

According to the Article 38 of the Privatization Law ("Official Gazette RS", No. 38/2001 and 18/2003), and the Article 5 of the Decree on Capital and Estate Selling by 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 Auction Sale

Those who are interested can buy auction documentation at the price of **25,000 dinars**, after the invoice is received from the Privatization Agency. VAT has not been included in the price. 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 submitted, the auction documentation can be collected at the following address:
The Privatization Agency, Belgrade, 23 Terazije St., 9:00 – 17:00, from 22.04.2005. to 23.05.2005.

CLOSING DATE FOR APPLYING IS 24.05.2005 UNTIL 17:00

Filled application form which is a part of the auction documentation, with signed draft of sales contract and deposit payment evidence, is to be submitted in closed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 310505, the Privatization Agency, Belgrade, 23 Terazije St. ".

IF THERE IS THE NAME OF ENTERPRISE TO BE PRIVATIZED ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 31.05.2005.

at the address: **The Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Large Hall at 11:00.** The registration of the auction participants will take place at the same address on: **31.05.2005, 09:00 – 10:50.**

Means of payment can be in convertible currency, bonds based on the outstanding foreign exchange saving which is to become due not later than the capital selling day (31.05.2005.) issued to physical 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 bonds based on the outstanding foreign exchange saving which are not to be due until the capital selling day (31.05.2005.) issued to physical persons who are citizens of the Republic of Serbia.

In case that the first-class bank guarantee is submitted as the means of payment for the deposit, it has to be payable within the period of 48 hours after the declaration of a buyer at the auction. The participation deposit is to be returned 15 days after the public auction is held.

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

Enterprise to be privatized will be visited, after the Agreement on Keeping the Confidential Information is signed, from 22.04.2005. to 24.05.2005, 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 to be privatized, expressed in EURO, has been calculated in accordance with the official rate on 22.04.2005.

** Total business income and expense, expressed in EURO, have been calculated in accordance with average annual real rates.

Short Description of PUBLIC AUCTION PROCEDURE

Capital sale by public auction is carried out by Auction Commission established by the Privatization Agency. The Commission monitors auction sale, registers auction participants, announces auction unsuccessful, signs the minute and does other important jobs for auction process according to the law. The conditions for auction implementation 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, auctioneer will open the first bidding where the means of payment can be in cash or due bonds. If there are many persons at the first 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 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 nobody is interested even after the third call, the auctioneer declares the first bidding unsuccessful and immediately opens the second bidding where even immature bonds can be the means of payment. Those who have applied for the second bidding can participate in it, as well as the participants in the first bidding if it has been declared unsuccessful. If there are many participants in 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 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 nobody is interested 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 person who has been given auction participant status attends the second bidding, that person is called three times to accept 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 returned the deposit.

1) Basic data on enterprise to be privatized: Joint-stock company printing works SLOBODA, VRŠAC

Auction code: 310505-1142

Official Registration Number: 08009864

Field of work: **Printing works**

Total estimated value of the capital to be privatized: **62.356.000 Din** or **765.515 *EUR** which is **68,964 %** of the total capital of the economic entity.

Deposit for participation in the auction: **6.236.000 Din** or **76.551 *EUR**

Initial auction price: **12.471.000 Din**

Minimum investment in the enterprise to be privatized: **2.210.000 Din**

The most important assets of the enterprise

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

1. Office space-administrative building (right of use) (749) 2. Printing works and workshop (right of use) (644) 3. Garage (right of use) (30) 4. Doorman's booth (right of use) (4)

B) The most important equipment:

1) Roland offset machines (RZF 08) 2) Printing machines (2 pieces) (Heidelberg) 3) Perforation machine (2 pieces) (PSM 72) 4) Machine for matrix washing (Politure) 5) Gold-stamping machine (Geba Baler 4) 6) Passenger vehicle (LADA Riva 2104)

C) Land (m²): *Construction land: (2463) – state owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	7.156.000	109.996	3.126.000	42.821
Total business expense	11.587.000	178.105	9.414.000	128.955

The most important products/services: 1) Instructions for medication intake 2) labels, blocks, forms, prospectus 3) Catalogues 4) Books, newspapers, magazines 5) Visiting cards, invitations

Total number of employees: 41; **employees with university qualifications:** 2

2) Basic data on enterprise to be privatized: Socially-owned enterprise KAZIMIR VELJKOVIĆ, KRAGUJEVAC

Auction code: 310505-1179p

Official Registration Number: 07165927

Field of work: **Rough building works**

Total estimated value of the capital to be privatized: **123.734.000 Din** or **1.519.028 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **9.899.000 Din** or **121.522 *EUR**

Initial auction price: **19.797.000 Din**

Minimum investment in the enterprise to be privatized: **3.121.000 Din**

The most important assets of the enterprise

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

1. Flat plant – hall IMS (2130) 2. Hall of reinforcing works (1267) 3. Production hall of sanitary cabins (2695) 4. Administrative building – old part (995) 5. Administrative building – extension (558)

B) The most important equipment:

