

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

Those who are interested can purchase auction documentation at the price of: **CSD 25.000**, 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 Confidentiality Agreement. After the payment evidence has been submitted, the auction documentation can be collected at the following address: Privatization Agency, Belgrade, Terazije 23, from 09:00 – 17:00 on weekdays, from 23.09.2005 until 18.10.2005.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 19.10.2005 until 17:00.

Filled application, which is a part of the auction documentation, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a closed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 271005, Privatization Agency, Belgrade, Terazije 23".

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

THE AUCTION IS GOING TO BE HELD ON 27.10.2005

at the address: **Privatization Agency, Belgrade, Terazije 23, 2nd floor, Big Hall**, at **11:00**. The registration of the auction participants is going to take place at the same address on: **27.10.2005, from 09:00 – 10:50**.

Means of payment for the share of the socially-owned capital to be sold within the joint offer (46,80%) 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 the sale of capital (27.10.2005), issued to the natural persons, who are the citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can be even the state bonds based upon the unpaid foreign currency savings of citizens, which are not to become due until the capital sale date (27.10.2005), issued to the natural persons, who are citizens of the Republic of Serbia.

In case the first class bank guarantee has been 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.

* *The entire estimated capital value to be privatized, stated in EUR, is calculated pursuant to the official exchange rate on 23.09.2005.*

** *The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.*

Brief 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. 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 on the subject undergoing privatization: Socially-owned enterprise "Poljoprivredno – industrijski kombinat PESTER", SJENICA

Auction Sale Code: 271005-0774p

Identification Number of the Subject: **07259298**

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

The entire estimated value of the capital to be privatized: **CSD 162.557.000** or ***EUR 1.918.238** representing **70 %** of the total capital of the enterprise.

Deposit for auction participation: **CSD 8.128.000** or ***EUR 95.912**

The initial auction price: CSD 16.256.000

Minimum of the investments into the subject to be privatized: **CSD 28.339.000**

The most important property of the subject undergoing privatization

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

1. Slaughterhouse with refrigeration plant (6200) 2. Dairy plant (3275) 3. Head office (1016) 4. Production hall (1240) 5. Warehouse no. 1 (2032)

B) The most important equipment:

1) Milk-processing line (Alfa-laval) 2) Line for milk products (Alfa laval) 3) Cheese production line 4) Line for cattle slaughtering (one level) 5) Meat processing line (Schneidelmann)

V) Land facilities (m²): *Agricultural land: (10224944) – socially owned, (31249444) – state owned*

Balance sheet per year:		2002		2003	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	11.125.000	184.326	11.125.000	171.004	
Total business expenses	46.626.000	772.529	45.746.000	703.168	

Main products/ services: 1) Sheep cheese 2) Cow's milk cheese 3) Milk 4) Lamb's meat 5) Calf meat

Total number of employees: 230; **of which BS/ BA:** 19

2) Basic information on the subject undergoing privatization: Shareholders' enterprise "AUTOTEHNA travel and rent a car agency", BEOGRAD

Auction Sale Code: 271005-1493

Identification Number of the Subject: **07006616**

Field of work: **Road traffic services**

The entire estimated value of the capital to be privatized: **CSD 72.184.000** or ***EUR 851.805** representing **61,411 %** of the total capital of the enterprise.

Deposit for auction participation: **CSD 8.662.000** or ***EUR 102.217**

The initial auction price: CSD 17.324.000

Minimum of the investments into the subject to be privatized: **CSD 30.148.000**

The most important property of the subject undergoing privatization

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

1. Office premises – Balzakova 29, Novi Sad (62) 2. Office premises – Svetozara Markovica 1, Nis (35) 3. Office premises – Bulevar Kralja Aleksandra 94 (holder) (256) 4. Office premises – Obilicev Venac 25 (holder) (318)

B) The most important equipment:

1) Passenger cars – 93 pieces (Zastava) 2) Passenger cars – 64 pieces (Opel) 3) Passenger cars – 17 pieces (Toyota) 4) Passenger cars – 18 pieces (Hyundai) 5) Passenger cars – 16 pieces (Wolksvagen, Skoda, Daewoo, Honda, Citroen)

B) Land facilities (m²):

Balance sheet per year:		2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	70.808.000	1.088.399	70.808.000	969.946	
Total business expenses	89.411.000	1.374.349	89.411.000	1.224.775	

