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According to the Article 38 of the Privatization Law ("Official Gazette RS", No. 38/01, 18/03 and 45/05), and the Article 5 of the Decree on Capital and Estate Selling by Public Auction ("Official Gazette RS" No. 52/05), 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 Confidentiality Agreement. 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 26.08.2005 to 20.09.2005.

#### CLOSING DATE FOR APPLYING IS 21.09.2005 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 290905, 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: 29.09.2005.

at the address: **The Privatization Agency, Belgrade, 23 Terazije St., 2<sup>nd</sup> floor, Large Hall at 11:00.** The registration of the auction participants will take place at the same address on: **29.09.2005, 09:00 TO 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 (29.09.2005.) 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 (29.09.2005.) 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 26.08.2005 to 20.09.2005. 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 26.08.2005.

\*\* 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: Catering trade tourist joint-stock company SLOGA, UŽICE**

**Auction code: 290905-1364p**

Official Registration Number: **07258682**

Field of work: **Restaurants**

Total estimated value of the capital to be privatized: **789.732.000 Din** or **9.365.420 \*EUR** which is **68,6 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **63.179.000 Din** or **749.234 \*EUR**

**Initial auction price: 126.357.000 Din**

**Minimum investment** in the enterprise to be privatized: **30.503.000 Din**

**The most important assets of the enterprise**

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

1. Hotel "Palas" (2215) 2. Restaurant "Zelene pijaca" (121) 3. "Gradska kavana" (1021) 4. Restaurant "Breza" (367) 5. "Ekspres restoran" (1081) 6. Restaurant "Bagrem" (316) 7. Hotel "Zlatibor" (10198) 8. Restaurant "Rakijski pijac" (268) 9. Building "Krčma kod Ere" (107) 10. Working unit – part of building (271) 11. Working unit warehouse (302)

**B)The most important equipment:**

1) Complete hotel equipment 2) Equipment for catering trade facilities 3) Office supplies 4) Small inventory

**C) Land (m²): Construction land: (15539) – state owned**

**Statement of income and expense per year:**

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	52.571.000	808.076	51.268.000	702.282
Total business expense	115.866.000	1.780.992	120.545.000	1.651.256

**The most important products/services:** 1) Catering trade services – sale of food and beverages 2) Accommodation services

**Total number of employees:** 307; **employees with university qualifications:** 4

**2) Basic data on enterprise to be privatized: Holding company LESKODRVO Ltd, LESKOVAC**

**Auction code: 290905-1470p**

Official Registration Number: **07105223**

Field of work: **Production of mattresses**

Total estimated value of the capital to be privatized: **40.065.000 Din** or **475.130 \*EUR** which is **70 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **3.205.000 Din** or **38.010 \*EUR**

**Initial auction price: 6.410.000 Din**

**Minimum investment** in the enterprise to be privatized: **9.800.000 Din**

**The most important assets of the enterprise**

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

1. Chair workshop hall – new hall (1230) 2. Chair workshop hall – old hall (1460) 3. Main production hall (1900) 4. Warehouse of finished goods (2135) 5. Production hall (2400) 6. Building of tailor workshop (400)

**B)The most important equipment:**

1) Two-sided cant machine 2) Two-sided cant machine 3) Steam boiler (4 pieces) 4) Boiler (KL-60) 5) Equipment for lacquer workshop 6) Equipment of heat substation and steamworks 7) Equipment of steam boiler

**C) Land (m²): Construction land: (156697) – state owned**

**Statement of income and expense per year:**

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	34.227.000	526.108	24.966.000	341.991
Total business expense	87.429.000	1.343.883	108.210.000	1.482.288

**The most important products/services:** 1) Furniture

**Total number of employees:** 392; **employees with university qualifications:** 13

**3) Basic data on enterprise to be privatized: Socially-owned enterprise for production of knittings and ready-made clothes ZATEKS, GADŽIN HAN**

**Auction code: 290905-1471p**

Official Registration Number: **07314388**

Field of work: **Production of household linen**

Total estimated value of the capital to be privatized: **175.861.000 Din** or **2.085.539 \*EUR** which is **70 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **14.069.000 Din** or **166.843 \*EUR**

**Initial auction price: 28.138.000 Din**

**Minimum investment** in the enterprise to be privatized: **11.526.000 Din**

**The most important assets of the enterprise**

**A) Buildings – the most important facilities (m²):**  
 1. Administrative space (54) 2. Supermarket "1.maj" (99) 3. Sale facility (by the bridge) (70) 4. Production hall with administrative part (3806) 5. Warehouse (247) 6. Buildnig of boiler-house and substation (66)

**B)The most important equipment:**  
 1) Production equipment 2) Restaurant equipment 3) Trade equipment 4) Equipment for upkeep and heating 5) Office supplies and furniture 6) Means of transport

**C) Land (m²):** *Construction land: (14486) – socially owned*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	38.194.000	587.085	4.259.000	58.341	
Total business expense	64.269.000	987.888	25.598.000	350.648	

