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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, Terazije 23, 9:00 – 17:00 from 24.06.2005 to 19.07.2005.

CLOSING DATE FOR APPLYING IS 20.07.2005 GODINE 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 280705, The Privatization Agency, Belgrade, Terazije 23".

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: 28.07.2005.

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:
28.07.2005, 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 (28.07.2005.) 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 (28.07.2005.) 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 24.06.2005 to 19.07.2005, 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 24.06.2005.

** 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: Paper plant BOŽO TOMIĆ, ČAČAK BOŽO TOMIĆ, ČAČAK

Auction code: 280705-1358p

Official Registration Number: 07182309

Field of work: **Production of paper and cardboard**

Total estimated value of the capital to be privatized: **777.332.000 Din** or **9.409.640 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **62.187.000 Din** or **752.771 *EUR**

Initial auction price: 124.373.000 Din

Minimum investment in the enterprise to be privatized: **45.460.000 Din**

The most important assets of the enterprise

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

1. Hall of paper machine III (5070) 2. Thermopower plant (5000) 3. Hall of technological line and raw materials warehouse (2832) 4. Grinding trees with substation (1892) 5. Manual working up facility (1400)

B) The most important equipment:

1) Steam condensation system PM3 2) Turbine TE 3) Rejksorter (RS 2B) 4) Steam block boiler (T-113) 5) Burner gas-marine oil

C) Land (m²): *Construction land: (147594) – state owned*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	371.651.000	5.712.698	112.783.000	1.544.930
Total business expense	405.849.000	6.238.360	135.864.000	1.861.100

The most important products/services: 1) Production of paper and cardboard 2) Production of wood products 3) Production of steam 4) Paper processing 5) Production of household equipment, sanitary and toilet needs

Total number of employees: 546; **employees with university qualifications:** 16

2) Basic data on enterprise to be privatized: Publishing enterprise BEOGRAD Joint-stock company, BEOGRAD

Auction code: 280705-1461

Official Registration Number: 07049307

Field of work: **Publishing of books and brochures**

Total estimated value of the capital to be privatized: **45.939.000 Din** or **556.099 *EUR** which is **69,482 %** of the total capital of the economic entity.

Deposit for participation in the auction: **5.513.000 Din** or **66.732 *EUR**

Initial auction price: 11.025.000 Din

Minimum investment in the enterprise to be privatized: **193.000 Din**

The most important assets of the enterprise

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

1. Office space, Beograd, 27. Marta br.39 (347) 2. Warehouse space (152)

B) The most important equipment:

1) Office supplies and furniture

C) Land (m²):

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	1.656.000	25.455	1.903.000	26.068
Total business expense	1.756.000	26.992	2.084.000	28.547

The most important products/services: 1) Book publishing

Total number of employees: 6; **employees with university qualifications:** 1

3) Basic data on enterprise to be privatized: Socially-owned enterprise for projecting, engineering, and consulting GRAĐEVINAR PROJEKT, NIŠ

Auction code: 280705-1462

Official Registration Number: 07173466

Field of work: **Projecting of construction and other facilities**

Total estimated value of the capital to be privatized: **38.038.000 Din** or **460.454 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **4.565.000 Din** or **55.254 *EUR**

Initial auction price: 9.129.000 Din

Minimum investment in the enterprise to be privatized: **1.092.000 Din**

The most important assets of the enterprise

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

1. Administrative building, IX brigade 6 (615) 2. Garage, Učitelj Milina 1 (16,5) 3. Flat, Bulevar Nemanjića 66/21 (70)

B) The most important equipment:

1) Vehicle (Vento 1900 D) 2) Plotter (HP design JET) 3) Copier 4) Computer (Pentium IV)

C) Land (m²): *Construction land: 250 – (state owned)*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	9.448.000	145.226	9.800.000	134.243
Total business expense	9.207.000	141.522	9.676.000	132.544

The most important products/services: 1) Town-planning and projecting 2) Construction facility projecting 3) Engineering
 Total number of employees: 28; employees with university qualifications: 13

4) Basic data on enterprise to be privatized: Socially-owned enterprise for production, processing, and trade of non-ferrous metals JUŽNA MORAVA, VLADIČIN HAN

Auction code: 280705-1463

Official Registration Number: 07178964

Field of work: Production of insulated wire and cables

Total estimated value of the capital to be privatized: 46.469.000 Din or 562.512 *EUR which is 70 % of the total capital of the economic entity.

Deposit for participation in the auction: 5.576.000 Din or 67.501 *EUR

Initial auction price: 11.153.000 Din

Minimum investment in the enterprise to be privatized: 1.735.000 Din

The most important assets of the enterprise

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

1. Production hall and annex (2957) 2. Administrative building (300) 3. Doorman's booth (44) 4. Garage (74)

B) The most important equipment:

1) Automat for manufacture of nails 2) Digital switchboard (Panasonic D1232) 3) Truck (FAP 15-16) 4) Machine for drawing-out (U11-1) 5) Machine for drawing-out (U11-2)

C) Land (m²): Construction land: 7808 – (socially-owned)

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	31.442.000	483.299	28.531.000	390.825
Total business expense	36.697.000	564.075	36.539.000	500.521

The most important products/services: 1) Aluminium steel cords 2) Cords for protectiona nd transmission lines earth works 3) Motor adapting up to 100 kW 4) Wooden transport terminals

Total number of employees: 78; employees with university qualifications: 2

5) Basic data on enterprise to be privatized: Socially-owned traffic enterprise CRVENI SIGNAL PANČEVO, PANČEVO

Auction code: 280705-1464

Official Registration Number: 08167150

Field of work: Driver's school

Total estimated value of the capital to be privatized: 9.165.000 Din or 110.948 *EUR which is 70 % of the total capital of the economic entity.

