

Privatization Agency  
Republic of Serbia  
23/vi, Terazije, 11000 Belgrade  
tel: 011/3020-800, fax: 011/3020-828

230000000, 11000 Belgrade, Serbia and Montenegro  
011/3020-804,011/3020-803 fax: 011/3020-881

According to the Article 38 of the privatization legislation ("Official Gazette RS" No. 38/01 and 18/02), and the Article 5 of the capital and estate selling regulation on public auction ("Official Gazette RS" No. 45/01; 45/02 19/03, 59/04 and 98/04), The Privatization Agency announces:

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## BASIC INFORMATION ABOUT THE AUCTION

Within the framework of joint offer The Privatization Agency offers 70,00% of socially-owned capital of the enterprise to be privatized, which is 21,00% of total capital and 100,00% of the participation of ELEKTRONSKA INDUSTRIJA -EI, NIŠ, which is 70,00% of total capital. It is offered in total 91,00% of the capital of the enterprise to be privatized. The participation of ELEKTRONSKA INDUSTRIJA -EI, NIŠ in the capital of the enterprise is on sale according to the authority given to the Privatization Agency.

Those who are interested in buying the auction documentation can do that at the price of 30,000 dinars, after the invoice is received from the Privatization Agency. The purchase of the auction documentation is obligatory, and on its receipt, one is to sign the Agreement on keeping the confidential information. After the payment evidence is enclosed, the auction documentation can be collected at the following address:

The Privatization Agency, Belgrade, 23 Terazije, 09:00 - 17:00, 03.12.2004 - 30.12.2004 and 10.01.2005 - 18.01.2005

**CLOSING DATE FOR APPLYING IS 19.01.2005 UNTIL 17:00**

The filled application which is a part of the documentation with signed draft of sales contract and deposit payment evidence is to be enclosed in closed envelope with the following inscription: "The Application for Entering the Public Auction 270105, Privatization Agency, Belgrade, 23 Terazije".

IF THERE IS NOT THE NAME OF THE ENTERPRISE TO BE PRIVATIZED ON THE ENVELOPE, OR THE FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

**THE AUCTION IS GOING TO TAKE PLACE ON 27.01.2005.**

At the address: Privatization Agency, Belgrade, 23 Terazije, 2<sup>nd</sup> floor, large hall, 11:00. The registration of the auction participants is going to take place at the same address on 27. 01. 2005, 9:00-10:50.

**Means of payment for a part of socially-owned capital on sale within the framework of the joint offer (21,00%)** can be in domestic currency, foreign convertible currency, bonds based on the outstanding foreign exchange saving which is to become due not later than the capital selling day (27. 01. 2005), issued to physical persons who are the citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can be even the bonds according to the outstanding foreign exchange saving which are not to be due until the capital selling day (27. 01. 2005), issued to physical persons who are the citizens of the Republic of Serbia.

**Means of payment in the participation percentage of ELEKTRONSKA INDUSTRIJA-EI, NIŠ (70,00%) in total capital of the enterprise to be privatized can be ONLY in domestic currency and foreign convertible currency, but a part of sales price (achieved auction selling price) is paid in cash in 6 equal annual installments commensurate with participation of the holding in the enterprise to be privatized, regarding that the first installment becomes due 8 days after the signing the Sales contract. The amount of leftover debt is accorded with the value of Euro on due date.**

In case that first-class bank guarantee is enclosed as the means of payment for the deposit, it has to be payable within the period of 48 hours from the declaration of a buyer at the auction.

The participation deposit is to be returned 15 days after the auction is held.

The Privatization Agency keeps the right to change the date of the auction and the closing date for applying as well as to inform the interested until the auction day at the latest.

The subject of privatization will be visited after the agreement on keeping the confidential information is signed, 03.12.2004 - 18.01.2005, at the previously established time by the Privatization Agency tel: 011/3020-804;011/3020-803 or fax: 011/3020-881.

\* Total evaluation of the capital which is privatized, in Euro, is calculated in accordance with the official rate on 03.12.2004

\*\* The information about total business income and expense, in Euro, are calculated in accordance with average annual real rate.

