

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

Those who are interested can purchase auction documentation at the price of: **CSD 25.000**, after the receipt of invoice from the Privatization Agency. VAT is not calculated in the price. The purchase of the auction documentation is obligatory and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documentation can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St., from 09:00 – 17:00 in period from 20.01.2006 until 17.02.2006.

**CLOSING DATE FOR THE APPLICATION SUBMISSION is 20.02.2006 until 17:00.**

Filled application, which is a part of the auction documentation, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a closed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 280206, Privatization Agency, Belgrade, 23 Terazije".

IF THERE IS NAME OF THE SUBJECT UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

### THE AUCTION SHALL BE HELD ON 28.02.2006.

at the address: Privatization Agency, Belgrade, 23 Terazije St., 2<sup>nd</sup> floor, Large Hall at **11:00**. The registration of the auction participants is going to take place at the same address on: **28.02.2006, from 09:00 – 10:50.**

**Means of payment** can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of sale of the capital (28.02.2006), issued to the natural persons, who are citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can be even the state bonds based upon the unpaid foreign currency savings of citizens, which are not to become due until the capital sale date (28.02.2006), issued to the physical persons, who are citizens of the Republic of Serbia.

In case that the first class bank guarantee has been submitted as the means of deposit payment, it is to become due within 48 hours after the declaration a buyer.

Deposit for participation is to be brought back 15 days after the public auction has been held.

The Privatization Agency keeps the right to change the auction date as well as the closing date for the application submission if necessary, but also to inform the interested physical persons or legal entities on such changes, if any, until the auction date at the latest.

The visit to the subject undergoing privatization shall be carried out after the signing the Agreement on Confidentiality in the period from 20.01.2006 until 17.02.2006, after previously the time-table with the Privatization Agency has been established, phone: 011/3020-804; 011/3020-803 or by fax: 011/3020-881.

\* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 20.01.2006.*

\*\* *The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.*

## Brief description of the PUBLIC AUCTION PROCEDURE

The sale of the capital by method of the public auction is carried out by the Auction Commission, which is established by the Privatization Agency. The commission supervises the capital sale by the auction, registers the auction participants, pronounces the auction for unsuccessful, signs the minutes and performs other activities of importance for the auction performance in accordance with the Law. The conditions for the auction to be carried out are met, if at least one person has obtained the status of the auction participant and if it is presented personally or by an authorized representative. At the time ordered for the PUBLIC AUCTION opening, auctioneer shall open the first bidding, on which occasion the means of payment can be in cash or due bonds. If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. In case that none of the interested buyers reacts after the third call for acceptance the newly established price, the auctioneer

declares the auction finished by hammering. The 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 have not been interested parties after the announcement of the initial price, even after the third call, the auctioneer declares the first bidding unsuccessful by hammering and immediately afterwards opens the second bidding, on which occasion even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in, as well as the participants in the first bidding, in case it has been declared unsuccessful. If in the second bidding participate more than one person, the auctioneer announces the initial price, as well as each further increase. If none of the interested buyers reacts after the third call for acceptance the newly established price, the auctioneer, by hammering, declares the auction closed. The 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 have not been any interested parties even after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back the deposit. If only one party, who has been given the auction participant status, attends the second bidding, that party is invited three times to accept the initial price. If she/he accepts the initial price, she/he is declared a buyer and the initial price becomes the selling price. If the participant does not accept the initial price, the auction is declared unsuccessful, and she/he loses the right to be brought back the deposit.

**1) Basic information on the subject undergoing privatization: Društveno preduzeće Poljoprivredno – industrijski kombinat PEŠTER, SJENICA**

**Auction Sale Code: 280206-0774p**

ID Number of the Subject: 07259298

Field of work: Cattle breeding and dairy plant

The entire estimated value of the capital to be privatized: CSD 173.204.000 or \*EUR 1.986.083, representing 70,00 % of the total capital of the enterprise.