Main products/ services: 1) Car renting 2) Auxiliary activities in financial mediating 3) Taxi traffic 4) Sale of motor vehicles 5) Maintenance and repairation of motor vehicles 6) Trade in spare parts and accessories/equipment for motor vehicles

Total number of employees: 60; **of which BS/ BA:** 6

3) Basic information on the subject undergoing privatization: Socially-owned enterprise "JUGOSLAVIJA KOMERC", BELGRADE

Auction Sale Code: 271005-1494

Identification Number of the Subject: **07091958**

Field of work: **Foreign and domestic trade**

The entire estimated value of the capital to be privatized: **CSD 88.548.000** or ***EUR 1.044.909** representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 10.626.000** or ***EUR 125.389**

The initial auction price: CSD 21.252.000

Minimum of the investments into the subject to be privatized: **CSD 2.803.000**

The most important property of the subject undergoing privatization

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

1. Office premises and warehouse facilities, Sarajevska 25-31 (848)

B) The most important equipment:

1) Vehicle (Reno tv 23 trafik) 2) Vehicle (Opel kadet 1.5TP) 3) Oscilloscope 4) PC (Pentium color) 5) PC (Pentium II sistem) 6) Alarm exchange 7) Telephone operational sistem 8) Fiscal box (Iskra S-200)

V) Land facilities (m²): *Construction land: (20) – state owned*

Balance sheet per year:		2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	3.406.000	52.354	3.408.000	46.684	
Total business expenses	13.646.000	209.755	15.920.000	218.076	

Main products/ services: 1) Representation 2) Export, Import and retail of clothes, footwear and foods

Total number of employees: 33; of which BS/ BA: 5

4) Basic information on the subject undergoing privatization: Socially-owned enterprise "JUGOPROJEKTING TREJD" for construction, production, engineering and trade, BELGRADE

Auction Sale Code: 271005-1495

Identification Number of the Subject: **07453400**

Field of work: **Building construction**

The most important property of the subject undergoing privatization

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

1. Office facilities, Majke Jevrosime 19 (220)

The entire estimated value of the capital to be privatized: **CSD 20.439.000** or ***EUR 241.194**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 2.453.000** or ***EUR 28.943**

The initial auction price: **CSD 4.905.000**

Minimum of the investments into the subject to be privatized: **CSD 196.000**

B) The most important equipment:

1) Fax machine (Panasonic) 2) Typing table 3) Table with two drawers 4) Heater

V) Land facilities (m²):

Balance sheet per year:

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	982.000	15.094	1.064.000	14.575
Total business expenses	1.064.000	16.355	976.000	13.369

Main products/ services: 1) Rough construction work

Total number of employees: 2; of which BS/ BA: 0

5) Basic information on the subject undergoing privatization: Shareholders' enterprise in the miscellaneous property for equipment production "UTVA MEPRO", KOVACICA

Auction Sale Code: 271005-1496

Identification Number of the Subject: **08247951**

Field of work: **Machine production**

The most important property of the subject undergoing privatization

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

1. Building(Padina) (4791) 2. Head office building – holder with joint share (220) 3. Common halls according to partition balance – common property (200) 4. Bicycle shelter 5. Partition wall

B) The most important equipment:

1) Passenger car – Skoda (Felicia) 2) Passenger car – Lada (RIVA 1300) 3) Fork lift (B5-IMS 5T) 4) Truck «Mercedes» (1213/42 KK) 5) Mechanical clippers mm2 (5/1000) 6) PC Pentium 200 (32 MB ram) 7) Photocopying machine HP 1550 (Kanon)

V) Land facilities (m²): *Construction land: (141873) – state owned (utilisation right)*

Balance sheet per year:

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	7.051.000	108.382	4.968.000	68.053
Total business expenses	17.259.000	265.290	16.585.000	227.186

Main products/ services: 1) Overhaul and maintenance

Total number of employees: 85; of which BS/ BA: 0

6) Basic information on the subject undergoing privatization: Trading enterprise KRUSEVAC AD, KRUSEVAC

Auction Sale Code: 271005-1497

Identification Number of the Subject: **07144245**

Field of work: **Nonspezialized retail – foods**

The most important property of the subject undergoing privatization

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

1. Supermarket "Cesalj" (528) 2. Supermarket "Dragomir Gajic" (456) 3. Supermarket "Solidarnost" (498) 4. Supermarket "Bambi" (312)