1) Passenger vehicle (Florida) 2) Packing machine CE 3) Manual cutting machine (Ridgid) 4) metal platform 5) Welding apparatus (Verex) 6) Ceiling patterns

C) Land (m²): *Agricultural land: (68563) – socially owned, Construction land: (34923) – state owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	59.104.000	908.496	54.698.000	749.267
Total business expense	102.343.000	1.573.128	109.167.000	1.495.397

The most important products/services: 1) Prefabricated elements for flats in IMS system 2) Production of concrete 3) Production of sanitary cabins 4) Reinforcing assembly

Total number of employees: 585; **employees with university qualifications:** 15

3) Basic data on enterprise to be privatized: Socially-owned enterprise for production of rug, carpets and yarn PONIŠAVLJE, PIROT

Auction code: 310505-1393

Official Registration Number: 07131399

Field of work: **Production of woolen type yarn**

Total estimated value of the capital to be privatized: **23.013.000 Din** or **282.525 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **2.301.000 Din** or **28.253 *EUR**

Initial auction price: **4.603.000 Din**

Minimum investment in the enterprise to be privatized: **2.008.000 Din**

The most important assets of the enterprise

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

1. Building of yarn workshop, production hall (user) (560) 2. Administrative building and rug facilities (user) (263) 3. Warehouse of yarn workshop (160) 4. Store "Cilim" (61) 5. Painting facility (73)

B) The most important equipment:

1) Ring weaving machine (Hartman) 2) Two-part textile facility (Befama) 3) Drying room 4) Steam boiler (763/8) 5) Truck (Turbo zeta) 6) Plane

C) Land (m²): *Construction land: (93) – state owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	6.926.000	106.460	1.006.000	13.780	
Total business expense	12.792.000	196.628	8.725.000	119.517	

The most important products/services: 1) Woollen yarn 2) Rugs and carpets from Pirost 3) Yarn painting

Total number of employees: 55; **employees with university qualifications:** 0

4) Basic data on enterprise to be privatized: Socially-owned enterprise for production and trade of furniture VOJVODINA, NOVA PAZOVA

Auction code: 310505–1394

Official Registration Number: 08023395

Field of work: **Production of furniture**

Total estimated value of the capital to be privatized: **126.338.000 Din** or **1.551.000 *EUR** which is **69,503 %** of the total capital of the economic entity.

Deposit for participation in the auction: **12.634.000 Din** or **155.100 *EUR**

Initial auction price: **25.268.000 Din**

Minimum investment in the enterprise to be privatized: **8.488.000 Din**

The most important assets of the enterprise**A) Buildings – the most important facilities (m²):**

1. Production hall of carpentry workshop (9612) 2. New administrative building (395) 3. Building of boiler house (držalac) (222) 4. Production hall of wallpaper workshop (2656) 5. Office space in trade center (72)

B) The most important equipment:

1) Measuring regulation station (gas) 2) Office furniture (Compo) 3) Fax (Canon) 4) Shed of the boilerhouse – 2 pieces 5) Calculator (NS–58132)

C) Land (m²): *Construction land: (74600) – state owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	21.298.000	327.374	34.981.000	479.179	
Total business expense	32.915.000	505.941	37.007.000	506.931	

The most important products/services: 1) door wing 2) Plyed chipboard 3) Bed 4) Elements of door wings

Total number of employees: 76; **employees with university qualifications:** 6

5) Basic data on enterprise to be privatized: Socially-owned plant for machines and processing equipment ARSENIJE SPASIĆ, ZAJEČAR

Auction code: 310505–1395

Official Registration Number: 07202628

Field of work: **Production of tool equipment**

Total estimated value of the capital to be privatized: **147.519.000 Din** or **1.811.025 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **17.702.000 Din** or **217.323 *EUR**

Initial auction price: **35.405.000 Din**

Minimum investment in the enterprise to be privatized: **4.139.000 Din**

The most important assets of the enterprise**A) Buildings – the most important facilities (m²):**

1. Hall No. 4 (3919) 2. Hall of processing equipment (3418) 3. Steel hall (1360) 4. Foundry (907) 5. Hall No. 3 – processing (1660)

B) The most important equipment:

1) Truck (FAP 1213/42) 2) Motor vehicle (Jugo skala 55) 3) Manual console jack (Q–0, 15t) 4) Compression generator

C) Land (m²): *Construction land: (30089) – state owned*

Statement of income and expense per year:		2002		2003	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	47.267.000	783.150	19.237.000	295.695	
Total business expense	57.340.000	950.046	35.264.000	542.048	

The most important products/services: 1) Strip transporters 2) Elevators 3) Vibro sieves - bars 4) Silos-various 5) Dehydrators
Total number of employees: 265; **employees with university qualifications:** 6

6) Basic data on enterprise to be privatized: Socially-owned enterprise for processing and canning of milk MLEKARA p.o., LESKOVAC

Auction code: 310505-1396

Official Registration Number: 07290438

Field of work: **Production of milk products**

Total estimated value of the capital to be privatized: **147.322.000 Din** or **1.808.612 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **17.679.000 Din** or **217.033 *EUR**