Short description of PUBLIC AUCTION PROCEDURE

Capital selling in the process of public auction is carried out by the commission established by The Privatization Agency. The commission monitors auction sales, registers auction participants, declares auction unsuccessful, signs the minutes and does other important jobs for auction process according to the law. The conditions for the auction are fulfilled if at least one person is given the auction participant status, if he is personally present or through his official accredited representative. At time ordered for the start of PUBLIC AUCTION, the auctioneer will first open the bidding where the means of payment can be in cash or due bonds. If there are many persons at the bidding, the auctioneer announces initial price as well as each further increase. If there are many persons at the bidding, the auctioneer announces initial price as well as each further increase. In case that none of the interested buyers react after

the third call for accepting the newly established price, the auctioneer, by hammering, declares the auction finished. Selling price becomes the highest offered value, and the participant who has been the first to offer the highest price is declared a buyer. If after the announcement of the initial price there are no interested after the third invitation, the auctioneer, by hammering, declares the first bidding unsuccessful, and immediately opens the second bidding where the means of payment can be immature bonds. Those who have applied for the second bidding can participate at the second bidding as well as the participants of the first bidding if it has been unsuccessful. If there are many participants at the second bidding, the auctioneer announces initial price as well as each further increase. If none of the interested buyers react after the third call for accepting the newly established price, the

auctioneer, by hammering, declares the auction finished. Selling price becomes the highest offered value, and the participant who has been the first to offer the highest price is declared a buyer. If there are no interested bidders after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back the deposit.

When there is only one person at the bidding who has been given the status of participant, that person is called three times to accept the initial price. If he accepts the initial price, he is declared a buyer, and the initial price becomes selling price. If the participant doesn't accept the initial price, the auction is declared unsuccessful, and he loses the right to be brought back the deposit.

### 1) Basic information about enterprise to be privatized: enterprise for production of electric-medical devices and equipment EI ELEKTROMEDICINA Ltd., NIŠ

**Auction code:** 270105-1277?

**ID Number:** 07210973

**Field of work:** X-ray machine production

Total estimated value of the capital to be privatized:: 114.754.000 Din or 1.476.358 \*EUR which is 91% of the total capital of the enterprise.

**Deposit for the participation in the auction:** 9.180.000 Din or 118.109 \*EUR

**Initial auction price:** 18.361.000 Din.

**Minimum investment in the enterprise to be privatized:** 4.287.000 Din.

#### The most important property of the enterprise to be privatized

##### A) Buildings – the most important facilities (? ?):

1. Plant hall No. 1 – High groundfloor, Bulevar Svetog cara Konstantina 80-86, Niš (7420) 2. Plant hall No. 2 – Low groundfloor, Bulevar Svetog cara Konstantina 80-86, Niš (2700) 3. Public shelter building, Bulevar Svetog cara Konstantina 80-86, Niš (913) 4. Building for other industrial activities, Bulevar Svetog cara Konstantina 80-86, Niš(263)

##### B) The most important equipment:

1) Passenger car Yugo Tempo 1.1 2) General plane (pa22/1000) 3) Hydraulic tyre pressing machine (hnpq-500 g? 1) 4) Tool sharpening machine (?? s) 5) Vacuum soldering machine 006 (?? -006)

##### C) Land (? ?): Construction land: (13755) – state owned

Statement of income and expense per year:	2002		2003	
	Din	**EUR	Din	**EUR
Shown in:				
Total business income	28.405.000	470.632	4.676.000	71.875
Total business expense	20.459.000	338.978	23.613.000	362.959

**The most important products/services:** 1) Production of orthopedic apparatus, medical equipment and instruments 2) Production of controlling and measuring instruments and apparatus 3) Wholesale of pharmaceutical products 4) EKG apparatus 5) Physical therapy apparatus 6) Surgical apparatus 7) Equipment for electric-medical apparatus 8) Trade goods sale

**Total number of employees:** 82; **the employees with university qualifications:** 16