**The most important products/services:** 1) ready-made clothes 2) Bedclothes linen 3) Kitchen and toilet linen 4) Knittings 5) Retail trade of textile and general goods  
**Total number of employees:** 304; **employees with university qualifications:** 2

#### 4) Basic data on enterprise to be privatized: Socially-owned enterprise for production and trade of leather, fur, and textile ready-made clothes POBEDA Ljig, LJIG

**Auction code:** 290905-1475p

Official Registration Number: **07135513**

Field of work: **Production of leather ready-made clothes**

Total estimated value of the capital to be privatized: **57.568.000 Din** or **682.695 \*EUR** which is **70 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **2.878.000 Din** or **34.135 \*EUR**

**Initial auction price:** **5.757.000 Din**

**Minimum investment** in the enterprise to be privatized: **342.000 Din**

**The most important assets of the enterprise**

**A) Buildings – the most important facilities (m²):**  
 1. Production hall with offices – non –registered (1920) 2. Production hall – II phase – non-registered (645) 3. New production hall – non-registered (1582) 4. Doorman's booth – non-registered (24)

**B)The most important equipment:**  
 1) Sewing machines – (55) (NECHI 912155) 2) Sewing machines – 40 (JUKI ELU 563) 3) Sewing machines – 77 (DIRKOP372105) 4) Sewing machines – 26 (LPPL 4) 5) Durkop machines – 4 (558)

**C) Land (m²):**

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	7.960.000	122.354	19.837.000	271.732	
Total business expense	8.537.000	131.223	20.604.000	282.239	

**The most important products/services:** 1) Leather women's jackets 2) Leather skirts 3) Leather women's coats 4) Protection suits  
**Total number of employees:** 57; **employees with university qualifications:** 0

#### 5) Basic data on enterprise to be privatized: Catering trade enterprise BIĆ, PRIBOJ

**Auction code:** 290905-1476p

Official Registration Number: **07190557**

Field of work: **Hotels and motels, with restaurants**

Total estimated value of the capital to be privatized: **114.468.000 Din** or **1.357.473 \*EUR** which is **70 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **5.723.000 Din** or **67.874 \*EUR**

**Initial auction price:** **11.447.000 Din**

**Minimum investment** in the enterprise to be privatized: **8.116.000 Din**

**The most important assets of the enterprise**

**A) Buildings – the most important facilities (m²):**  
 1. Hotel "Priboj" (5150)

**B)The most important equipment:**  
 1) Central heating 2) "Mek" heaters – 15 pieces 3) Wardrobes – 22 pieces 4) Chairs – 36 pieces 5) Computer (Pentium) 6) Boiler

**C) Land (m²):** *Construction land: (3884): (1220) – socially owned; (2664) – state owned; Agricultural land: (0)*

Statement of income and expense per year:		2003		2004	
Shown in:	Din	**EUR	Din	**EUR	
Total business income	2.787.000	42.839	2.217.000	30.369	
Total business expense	13.315.000	204.667	15.904.000	217.857	

**The most important products/services:** 1) Catering trade services  
**Total number of employees:** 55; **employees with university qualifications:** 0

**6) Basic data on enterprise to be privatized: Agricultural food integrated plant BUDUĆNOST, DOBANOVCI**

**Auction code: 290905-1481**

Official Registration Number: **07054688**

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

Total estimated value of the capital to be privatized: **1.499.505.000 Din** or **17.782.612 \*EUR** which is **70 %** of the total capital of the economic entity.

**Deposit** for participation in the auction: **179.941.000 Din** or **2.133.913 \*EUR**

**Initial auction price: 359.881.000 Din**

**Minimum investment** in the enterprise to be privatized: **168.638.000 Din**

**The most important assets of the enterprise**

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

1. Stables of bullocks for fattening (4 facilities) (9162) 2. Administrative building (691)  
3. Stables for heifers (10 facilities) (14252) 4. Facility "Mlekara" (834) 5. Stables for milk cows (8 facilities) (13033)

**B)The most important equipment:**

1) Tractors (11) (K-701, SUPER TITAN, IMT 5270, MF 8160, URSUS-DRUMSKI) 2) Weed-extracting combine (3) (Jaguar, Maral 125, Mex-vučeni) 3) Milking equipment 4) Equipment for storage and preparation of fodder 5) Heder (RU-450) 6) Line for laying hens 7) Equipment for tying 8) Equipment for mill and installation

**C) Land (m²):** *Construction land: (16855842) – socially owned, (40371633) – state owned*

**Statement of income and expense per year:**

Shown in:	2003		2004	
	Din	**EUR	Din	**EUR
Total business income	197.169.000	3.030.712	213.543.000	2.925.166
Total business expense	292.229.000	4.491.892	328.839.000	4.504.520

**The most important products/services:** 1) Wheat (seed, mercantile) 2) Mercantile sunflower 3) Barley (seed and mercantile) 4) Beetroot 5) Eggs 6) Bullocks and calves for fattening 7) Lambs, piglets 8) Milk

**Total number of employees:** 374; **employees with university qualifications VSS:** 20