 65.421.000 Din or *1.017.937 EUR
 That is 69.104 % of the total capital of the enterprise.
Deposit for participation in the auction is: 3.271.000 Din or 50.897 EUR
Starting auction price is: 6.542.000 Din
Minimum investment in enterprise to be privatized: 7.970.000 Din.

Most important assets of the enterprise:

A) Buildings – (m²):
 1. New management building (780), 2. Old management building (102), 3. Manufacture hall (1613), 4. Warehouse (800), 5. Hall and warehouse (1102)

B) Equipment:
 1) Set of tools number 8 (511), 2) Set of tools number 9 (511), 3) Set of tools number 10 (511), 4. Set of tools number 11 (511)

C) Land (m²): Land for development: (46798)

Financial information for year:		2000.		2001.	
Shown in:	Din	**EURO	Din	**EURO	
Total operating revenues	86.244.000	1.707.802	5.825.000	97.902	
Total operating expenditures	67.914.000	1.344.832	35.641.000	599.029	

D) Most important products/services: 1) Box for electric batteries
Number of employees: 155 of which with University degree:9

3) Basic data on enterprise to be privatized: Socially owned wholesale and retail trade enterprise «JUGEKSPRES AUTO KUCA ZASTAVA», LESKOVAC

Auction sale code: 310703-0760

ID number:07318332

Core activity: Sale of motor vehicles

Total estimated value of the capital sale : 73.708.000 Din or *1.146.889 EUR

That is 70 % of the total capital of the enterprise.

Deposit for participation in the auction is: 7.371.000 Din or 114.689 EUR

Starting auction price is: 14.742.000 Din

Minimum investment in enterprise to be privatized: 1.594.000 Din.

Most important assets of the enterprise:

A) Buildings – (m²):

1. Service for passenger vehicles (3125), 2. Service for temporary vehicles (391), 3. Shop in Vlasotince (51), 4. Shop in Lebane (35), 5. Shop number 2 (56)

B) Equipment:

1) Device for examining of exhaust gases (DIMOMER), 2) Device for fitting of gangplank (ORT-BEOOPTIK), 3) Contact plank (MIN – NP 1), 4) Machine for washing with warm water (GHIBLI S), 5) Electric boilers (EKO PAN – 24 KW)

C) Land (m²): Land for development: (36174)

Financial information for year:

2001.

2002.

Shown in:	Din	**EURO	Din	**EURO
Total operating revenues	28.085.000	472.033	30.552.000	506.205
Total operating expenditures	29.932.000	503.076	34.315.000	568.553

D) Most important products/services: 1) Sale of motor vehicles, 2) Maintenance and repair of motor vehicles, 3) Sale of spare parts, 4) Periodical testing of motor vehicles, 5) Insurance agent activities

Number of employees: 81 of which with University degree:3