

According to the Article 38. of the Law on Public Procurement ("Official Gazette RS", no-s. 38/01, 18/03 и 45/05 ), and the Article 9. of the Decree on sale the capital and property by public auction ("Official Gazette RS" no-s 52/05), the Privatization Agency announces :

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic information about auction sale

Those who are interested can purchase auction documentation at the price of: **25.000 CSD**, 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 Agreement on Keeping the Confidential Information. After the payment evidence is submitted, the auction documentation can be collected at the following address:  
Privatization Agency, Belgrade, Terazije 23, 09:00 – 17:00 on weekdays, from 09.09.2005 until 27.09.2005.

**CLOSING DATE FOR THE APPLICATION SUBMISSION is 28.09.2005 until 17:00**

Filled application which is a part of the auction documentation with signed draft of the sales-purchase agreement and the deposit payment evidence, is to be submitted in a closed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 061005, Privatization Agency, Belgrade, Terazije 23".

\* *The entire estimated capital value to be privatized, stated in EUR, is calculated pursuant to the official exchange rate on 09.09.2005.*

\*\* *The entire business income and expense data, stated in EUR, were calculated in accordance with the average annual real rates in 2000 and 2001.*

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

### THE AUCTION IS GOING TO BE HELD ON 06.10.2005

at the address: **Dom Sindikata, Belgrade, Trg Nikole Pašića, Hall no. 4, at 11:00.** The registration of the auction participants is going to take place at the same address on:  
**06.10.2005, 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 to become due not later than the date of sale the capital(06.10.2005), issued to the physical persons, who are the citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can even be the state bonds based upon

the unpaid foreign currency savings of citizens, which are not to be due until the date of sale the capital, (06.10.2005), issued to the physical persons, who are the citizens of the Republic of Serbia.

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

Deposit for participation is to be brought back 15 days after the public auction is 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, until the auction day at the latest.

The visit to the subject undergoing privatization shall be carried out after the signing the Agreement on Confidentiality in period from 09.09.2005 until 27.09.2005, after previously the time-table with the Privatization Agency has been established, phone: 011/3020-804;011/3020-803 or fax: 011/3020-881.

## Short 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. цену. If after the announcement of the initial price there have not been any interested persons 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 the auction participant status attends the second bidding, that person 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 about the subject undergoing privatization: Socially-owned enterprise for production of tool machines and casting plant POTISJE, ADA**

**The auction sale code: 061005-1443p**

Official Identification Number of the subject: **08208468**

Branch of work: **Tools production**

The entire estimated value of the capital to be privatized: **253.086.000 CSD** or **2.992.700 EUR**, which is **70 %** of the total capital to be privatized.

**Deposit** for participation in the auction: **20.247.000 CSD** or **239.416 EUR**

**The initial auction price: 40.494.000 CSD**

**Minimum of the investments** into the subject undergoing privatization: **70.467.000 CSD**

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

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

1. Production hall with casting plant and annex (8147) 2. Works hall of the first category (4800) 3. Finished products' warehouse(2400) 4. Assembly works hall (5723) 5. New hall – warehouse (9216) 6. Center for interactive conduction (966) 7. Warehouse of the products and assembly CNC (3692) 8. Production hall (2400) 9. Administrative building – old part (1320)

**B) The most important equipment:**

1) Crankshaft machines 2) Means of transportation 3) Standard and specialized tools 4) IT equipment) 5) Inventory and furniture

**V) Land facilities ( m²): Construction land: (126383) – socially-owned**

**Balance sheet per year:**

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	79.187.000	1.217.194	144.858.000	1.984.302
Total business expenses	130.650.000	2.008.239	246.291.000	3.373.757

**The most important products/services:** 1) Universal lathes 2) Horizontal lathes in CNC construction with plane and sloping postament 3) Automates, special machines 4) Castings for mechanical industry, agricultural machinery production and other metal-working industry: gray and modular castings 5) Production and overhaul of the machines for food industry 6) Overhaul of all kinds of tool machines for the metal processing by lathing, milling and boring.

**Total number of employees:** 391; **of whom: BS/ BA:** 6

**2) Basic information about the subject undergoing privatization: Socially-owned enterprise " Meat Industry " BEK, ZRENJANIN**

**The auction sale code: 061005-1444p**

Official Identification Number of the subject: **08035709**

Branch of work: **Poultry and animal meat treatment**

The entire estimated value of the capital to be privatized: **172.607.000 CSD** or **2.041.043 \*EUR**, which is **70 %** of the total capital to be privatized.

**Deposit** for participation in the auction: **13.809.000 CSD** or **163.283 \*EUR**

**The initial auction price: 27.617.000 CSD**

**Minimum of the investments** into the subject undergoing privatization: **15.083.000 CSD**

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

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

1. Administrative building (870) 2. Sausage-making plant (4980) 3. Refrigeration plant (5570) 4. Warehouse hangar (2970) 5. Packaging warehouse (220) 6. Meat-packaging plant – old works (4690) 7. Meat-packaging plant – new works (2140)

**B) The most important equipment:**

1) Line for cattle slaughtering (diverse) 2) Line for pigs' slaughtering(diverse) 3) Process meat line (diverse) 4) Equipment of the refrigeration plant (diverse) 5) Refrigeration plant's means of transportation (diverse)

**V) Land facilities ( m²): Construction land: (47965) – state owned**

**Balance sheet per year:**

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	392.076.000	6.026.654	294.070.000	4.028.246
Total business expenses	425.225.000	6.536.191	349.455.000	4.786.924

**The most important products/ services:** 1) Fresh meat 2) Offal 3) Smoked and cured meats 4) Sausage-making products 5) Durable cans 6) Melt products

**Total number of employees:** 339; **of whom: BS/ BA:** 10