The entire estimated value of the capital to be privatized: **CSD 340.152.000** or ***EUR 4.013.945**, representing **59,304 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 40.818.000** or ***EUR 481.673**

The initial auction price: **CSD 81.637.000**

Minimum of the investments into the subject to be privatized: **CSD 13.093.000**

B) The most important equipment:

1) Lift with installation 2) Vehicle (Opel astra) 3) Vehicle (101 SKALA 55C PZK) 4) Telephone exchange 5) Wall cooling cabinet 6) Show-case for drinks and beverages

V) Land facilities (m²): *Construction land: (1268) – socially-owned, (4952) – state owned; Agricultural land: (1568) – socially-owned, (9760) – state owned*

Balance sheet per year:

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	53.184.000	817.499	50.699.000	694.488
Total business expenses	74.870.000	1.150.837	87.782.000	1.202.460

Main products/ services: 1) Foods
Total number of employees: 240; of which BS/ BA: 8

7) Basic information on the subject undergoing privatization: "CENTROPROJEKT", Socially-owned enterprise for production, trade and services, BELGRADE

Auction Sale Code: 271005-1498

Identification Number of the Subject: 07016549

Field of work: **Construction planning**

The entire estimated value of the capital to be privatized: **CSD 9.622.000** or ***EUR 113.547**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 962.000** or ***EUR 11.355**

The initial auction price: **CSD 1.924.000**

Minimum of the investments into the subject to be privatized: **CSD 338.000**

The most important property of the subject undergoing privatization

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

1. Common rooms, Zahumska 26 – user (117) 2. Big hall (part), Zahumska 26 – user (54) 3. Restaurant (part), Zahumska 26 – user (35) 4. Office premises, Zahumska 26 – user (28)

B) The most important equipment:

1) PC, 5 pieces (Pentijum II) 2) Writing desk, 11 pieces (Universal) 3) Chairs, 10 pieces 4) Cupboard, 11 pieces (wooden) 5) Armchair

V) Land facilities (m²):

Balance sheet per year:	2003		2004	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	0	0	2.897.000	39.684
Total business expenses	0	0	2.803.000	38.396

Main products/ services: 1) Construction planning

Total number of employees: 12; of which BS/ BA: 3

8) Basic information on the subject undergoing privatization: Socially-owned water supply enterprise "EROZIJA", VLADICIN HAN

Auction Sale Code: 271005-1499

Identification Number of the Subject: 17118897

Field of work: **Building of hydroconstructions**

The entire estimated value of the capital to be privatized: **CSD 79.641.000** or ***EUR 939.801**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 9.557.000** or ***EUR 112.776**

The initial auction price: **CSD 19.114.000**

Minimum of the investments into the subject to be privatized: **CSD 991.000**

The most important property of the subject undergoing privatization

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

1. Head office building, Vladicin Han (599) 2. Trade union hall (352) 3. Office building (193) 4. General Warehouse (222) 5. Office building–Ristovac (251) 6. Building–Repince (88) 7. Water supply head–office building – Dzep (130) 8. Farm building – Dzep (262)

B) The most important equipment:

1) JCB (BGH 610 D) 2) Truck (FAP 13-K) 3) BUS (MAN) 4) Bulldozer (TF 110 C) 5) Compressor and boring rig (XA-350, POK-601)

V) Land facilities (m²): *Construction land: (237763) – socially-owned; Agricultural land: (784440) – socially-owned*

Balance sheet per year:	2003		2004	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	5.400.000	83.004	643.000	8.808
Total business expenses	8.529.000	131.100	3.929.000	53.820

Main products/ services: 1) Building of hydroconstructions 2) Execution of biological work for the erosion protection 3) Stone products 4) Road construction 5) Planting material

Total number of employees: 47; of which BS/ BA: 4

9) Basic information on the subject undergoing privatization: Socially-owned enterprise for trade and catering: "HUP NOVI SAD", NOVI SAD

Auction Sale Code: 271005-1500

Identification Number of the Subject: 08149011

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

The entire estimated value of the capital to be privatized: **CSD 225.300.000** or ***EUR 2.658.643**, representing **55,377 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 27.036.000** or ***EUR 319.037**