Deposit for participation in the auction: 1.100.000 Din or 13.314 *EUR

Initial auction price: 2.200.000 Din

Minimum investment in the enterprise to be privatized: 369.000 Din

The most important assets of the enterprise

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

1. Administrative building (343) 2. Car service (118)

B) The most important equipment:

1) Passenger vehicle (4) (Yugo)

C) Land (m²):

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	834.000	12.820	547.000	7.493
Total business expense	2.336.000	35.907	2.177.000	29.821

The most important products/services: 1) Driver's training

Total number of employees: 6; employees with university qualifications: 1

6) Basic data on enterprise to be privatized: Socially-owned enterprise for production and trade of milk-bakery products and concentrate UMI-PEK, LESKOVAC

Auction code: 280705-1465

Official Registration Number: 07137907

Field of work: Production of mill products

Total estimated value of the capital to be privatized: 282.132.000 Din or 3.415.218 *EUR which is 70 % of the total capital of the economic entity.

Deposit for participation in the auction: 33.856.000 Din or 409.826 *EUR

Initial auction price: 67.712.000 Din

Minimum investment in the enterprise to be privatized: 19.207.000 Din

The most important assets of the enterprise

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

1. Building of mill (3482) 2. Mechanized warehouse of 300t (2048) 3. Building of warehouse (3050) 4. Warehouse with laboratory (1200) 5. Mill Vlasotince (1128) 6. Mill Pečenjevac (1416) 7. Building of bakery (3480)

B) The most important equipment:

1) Technological line of mill for wheat grinding 2) Technological line of mill for wheat grinding 3) Technological line of silo 4) Technological line of fodder plant 5) Technological line of bakery

C) Land (m²): Construction land: 11812 – (socially-owned), 60635 – (state owned)

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	260.728.000	4.007.686	284.480.000	3.896.880
Total business expense	267.464.000	4.111.226	315.946.000	4.327.909

The most important products/services: 1) Flour 2) Wheat grits and germs 3) Cattle flour 4) Bread 5) White pastry 6) Crust 7) Pastry
Total number of employees: 414; **employees with university qualifications:** 25

7) Basic data on enterprise to be privatized: AUTOPROMET Joint-stock company, NIŠ

Auction code: 280705-1466

Official Registration Number: 07211902

Field of work: **Sale of components and equipment for motor vehicles**

Total estimated value of the capital to be privatized: **95.546.000 Din** or **1.156.594 *EUR** which is **69,923 %** of the total capital of the economic entity.

Deposit for participation in the auction: **9.555.000 Din** or **115.659 *EUR**

Initial auction price: **19.109.000 Din**

Minimum investment in the enterprise to be privatized: **4.887.000 Din**

The most important assets of the enterprise

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

1. Car store Niš, Sindelićev trg 18 – user (1010) 2. Store Prokuplje (52) 3. StorePiroć (96) 4. Administrative building Niš, Balkanska 2 – user (732) 5. Central warehouse Niš, Leskovačka bb – user (1930)

B) The most important equipment:

1) Tarpaulin for 3-50-8 (3-50-8) 2) Switchboard 3) Fax (KX-F-580) 4) Computer (Pentium) 5) Work station 6) Booths, wardrobes, shelves – 95 pieces

C) Land (m²):

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	14.743.000	226.617	13.263.000	181.680
Total business expense	22.857.000	351.338	22.362.000	306.320

The most important products/services: 1) Prodaja robe

Total number of employees: 48; **employees with university qualifications:** 5

8) Basic data on enterprise to be privatized: Socially-owned enterprise for production, processing, and trade of fish ŠARANSKI RIBNJAK ŽIVAČA, BOLJEVCI

Auction code: 280705-1467

Official Registration Number: 17483340

Field of work: **Spawn and breeding of fish in fish ponds**

Total estimated value of the capital to be privatized: **70.651.000 Din** or **855.232 *EUR** which is **70 %** of the total capital of the economic entity.

Deposit for participation in the auction: **8.478.000 Din** or **102.628 *EUR**

Initial auction price: **16.956.000 Din**

Minimum investment in the enterprise to be privatized: **3.245.000 Din**

The most important assets of the enterprise

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

1. Administrative building (122) 2. Pump station by fish pond (34) 3. Warehouse for fish food (498) 4. Briquette building (569) 5. Building of fish flour plant (147) 6. Building of warehouse of shell workshop (350) 7. Building of processing works (235)

B) The most important equipment:

1) Centrifuge water pump 2) Electric water pump 3) Machine for fish vacuuming 4) Propeller pump 5) Vacuum machine 6) Motor mower (Stihl FS 350)

C) Land (m²): *Construction land: 1772183 – (state owned)*

Statement of income and expense per year:

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	134.000	2.060	1.351.000	18.506
Total business expense	3.037.000	46.682	7.810.000	106.983

The most important products/services: 1) Konzumni šaran

Total number of employees: 12; **employees with university qualifications:** 1