Initial auction price: **35.357.000 Din**

Minimum investment in the enterprise to be privatized: **71.922.000 Din**

The most important assets of the enterprise

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

1. Production-administrative building with warehouses (3320) 2. Prefabricated garage (700) 3. Old dairy (254)

B) The most important equipment:

1) Milk reception line 2) Pasteurization line 3) Curdled milk line 4) Line for production of cheese 5) Maslara 6) Cip station 7) Laboratory

C) Land (m²): *Construction land: (53851 – state owned)*

Statement of income and expense per year:		2002		2003	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	92.580.000	1.533.924	94.553.000	1.453.387	
Total business expense	93.435.000	1.548.090	88.978.000	1.367.693	

The most important products/services: 1) Pasteurized milk 2) Curdled milk products 3) Cacicavallo cheese 4) Cheese

Total number of employees: 69; **employees with university qualifications:** 7

7) Basic data on enterprise to be privatized: Socially-owned enterprise for domestic and foreign trade TRGOCENTAR, LESKOVAC

Auction code: 310505-1397

Official Registration Number: 07196148

Field of work: **trade of metal goods and paints**

Total estimated value of the capital to be privatized: **85.432.000 Din** or **1.048.811 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **10.252.000 Din** or **125.857 *EUR**

Initial auction price: **20.504.000 Din**

Minimum investment in the enterprise to be privatized: **3.849.000 Din**

The most important assets of the enterprise

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

1. "Elektron" – store (90) 2. Administrative building (462) 3. "Porcelan" – store (90) 4. "Radiotehna" – store (86) 5. Trade center (442)

B) The most important equipment:

1) Truck (FAP 1213) 2) Truck (Zastava Z-50) 3) Passenger vehicle (Peugeot 405) 4) Passenger vehicle (Lada Samara) 5) Forklift truck

C) Land (m²): *Construction land: (8954) – state owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	11.153.000	171.434	11.252.000	154.133	
Total business expense	18.902.000	290.545	23.260.000	318.621	

The most important products/services: 1) Retail trade 2) Wholesale

Total number of employees: 82; **employees with university qualifications:** 1

8) Basic data on enterprise to be privatized: Socially-owned enterprise UTVA – SERVIS, PANČEVO

Auction code: 310505-1398

Official Registration Number: 08061246

Field of work: **Final works**

Total estimated value of the capital to be privatized: **52.638.000 Din** or **646.217 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **6.317.000 Din** or **77.546 *EUR**

Initial auction price: **12.633.000 Din**

Minimum investment in the enterprise to be privatized: **963.000 Din**

The most important assets of the enterprise

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

1. Administrative building No. 19 (1872) 2. Construction center – facility No. 65 (384) 3. Locksmith–mechanical workshop– facilities No. 11, 13 and 14 (1296) 4. Electric workshop–facility No. 10 (146)

B) The most important equipment:

1) Plane "Morandu" (PA 30) 2) Plane "Prvomajska" (TNP 200) 3) Plane "VDF" 4) Milling machine "Prvomajska" (UHG 280) 5) Hydraulic press (HMP 63)

C) Land (m²): *Construction land: (6568) – state owned*

Statement of income and expense per year:	2003		2004	
	Din	**EUR	Din	**EUR
Shown in:				
Total business income	5.846.000	89.860	5.151.000	70.560
Total business expense	8.554.000	131.485	7.310.000	100.134

The most important products/services: 1) Locksmith works 2) Mechanical works 3) Sheet metal works 4) Electric works 5) Construction works

Total number of employees: 19; **employees with university qualifications:** 1

9) Basic data on enterprise to be privatized: AD SMK Velika Plana AD PERKON, VELIKA PLANA

Auction code: 310505–1399

Official Registration Number: 07159285

Field of work: **Production of clothing**

Total estimated value of the capital to be privatized: **154.074.000 Din** or **1.891.497 *EUR** which is **66,682 %** of the total capital of the economic entity.

Deposit for participation in the auction: **18.489.000 Din** or **226.980 *EUR**

Initial auction price: **36.978.000 Din**

Minimum investment in the enterprise to be privatized: **1.345.000 Din**

The most important assets of the enterprise**A) Buildings – the most important facilities (m²):**

1. Hall of ready-made clothing workshop with administrative building (2229) 2. Hall of quilt facility (346) 3. Warehouse of finished goods (2160) 4. Warehouse of plumes (944)

B) The most important equipment:

1) Line for cutting out and sewing (Nechi) 2) Line of additional works (Nechi) 3) Plume selection line (Lh Lorchag) 4) Line of washing and drying (Lh Lorchag) 5) Line for manufacture of quilts and pillows (Mamut)

C) Land (m²): *Construction land: (10713) – state owned*

Statement of income and expense per year:	2003		2004.	
	Din	**EUR	Din	**EUR
Shown in:				
Total business income	51.487.000	791.414	11.012.000	150.845
Total business expense	63.026.000	968.781	42.919.000	587.915

The most important products/services: 1) Jackets 2) Quilts 3) Pillows 4) Raincoats 5) Ski-overalls

Total number of employees: 328; **employees with university qualifications:** 1