

1) Basic information about the subject of privatization: Socially-owned construction enterprise NAPREDAK, VRBAS

Auction code: 210205-0851?

Official Registration Number: **08117853**

Field of work: **Building and specialized works**

Total estimated value of the capital to be privatized: **52.186.000 Din or 658.300 *EUR** which is 70% of the total capital of the enterprise.

Deposit for the participation in the auction: **2.609.000 Din or 32.915 *EUR**

Initial auction price: **5.219.000 Din**

Minimum investment in the enterprise to be privatized: **4.453.000 Din**

The most important property of the enterprise to be privatized

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

1. Administrative building (right of use) (1189) 2. Brickyard (right of use) (1486) 3. Plant and equipment (right of use) (620) 4. Timber yard (right of use) (926) 5. Reinforcing plant (right of use) (324)

B) The most important equipment:

1) Concrete making machine (BK-30 Fagram) 2) Trencher (Progres) 3) Machine for making grid panels (Fagram) 4) Trencher 5) Light construction equipment

C) Land (? ?): *Construction land: (84399) – state owned*

Statement of income and expense per year:

	2002		2003	
	Din	**EUR	DIn	**EUR
Shown in:				
Total business income	56.115.000	929.749	10.568.000	162.442
Total business expense	58.601.000	970.939	36.142.000	555.544

The most important products /services: 1) Flats 2) Halls 3) Offices 4) Concrete

Total number of employees: 114; **the employees with university qualifications:** 1

Capital selling in the process of public auction is carried out by a commission established by The Privatization Agency. The commission monitors auction sales, registers auction participants, declares auction unsuccessful, signs the minute 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 unmatured 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.

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

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:

23 Terazije, 11000 Belgrade, Serbia and Montenegro

tel: 011/3020-804, 011/3020-803 fax: 011/3020-881

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic information about auction sale

Those who are interested can buy auction documentation 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:

10 Bulevar Mihajla Pupina (5th floor), Novi Sad, 9:00 - 17:00, from 12.01.2005 to 10.02.2005.

THE CLOSING DATE FOR APPLYING IS 11.02.2005, UNTIL 17:00.

The filled application which is a part of the auction 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 PUBLIC AUCTION 210205, 10 Bulevar Mihajla Pupina (5th floor), Novi Sad".

* Total evaluation of the capital which is privatized, in Euro, is calculated in accordance with the official rate on 12.01.2005.

** The information about total business income and expense, in Euro, is calculated in accordance with average annual real rates.

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.

AUCTION IS GOING TO TAKE PLACE ON: 21.02.2005.

At the address: **Novi Sad, Public enterprise Sportsko poslovni centar Vojvodina-SPENS** at **11:00**. The registration of the auction participants is going to take place at the same address on: **21.02.2005, 09:00 - 10:50**.

Means of payment 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 (21.02.2005.) 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 (21.02.2005.) issued to physical persons who are the citizens of the Republic of Serbia.

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, from 12.01.2005 to 10.02.2005, at the previously established time by the Privatization Agency, tel: 021/452-959 or fax: 021/452-967.

Short description of PUBLIC AUCTION PROCEDURE