

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 20.05.2005 to 07.06.2005.

CLOSING DATE FOR APPLYING IS 08.06.2005 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 160605, , 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: 16.06.2005.

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: **16.06.2005. od 09:00 do 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 (16.06.2005.) 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 (16.06.2005.) 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 20.05.2005 to 07.06.2005, 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 20.05.2005.

** 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: Road ENTERPRISE Valjevo, VALJEVO

Auction code: 160605-1366p

Official Registration Number: **07188994**

Field of work: **Building of roads and runways**

Total estimated value of the capital to be privatized: **144.166.000 Din** or **1.761.043 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **11.533.000 Din** or **140.883 *EUR**

Initial auction price: **23.067.000 Din**

Minimum investment in the enterprise to be privatized: **28.169.000 Din**

The most important assets of the enterprise

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

1. Administrative building (488) 2. Old overhaul workshop (490) 3. Office building (331)
4. Office building – Loznica (237) 5. Office building – Šabac (185)

B) The most important equipment:

1) Asphalt base 2) Asphalt base dozer 3) Vehicle (Volvo) 4) Tractor (Scania) 5) Bus (TAM 130)

C) Land (m²): *Construction land: (40246) – socially-owned, (8952) – state owned; Agricultural land: (63438) – socially-owned, (29008) – state owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	253.466.000	3.896.060	546.422.000	7.485.028
Total business expense	281.451.000	4.326.222	531.045.000	7.274.390

The most important products/services: 1) Asphalt roads 2) Macadam roads 3) Upkeep services – road repair 4) Production of bituminous roof material, roads etc.

Total number of employees: 327; **employees with university qualifications:** 5

2) Basic data on enterprise to be privatized: Joint-stock company for wholesale and retail trade KOPAONIK, BRUS

Auction code: 160605-1072p

Official Registration Number: **07262922**

Field of work: **Non-specialized retail trade of food**

Total estimated value of the capital to be privatized: **157.541.000 Din** or **1.924.418 *EUR** which is **68,775 %** of the total capital of the economic entity.

Deposit for participation in the auction: **7.877.000 Din** or **96.220 *EUR**

Initial auction price: **15.754.000 Din**

Minimum investment in the enterprise to be privatized: **2.708.000 Din**

The most important assets of the enterprise

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

1. Central warehouse (tenure holder) (4100) 2. Store "Blaževo" (247) 3. Store "Kriva reka" No.22 (289) 4. Store "Velika grabovnica" (94) 5. Store "Mala vrbnica" (109)

B) The most important equipment:

1) Shelves and booths 2) Cash registers ("TEK") 3) Desks 4) Computers(SM-440)

C) Land (m²): *Construction land: (14075) – socially owned, (2458) – state owned; Agricultural land: (1248) – socially owned, (338) – state owned*

Statement of income and expense per year:

Shown in:	2001. godinu		2002. godinu	
	Din	**EUR	Din	**EUR
Total business income	28.682.000	482.067	5.584.000	92.519
Total business expense	35.864.000	602.777	15.899.000	263.425

The most important products/services: 1) Retail trade of fruit and vegetables 2) Retail trade of meat and meet products

Total number of employees: 90; **employees with university qualifications:** 2

3) Basic data on enterprise to be privatized: Socially-owned enterprise – Leather textile complex KOŽA, ZAJEČAR

Auction code: 160605-1390p

Official Registration Number: **07377983**

Field of work: **Production of leather clothing**

Total estimated value of the capital to be privatized: **193.818.000 Din** or **2.367.553 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **15.505.000 Din** or **189.399 *EUR**

Initial auction price: **31.011.000 Din**

Minimum investment in the enterprise to be privatized: **10.595.000 Din**

The most important assets of the enterprise

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

1. Building of ready-made clothing production (1776) 2. Building of goods (2132) 3. Administrative building (1446)
4. Leather works building (3193)

B) The most important equipment:

1) Line for production of tiny leather and fur 2) Line for production of leather and fur ready-made clothing 3) Line for production of textile clothing 4) Line for production of leather goods

C) Land (m²): *Construction land: (85000) – state owned; Agricultural land: (59819) – state owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	14.814.000	227.708	55.261.000	756.979	
Total business expense	33.845.000	520.236	32.978.000	451.741	

The most important products/services: 1) Production and processing of leather and fur 2) Production of leather ready-made clothing 3) Production of leather goods 4) Production of protection suits

Total number of employees: 200; **employees with university qualifications:** 1

4) Basic data on enterprise to be privatized: Joint-stock company for catering trade, tourism and trade NISSA, NIŠ

Auction code: 160605-1093

Official Registration Number: **07405758**

Field of work: **Restaurants**

Total estimated value of the capital to be privatized: **279.653.000 Din** or **3.419.990 *EUR** which is **69,573 %** of the total capital of the economic entity.