Deposit for auction participation: CSD 8.660.000 or \*EUR 99.304

The initial auction price: CSD 17.320.000

Minimum of the investments into the subject to be privatized: CSD 30.195.000

**The most important property of the subject undergoing privatization**

**A) Buildings – the most important facilities (m²):**

1. Slaughterhouse with refrigeration plant (6200) 2. Dairy plant–building (3275) 3. Administration building (1016) 4. Production plant (1240) 5. Warehouse no. 1 (2032)

**B) The most important equipment:**

1) Milk treatment line (Alfa–Laval) 2) Beverage production line (Alfa Laval) 3) Cheese production line 4) Cattle slaughtering line (one level) 5) Meat treatment line (Sneidelmann) 6) Line for cooling and freezing of meat (Jugostroj)

V) Land capacities (m²): Agricultural land: (10224944) – socially–owned, (31249444) – state ownership

Balance sheet per year:	2002		2003	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	11.125.000	184.326	11.125.000	171.004
Total business expenses	46.626.000	772.529	45.746.000	703.168

Main products/ services: 1) Sheep-milk cheese 2) Cow-milk cheese 3) Milk 4) Lamb meat 5) Veal 6) Cured meat

Total number of employees: 203; of whom BS/ BA: 19

**2) Basic information on the subject undergoing privatization: Akcionarsko društvo ZASTAVA ELEKTRO, RAČA**

**Auction Sale Code: 280206-1362p**

ID Number of the Subject: 07630832

Field of work: Manufacturing of electrical equipment for engines and vehicles

The entire estimated value of the capital to be privatized: CSD 277.633.000 or \*EUR 3.183.534, representing 69,279 % of the total capital of the enterprise.

Deposit for auction participation: CSD 13.882.000 or \*EUR 159.177

The initial auction price: CSD 27.763.000

Minimum of the investments into the subject to be privatized: CSD 26.085.000

**The most important property of the subject undergoing privatization**

**A) Buildings – the most important facilities (m²):**

1. Hall with annex (7052) 2. Warehouse (2133) 3. Boiler plant (215) 4. Mazout storage facility and tank (183)

**B) The most important equipment:**

1) Device for cutting of insulating tapes (MT–100) 2) Passenger vehicle (Florida 1.3 CV business) 3) Switchboard (Panasonic) 4) PC system

B) Land capacities (m²): Construction land: (41421) – state owned

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	48.256.000	741.750	58.628.000	803.101
Total business expenses	83.063.000	1.276.773	98.260.000	1.345.991

Main products/ services: 1) Electrical installations for motor vehicles of all types 2) Electroinstallations for agricultural machinery 3) Electroinstallations for building machines 4) Electroinstallations for home appliances

Total number of employees: 276; of whom BS/ BA: 4

**3) Basic information on the subject undergoing privatization: Društveno preduzeće za proizvodnju sirovina iz otpadaka PAPIR–SERVIS sa p.o., NEGOTIN**

**Auction Sale Code: 280206-1473p**

ID Number of the Subject: 17470795

Field of work: Scrap metal recycling

The entire estimated value of the capital to be privatized: CSD 8.695.000 or \*EUR 99.707, representing 70 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 435.000 or \*EUR 4.985

The initial auction price: CSD 870.000

Minimum of the investments into the subject to be privatized: CSD 3.180.000

**The most important property of the subject undergoing privatization**

**A) Buildings – the most important facilities (m²):**

1. Production facility/administration building in Negotin (373) 2. Storage place with eaves for collecting of secondary raw materials (Zajecar) – off–booked (186)

**B) The most important equipment:**

1) Press (Belisce N–2) 2) Hydraulic press (HRB–12) 3) Passenger vehicle (Corsa–33 kw) 4) Goods vehicle (TAM)

V) Land capacities (m²): Construction land: (5000) – state owned

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	5.284.000	81.221	1.936.000	26.520
Total business expenses	7.897.000	121.386	3.756.000	51.451

**Main products/ services:** 1) Scrap metal recycling 2) Paper recycling

**Total number of employees:** 12; of whom BS/ BA: 0

#### 4) Basic information on the subject undergoing privatization: Društveno preduzeće za trgovinu na veliko i malo, proizvodnju i usluge SLOBODA, NOVI PAZAR

**Auction Sale Code:** 280206-1538

ID number of the Subject: 07191430

Field of work: Textile wholesale

The entire estimated value of the capital to be privatized: CSD 350.356.000 or \*EUR 4.017.428, representing 70,00 % of the total subject capital to be privatized.