The initial auction price: **CSD 54.072.000**

Minimum of the investments into the subject to be privatized: **CSD 8.395.000**

The most important property of the subject undergoing privatization

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

1. Hotel – Jasa Tomic Bulevar 1 (4403) 2. Building – Bulevar oslobodjenja 2a(268)

B) The most important facilities:

1) Equipment for hotel rooms 2) Kitchen accessories

V) Land facilities (m²): *Construction land: (4484) – state owned*

Balance sheet per year:	2003		2004	
	CSD	**EUR	CSD	**EUR
Shown in:				

Total business revenues	45.595.000	701.847	61.441.000	842.634
Total business expenses	54.147.000	832.301	62.824.000	861.579

Main products/ services: 1) Accomodation services 2) Meals services

Total number of employees: 51; of which BS/ BA: 3

10) Basic information on the subject undergoing privatization: "DUVAN-PROMET DOO", ZRENJANIN

Auction Sale Code: 271005-1501

Identification Number of the Subject: **08394857**

Field of work: **Specialized foods retail**

The entire estimated value of the capital to be privatized: **CSD 5.933.000** or ***EUR 70.012**, representing **31,724 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 780.000** or ***EUR 9.207**

The initial auction price: **CSD 1.560.000**

Minimum of the investments into the subject to be privatized: **CSD 58.000**

The most important property of the subject undergoing privatization

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

1. Office space (94,7) 2. Office space and flats (47,45)

B) The most important facilities:

1) Passenger vehicle (IDA Opel) 2) Goods vehicle (Kombi TAM 80) 3) Paper products machine 4) Microcomputer 5) Cash register (5 pieces)

V) Land facilities (m²):

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	5.428.000	83.435	8.919.000	122.175
Total business expenses	7.090.000	108.981	9.427.000	129.133

Main products/ services: 1) Toilet paper production 2) Toilet handkerchieves production 3) Foods, drinks and tobacco retail

Total number of employees: 13; of which BS/ BA: 1

11) Basic information on the subject undergoing privatization: Socially-owned enterprise for consulting, planning and engineering "UNIONINVEST" – INZENJERING I PROJEKTOVANJE, BELGRADE

Auction Sale Code: 271005-1502

Identification Number of the Subject: **07064039**

Field of work: **Construction planning**

The entire estimated value of the capital to be privatized: **CSD 37.830.000** or ***EUR 446.410**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 4.540.000** or ***EUR 53.570**

The initial auction price: **CSD 9.079.000**

Minimum of the investments into the subject to be privatized: **CSD 2.819.000**

The most important property of the subject undergoing privatization

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

1. Head office building – Directorate (340) 2. Office space(common) (41) 3. Office space – warehouse (155)

B) The most important equipment:

1) Passenger vehicle – Zastava (Skala 101 /55)

V) Land capacities (m²): *Construction land: (825) – state owned*

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	19.918.000	306.162	21.657.000	296.663
Total business expenses	19.706.000	302.904	22.883.000	313.457

Main products/ services: 1) Construction planning 2) Engineering 3) Other architectural and engineering services and technical advizing 4) Technical examination and analysis 5) Consulting

Total number of employees: 25; of which BS/ BA: 10

12) Basic information on the subject undergoing privatization: Shareholders' enterprise for engineering FORUM INZENJERING, BELGRADE

Auction Sale Code: 271005-1503

Identification Number of the Subject: **07008309**

Field of work: **Engineering**

The entire estimated value of the capital to be privatized: **CSD 76.116.000** or ***EUR 898.202**, representing **62,51 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 9.134.000** or ***EUR 107.784**

The initial auction price: **CSD 18.268.000**

Minimum of the investments into the subject to be privatized: **CSD 205.000**

The most important property of the subject undergoing privatization

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

1. Office space, Nusiceva 16 (328) 2. Warehouse with workshop, Bachevac (610)

B) The most important equipment :

1) Copy machine 2) Container 3) Telephones 4) Fax machine

V) Land capacities (m²):

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR

Total business revenues	28.037.000	430.961	29.645.000	406.085
Total business expenses	25.198.000	387.322	31.048.000	425.303

Main products/ services: 1) Planning and building construction and interior decoration

Total number of employees: 10; **of which BS/ BA:** 3