Deposit for participation in the auction: **33.558.000 Din** or **410.399 *EUR**

Initial auction price: **67.117.000 Din**

Minimum investment in the enterprise to be privatized: **8.147.000 Din**

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

1. Restaurant "Stara Srbija", Trg Republike 12 (650) 2. "Central", Trg Oslobođenja bb (1150) 3. Restaurant "Union", Trg Oslobođenja 11 (480) 4. Restaurant "Zlatni kotlić", Koste Stamenkovića 2 (100) 5. Restaurant "Naissus", Gradsko Polje bb (180) 6. Restaurant "Atina", Dimitrija Tucovića 21 (200) 7. Restaurant "Gurman", 12. Februar 42 (80) 8. Restaurant "Carigrad", Trg Pavla Stajkovića (120) 9. Restaurant "Palilula", Hajduk Veljkova bb (120) 10. Office space "Jagoda", Voždova 8 (60)

B) The most important equipment:

1) Cooling devices (LTH Slovenija) 2) Cookers (Končar) 3) Ice breaking machines 4) Tam (75)

C) Land (m²): *Construction land: (18009) – state owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	22.815.000	350.692	21.541.000	295.074	
Total business expense	67.098.000	1.031.372	69.701.000	954.782	

The most important products/services: 1) Ugostiteljske usluge

Total number of employees: 178; **employees with university qualifications:** 4

5) Basic data on enterprise to be privatized: Joint-stock trade company ROBNE KUĆE, NIŠ

Auction code: 160605-1368

Official Registration Number: **07585420**

Field of work: **Retail trade – general goods**

Total estimated value of the capital to be privatized: **632.179.000 Din** or **7.731.187 *EUR** which is **69,958 %** of the total capital of the economic entity.

Deposit for participation in the auction: **75.861.000 Din** or **927.742 *EUR**

Initial auction price: **151.723.000 Din**

Minimum investment in the enterprise to be privatized: **14.384.000 Din**

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

1. Department store "Pionir", Obrenovićeve 42, Niš (7537) 2. Department store "Mladost", Trg radničkih saveta bb, Niš (2792) 3. Department store "Sindelić", Krnjaževačka 105 b, Niš (3473) 4. Store "Medijana", Bulevar Veljka Vlahovića 27, Niš (118)

B) The most important equipment:

1) Automobile (Yugo 55) 2) Automobile (Audi 80) 3) Cooling chamber 4) Switchboard (3 pieces) 5) Prefabricated boutique montegi 6) Angle compartment (5 piece) 7) Mobile phone (2 pieces) 8) Pressed counter chipboard (2 pieces)

C) Land (m²):

Statement of income and expense per year:		2003		2004	
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Shown in:	Din	**EUR	Din	**EUR
Total business income	19.359.000	297.570	21.480.000	294.239
Total business expense	44.785.000	688.396	56.958.000	780.225

The most important products/services: 1) Whole sale of food products 2) Retail trade of food products 3) Trade services 4) Business services 5) Foreign trade of food products

Total number of employees: 319; **employees with university qualifications:** 13

6) Basic data on enterprise to be privatized: Socially-owned enterprise, institute for improvement and profitability of business ZUP, BEOGRAD

Auction code: 160605-1413

Official Registration Number: **07738749**

Field of work: **Consulting and management**

Total estimated value of the capital to be privatized: **1.052.000 Din** or **12.864 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **137.000 Din** or **1.675 *EUR**

Initial auction price: **274.000 Din**

Minimum investment in the enterprise to be privatized: **382.000 Din**

The most important assets of the enterprise

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

B) The most important equipment:

1) Computer (Pentium) 2) Laser printer 3) Printer (Epson LQ670) 4) Office furniture

C) Land (m²):

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	19.777.000	303.995	20.498.000	280.787
Total business expense	19.439.000	298.800	19.853.000	271.951

The most important products/services: 1) Consulting services

Total number of employees: 9; **employees with university qualifications:** 3

7) Basic data on enterprise to be privatized: Socially-owned enterprise for final works in construction and for anti-corrosive protection PROLETER, KOVIN