**Deposit** for auction participation: CSD 42.043.000 or \*EUR 482.091

**The initial auction price:** CSD 84.085.000

**Minimum of the investments** into the subject to be privatized: CSD 12.288.000

##### The most important property of the subject undergoing privatization

###### A) Buildings – the most important facilities (m<sup>2</sup>):

1. Warehouse – Novi Pazar (1819) 2. Head office building – Novi Pazar (275) 3. Warehouse no. 2 – Novi Pazar (624)

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

1) Computers (4 items) 2) Telephones (6 items, Panasonic) 3) Electrical forklift truck (2 items) 4) Office furniture

**V) Land capacities (m<sup>2</sup>):** *Construction land:(13.309) – socially-owned; (15.962) – state owned; Agricultural land: (4666) – state owned*

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	4.585.000	70.477	5.887.000	80.642
Total business expenses	42.482.000	652.997	26.106.000	357.607

**Main products/ services:** 1) Wholesale 2) Retail

**Total number of employees:** 114; of whom BS/ BA: 4

#### 5) Basic information on the subject undergoing privatization: Fabrika vijaka GRADAC, VALJEVO

**Auction Sale Code:** 280206-1551p

ID Number of the Subject: 07135971

Field of work: Manufacture of binding elements and chains

The entire estimated value of the capital to be privatized: CSD 504.969.000 or \*EUR 5.790.336, representing 69,993 % of the total subject capital to be privatized.

**Deposit** for auction participation: CSD 40.398.000 or \*EUR 463.227

**The initial auction price:** CSD 80.795.000

**Minimum of the investments** into the subject to be privatized: CSD 35.773.000

##### The most important property of the subject undergoing privatization

###### A) Buildings – the most important facilities (m<sup>2</sup>):

1. Production plant (5775) 2. Laboratory and administration building (1038) 3. Hot forging plant (760) 4. Mechanical processing plant (1053) 5. Boiler room (300)

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

1) Universal grinding machine (3V131VM) 2) Diesel forklift truck (VAD-38/30) 3) Metalograph microscope 4) Line for galvanic nickel-coating (BLAZBER) 5) Rotating furnace for cement setting (AICHELIN)

**V) Land capacities (m<sup>2</sup>):** *Construction land: (20985) – state owned*

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	110.296.000	1.695.375	157.506.000	2.157.557
Total business expenses	114.259.000	1.756.291	170.064.000	2.329.580

**Main products/ services:** 1) Screws, bolts and screw-nuts 2) Services in processing

**Total number of employees:** 318; of whom BS/ BA: 17

#### 6) Basic information on the subject undergoing privatization: Društveno preduzeće za izvođenje građevinskih i zanatskih radova i održavanje komunalnih objekata STARI GRAD, BEOGRAD

**Auction Sale Code:** 280206-1552p

ID Number of the Subject: 07034750

Field of work: Rough construction works

The entire estimated value of the capital to be privatized: CSD 73.359.000 or \*EUR 841.192, representing 70,00 % of the total subject capital to be privatized.