Auction code: 160605-1414

Official Registration Number: **08012130**

Field of work: **Final works**

Total estimated value of the capital to be privatized: **9.405.000 Din** or **115.023 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **1.129.000 Din** or **13.803 *EUR**

Initial auction price: **2.257.000 Din**

Minimum investment in the enterprise to be privatized: **818.000 Din**

The most important assets of the enterprise

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

1. Building (523) 2. Building (661) 3. Facility (10/12 parts) (342)

B) The most important equipment:

1) Motor compressors (12 pieces) (Doboj, Atlas, Fagram) 2) Prefabricated scaffolding 3) Passenger vehicles (5 pieces) (Zastava, Jugo, Lada) 4) Buses (3 pieces) (TAM 170A11, TAM 190A11P, TAM 110/13) 5) Tractors (2 pieces) (IMT 539, IMT 542) 6) Trucks (2 pieces) (Z 635AN, Z 650)

C) Land (m²): *Construction land: (5687) – socially owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	1.980.000	30.435	0	0
Total business expense	10.082.000	154.972	9.883.000	135.380

The most important products/services: 1) Painting works 2) Anti-corrosive protection 3) Final works 4) Installation of roof structures and roof covering 5) Insulating works, plastering, carpentry set-up, installation of floor and wall linings

Total number of employees: 84; **employees with university qualifications:** 1

8) Basic data on enterprise to be privatized: Construction-mining socially owned enterprise ZELENI VRH, SVRLJIG

Auction code: 160605-1415

Official Registration Number: **07215436**

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

Total estimated value of the capital to be privatized: **74.668.000 Din** or **913.149 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **8.960.000 Din** or **109.578 *EUR**

Initial auction price: **17.920.000 Din**

Minimum investment in the enterprise to be privatized: **2.995.000 Din**

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

1. Administrative building (648) 2. Service workshop (637) 3. Building of mechanization (345) 4. Craft workshop (402) 5. Production hall of electric works (750) 6. Reinforcing workshop (525) 7. Production hall of agricultural machines (1929)

B) The most important equipment:

1) Machine and equipment for separation 2) Crane – jack (3 pieces) (D.1000.30., AH-40, F 830) 3) Caterpillar dredger (BGH-1000) 4) Dredger (A 600) 5) Loading shovel (ULT150) 6) Numerical plane (CNC TN-315) 7) Prefabricated steel wall formwork

C) Land (m²): *Construction land: (24025) – socially owned, (49177) – state owned*

Statement of income and expense per year:

	2003		2004	
Shown in:	Din	**EUR	Din	**EUR
Total business income	4.008.000	61.608	4.381.000	60.012
Total business expense	23.059.000	354.443	26.490.000	362.867

The most important products/services: 1) Motor diggers IMT - 504 2) Centrifugal pumps for irrigation 3) Civil engineering and building construction 4) Concrete blocks 5) Concrete 6) Gravel-separation sand

Total number of employees: 179; **employees with university qualifications:** 6

9) Basic data on enterprise to be privatized: Socially-owned enterprise LOKVE, LOKVE

Auction code: 160605-1416

Official Registration Number: **08047537**

Field of work: **Growing of corn and other crops**

Total estimated value of the capital to be privatized: **126.627.000 Din** or **1.548.573 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **15.195.000 Din** ili **185.829 *EUR**

Initial auction price: **30.390.000 Din**

Minimum investment in the enterprise to be privatized: **16.097.000 Din**

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

1. Administrative building, Janošik (683) 2. Building of tavern (676) 3. Warehouse for corn (712) 4. Prefabricated hangars (3 pieces) (2432) 5. Built warehouse (2310) 6. Building for cattle (2 pieces) (1407) 7. Hangar "Soko" (702) 8. Garage and vulcanizing workshop (510) 9. Warehouse for crops (414)

B) The most important equipment:

1) Agricultural drain (537553m) 2) Agricultural drain (Bobaja) 3) Irrigation system (4 pieces) 4) Tractors (23 pieces) (misc.) 5) Combines (11 pieces) (misc.)