**Deposit** for auction participation: CSD 5.869.000 or \*EUR 67.295

**The initial auction price:** CSD 11.738.000

**Minimum of the investments** into the subject to be privatized: CSD 514.000

##### The most important property of the subject undergoing privatization

###### A) Buildings – the most important facilities (m<sup>2</sup>):

1. Business space and workshops, Svetozara Miletića 16, Belgrade (706)

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

1) Lift truck (RD 130) 2) Universal lathe (160 B) 3) Lathe (PAB-25) 4) Goods vehicle (Zastava 50.8 NPK) 5) Compressor (XA 41J)

**V) Land capacities (m<sup>2</sup>):**

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	15.873.000	243.986	18.278.000	250.377
Total business expenses	15.803.000	242.910	17.710.000	242.596

**Main products/ services:** 1) Constructions' demolition 2) Building/putting in order of the displacing flats

**Total number of employees:** 50; of whom BS/ BA: 0

### 7) Basic information on the subject undergoing privatization: Društveno preduzeće za postavljanje i opravku građevinskih instalacija ELEKTROTIMOK, NIŠ

**Auction Sale Code:** 280206-1558p

ID Number of the Subject: 07216025

Field of work: **Electrical installations and equipment**

The entire estimated value of the capital to be privatized: **CSD 4.575.000** or \***EUR 52.456**, representing **70,00 %** of the total subject capital to be privatized.

**Deposit** for auction participation: **CSD 229.000** or \***EUR 2.623**

**The initial auction price:** **CSD 457.000**

**Minimum of the investments** into the subject to be privatized: **CSD 126.000**

#### The most important property of the subject undergoing privatization

**A) Buildings – the most important facilities (m<sup>2</sup>):**

1. New office building, Ratka Pavlovića 39–user (73) 2. Old office building, Ratka Pavlovića 39–user (34)

**B) The most important equipment:**

1) PC (Pentium)

**V) Land capacities (m<sup>2</sup>):**

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		8.621.000	132.515	9.408.000	128.873
Total business expenses		10.101.000	155.264	9.808.000	134.352

**Main products/ services:** 1) Building construction service 2) Real estate trade

**Total number of employees:** 30; of whom BS/ BA: 2

### 8) Basic information on the subject undergoing privatization: DP Institut za kvalitet radne i životne sredine 1.maj, NIŠ

**Auction Sale Code:** 280206-1585

ID Number of the Subject: 07174039

Field of work: **Technical sciences research**

The entire estimated value of the capital to be privatized: **CSD 131.162.000** or \***EUR 1.503.995**, representing **70,00 %** of the total subject capital to be privatized.

**Deposit** for auction participation: **CSD 15.739.000** or \***EUR 180.479**

**The initial auction price:** **CSD 31.479.000**

**Minimum of the investments** into the subject to be privatized: **CSD 1.595.000**

#### The most important property of the subject undergoing privatization

**A) Buildings – the most important facilities (m<sup>2</sup>):**

1. Administration building, Milojka Lešjanina 42a, Niš (1491) 2. Administration building, Kneginje Ljubice 3, Niš (842)

**B) The most important equipment:**

1) Measuring instrument for protection of the electrical installations (Unilap 100 NIT) 2) Apparatus for analysis of smoke gases (3000 P IMR) 3) Passenger vehicle–estate car (Lada 1500) 4) Passenger vehicle (Zastava 101 Skala 55) 5) Computer (IBM Celeron 466)

**V) Land capacities (m<sup>2</sup>):**

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		24.296.000	373.457	33.591.000	460.138
Total business expenses		29.872.000	459.167	36.995.000	506.767

**Main products/ services:** 1) Research and development in technical and technological sciences

**Total number of employees:** 84; of whom BS/ BA: 40

### 9) Basic information on the subject undergoing privatization: Društveno preduzeće za proizvodnju padobrana i konfekcije KLUZ-PADOBRANI, BEOGRAD

**Auction Sale Code:** 280206-1586

ID Number of the Subject: 17195565

Field of work: **Ready-made textiles manufacture**

The entire estimated value of the capital to be privatized: **CSD 134.926.000** or \***EUR 1.547.156**, representing **70,00 %** of the total subject capital to be privatized.