C) Land (m²): *Construction land: (164045) – socially-owned, Agricultural land: (5832664) – socially owned, (9956500) – state owned*

Statement of income and expense per year:

	2003		2004	
Shown in:	Din	**EUR	Din	**EUR
Total business income	58.031.000	892.002	76.300.000	1.045.177
Total business expense	72.156.000	1.109.120	83.407.000	1.142.530

The most important products/services: 1) Wheat 2) Barely 3) Corn 4) Soya 5) Sunflower 6) Lucerne

Total number of employees: 75; **employees with university qualifications:** 4

10) Basic data on enterprise to be privatized: Socially-owned enterprise SLEMEN with unlimited liability, SOKOBANJA

Auction code: 160605-1417

Official Registration Number: **07218982**

Field of Work: **Cattle breeding and production of milk**

Total estimated value of the capital to be privatized: **27.985.000 Din** or **342.241 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **3.358.000 Din** or **41.069 *EUR**

Initial auction price: **6.716.000 Din**

Minimum investment in the enterprise to be privatized: **611.000 Din**

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

1. Administrative building (548) 2. Workshop (427) 3. Restaurant "Slemen" (154) 4. Store "Boljevac" (195) 5. Building of stables "Sesalac" (377) 6. Old mill (256)

B) The most important equipment:

1) Air conditioners 2) Measuring devices 3) Office furniture 4) Vehicle (TAM 75 T5B) 5) Vehicle (Zastava 128)

C) Land (m²): *Construction land: (14711) – state owned, (5791) – socially owned; Agricultural land: (6730732) – state owned, (2772) – socially owned*

Statement of income and expense per year:

	2003		2004	
Shown in:	Din	**EUR	Din	**EUR
Total business income	6.994.000	107.506	4.602.000	63.039
Total business expense	13.587.000	208.848	12.917.000	176.940

The most important products/services: 1) Purchase and retail trade of milk 2) Purchase of agricultural products 3) Purchase and retail trade of forest fruit 4) Production of milk products 5) Catering trade
Total number of employees: 36; **employees with university qualifications:** 1

11) Basic data on enterprise to be privatized: Socially-owned enterprise MLINPEK, KNJAŽEVAC

Auction code: 160605-1421

Official Registration Number: **07201753**

Field of Work: **Production of mill products**

Total estimated value of the capital to be privatized: **37.074.000 Din** or **453.388 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **3.707.000 Din** or **45.339 *EUR**

Initial auction price: **7.415.000 Din**

Minimum investment in the enterprise to be privatized: **5.377.000 Din**

The most important assets of the enterprise

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

1. New building of bakery (1101) 2. Warehouse for corn (904) 3. Building of steam bakery (580) 4. Building of weighbridge (71) 5. Prefabricated warehouse-tenure holder (117) 6. New garage (85)

B) The most important equipment:

1) Tunnel furnace (Gostol) 2) Furnace "Senator" (Gostol) 3) Lifting roll-over machine (Gostol) 4) Aspirator (SMA 1-7515) 5) Mill machine (Zmaj, Zemun) 6) eight-parted sieve (Zmaj, Zemun)

C) Land (m²): *Construction land: (146) – socially owned, (24058) – state owned; Agricultural land: (3213) – socially owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	30.979.000	476.182	21.913.000	300.170
Total business expense	36.838.000	566.242	30.235.000	414.167

The most important products/services: 1) Bread T-500 2) Bread T-850 3) Flour 4) Cattle flour 5) Pastry and crusts 6) Warehouse services

Total number of employees: 54; **employees with university qualifications:** 4

12) Basic data on enterprise to be privatized: Socially-owned enterprise FABRIKA HLEBA I MLEKA, VRANJE

Auction code: 160605-1422

Official Registration Number: **07137346**

Field of Work: **Production of bread and pastry**

Total estimated value of the capital to be privatized: **58.645.000 Din** or **717.195 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **7.037.000 Din** or **86.063 *EUR**

Initial auction price: **14.075.000 Din**

Minimum investment in the enterprise to be privatized: **3.755.000 Din**

The most important assets of the enterprise

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

1. Building of bakery (2674) 2. Building of milk shop (758) 3. Warehouse of raw materials (399) 4. Boiler house (349) 5. Administrative building with laboratory (206)

B) The most important equipment:

1) Tunnel furnace (2.5 X18M) 2) Silo with compressor 3) Dough machine – mixer 4) Machine for dough

C) Land (m²): *Construction land: (11822) – state owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	46.915.000	721.137	51.454.000	704.830
Total business expense	50.323.000	773.522	53.301.000	730.131

The most important products/services: 1) Bread, pastry 2) Bread 3) Pasteurized milk 4) Yogurt 5) Cheese

Total number of employees: 67; **employees with university qualifications:** 4