**Deposit** for auction participation: **CSD 16.191.000** or \***EUR 185.659**

**The initial auction price:** **CSD 32.382.000**

**Minimum of the investments** into the subject to be privatized: **CSD 1.117.000**

#### The most important property of the subject undergoing privatization

**A) Buildings – the most important facilities (m<sup>2</sup>):**

1. Production plant and administration building, Mite Ružića 8 (2567)

**B) The most important equipment:**

1) Sewing machines (249 pieces) (Pf faf, Necchi, Juki) 2) Setting down machine (Bullmerwerke) 3) Steam press (12 items) (Test/Oprema) 4) Steam iron (9 items) (Oprema) 5) Desk (61 items)

**V) Land capacities (m<sup>2</sup>):** *Construction land: (9417) – state ownership (joint use right)*

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		18.954.000	291.345	41.202.000	564.395
Total business expenses		30.789.000	473.262	54.941.000	752.596

**Main products/ services:** 1) Parachutes 2) Men's ready-to-wear clothes 3) Women's ready-to-wear clothes 4) Protection jackets 5) Diverse clothes and equipment

**Total number of employees:** 137; **of whom BS/ BA:** 3

### 10) Basic information on the subject undergoing privatization: LAGER USLUGE A.D., preduzeće za uslužne delatnosti, BEOGRAD

**Auction Sale Code:** 280206-1589

ID Number of the Subject: 17408011

Field of work: **Warehouses and unloading places**

The entire estimated value of the capital to be privatized: **CSD 17.061.000** or **\*EUR 195.639**, representing **69,293 %** of the total subject capital to be privatized.

**Deposit** for auction participation: **CSD 1.706.000** or **\*EUR 19.564**

**The initial auction price:** **CSD 3.412.000**

**Minimum of the investments** into the subject to be privatized: **CSD 5.345.000**

#### The most important property of the subject undergoing privatization

##### A) Buildings – the most important facilities (m<sup>2</sup>):

1. Garages for machinery, Stevana Filipovića 13, Železnik – user (4980) 2. Part of prefabricated hut, Stevana Filipovića 13, Železnik – user (490) 3. Sheltered workshop – two parts, Stevana Filipovića 13, Železnik – user (985) 4. Containers, Stevana Filipovića 13, Železnik – user (24)

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

1) Car (3 items, Mercedes) 2) Delivery truck – Turbo (DAILX) 3) Tugboat (2 items, MAZ) 4) Forklift truck (2 T) 5) Passenger vehicle (3 items, HUNDAY) 6) Car jack (2 items, Tatra)

#### V) Land capacities (m<sup>2</sup>):

<b>Balance sheet per year:</b>	<b>2003</b>		<b>2004</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	7.112.000	109.320	9.578.000	131.202
Total business expenses	16.780.000	257.928	15.334.000	210.049

**Main products/ services:** 1) Transportation services

**Total number of employees:** 27; **of whom BS/ BA:** 4

### 11) Basic information on the subject undergoing privatization: JUGOSLOVENSKA ESTRADA, BEOGRAD

**Auction Sale Code:** 280206-1590

ID Number of the Subject: 07047355

Field of work: **Activities of art institutions**

The entire estimated value of the capital to be privatized: **CSD 4.571.000** or **\*EUR 52.417**, representing **70,00 %** of the total subject capital to be privatized.

**Deposit** for auction participation: **CSD 614.000** or **\*EUR 7.046**

**The initial auction price:** **CSD 1.229.000**

**Minimum of the investments** into the subject to be privatized: **CSD 7.000**

#### The most important property of the subject undergoing privatization

##### A) Buildings – the most important facilities (m<sup>2</sup>):

1) Office space, Knez Mihailova 19, Belgrade – long-term lease (70)

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

1) Switchboard

#### V) Land capacities (m<sup>2</sup>):

<b>Balance sheet per year:</b>	<b>2003</b>		<b>2004</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	3.399.000	52.246	5.349.000	73.272
Total business expenses	3.624.000	55.705	5.137.000	70.368

**Main products/ services:** 1) Organizing and agency service related to entertainment business

**Total number of employees:** 2; **of whom BS/ BA:** 0