

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 11.11.2005 until 06.12.2005.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 07.12.2005 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 151205, 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 15.12.2005

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: **15.12.2005, 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 be due not later than the date of the sale of capital (15.12.2005), 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 be due until the capital sale date (15.12.2005), issued to the physical 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 on these changes, if any, 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 11.11.2005 until 06.12.2005, after previously the time-table with the Privatization Agency has been established, phone: 011/3020-804; 011/3020-803 or by fax: 011/3020-881.

* *The entire estimated capital value to be privatized, stated in EUR, is calculated according to the official exchange rate on 11.11.2005.*

** *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 parties 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 party who has been given the auction participant status attends the second bidding, that party 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: Drustveno izdavacko graficko preduzece PROSVETA, NIS

Auction Sale Code: 151205-1367

ID Number of the Subject: **07173806**

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

The entire estimated value of the capital to be privatized: **CSD 147.916.000** or ***EUR 1.719.287**, representing **70 %** of the total capital of the enterprise.

Deposit for auction participation: **CSD 17.750.000** or ***EUR 206.315**

The initial auction price: CSD 35.500.000

Minimum of the investment into the subject to be privatized: **CSD 80.909.000**

The most important property of the subject undergoing privatization

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

1. Manufacture plant and head office building, Vojvode Gojka 14, Nis (4197) 2. Business office, Stanoja Bunusevca 20, Nis (95) 3. Shop no. 8, Stanoja Bunusevca 16, Nis (83) 4. Bookshop, Stanoja Bunusevca 20, Nis (rented) (75) 5. Building «Uciteljski dom», Filipa Kljajica 2, Nis (rented) (934)

B) The most important equipment:

1) PC (Pentium IV) 2) Automatic device for plate developing 3) Copy frame 4) Plasticising machine

V) Land facilities (m²): Construction land: (5599) – state owned

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		169.462.000	2.604.823	247.151.000	3.385.537
Total business expenses		183.216.000	2.816.238	238.902.000	3.272.540

Main products/ services: 1) Blank documents 2) Labels 3) Stickers and control notes 4) Papers and magazines 5) Books and brochures

Total number of employees: 308; of which **BS/ BA:** 12

2) Basic information on the subject undergoing privatization: Akcionarsko drustvo za proizvodnju i promet UTVA MEPRO, PADINA

Auction Sale Code: 151205-1496p

ID Number of the Subject: **08247951**

Field of work: **Machine production**

The entire estimated value of the capital to be privatized: **CSD 81.678.000** or ***EUR 949.375**, representing **67,809 %** of the total capital of the enterprise.

Deposit for auction participation: **CSD 4.084.000** or ***EUR 47.469**

The initial auction price: CSD 8.168.000

Minimum of the investments into the subject to be privatized: **CSD 7.074.000**

The most important property of the subject undergoing privatization

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

1. Building in Padina (4791) 2. Head office building (airplanes) – holder with common share (220) 3. Joint halls in accordance with division balance – property with common share (200) 4. Eaves for bicycles (0) 5. Partition wall (0)

B) The most important equipment:

1) Passenger vehicle – Skoda Felicia 2) Passenger vehicle – Lada RIVA 1300 3) Forklift truck (B5-IMS 5T) 4) Lorry Mercedes (1213 / 42 KK) 5) Mechanical seassors mm2 (5 / 1000) 6) PC Pentium 200 (32 MB ram) 7) Foto-copier HP 1550 (Canon)

B) Land facilities (m²): Construction land: (141873) – state owned (utilization right with common share)

Balance sheet per year:	2003		2004		
	Shown in:	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

3) Basic information on the subject undergoing privatization: Drustveno gradjevinsko preduzece IZGRADNJA sa p.o., BOSILEGRAD

Auction Sale Code: 151205-1530

ID Number of the Subject: **07184522**

Field of work: **Rough construction works**

The entire estimated value of the capital to be privatized: **CSD 2.521.000** or ***EUR 29.304**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 252.000** or ***EUR 2.930**

The initial auction price: CSD 504.000

Minimum of the investment into the subject to be privatized: **CSD 1.191.000**

The most important property of the subject undergoing privatization

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

1. Office building-holder (126) 2. Garage and workshop-holder (117)

B) The most important equipment:

1) Mobile crane (200kg) 2) JCB (Bn 80) 3) Crane (Q 500kg) 4) Whetting machine for balconies (Unikom)

V) Land facilities (m²): Construction land: (2357) – state owned

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

Total business revenues	15.664.000	240.773	1.178.000	16.137
Total business expenses	16.618.000	255.438	7.755.000	106.230

Main products/ services: 1) Superstructure and alteration of objects 2) Production of granulated generating units 3) Road construction (non-categorized)

Total number of employees: 40; of which BS/ BA: 3

4) Basic information on the subject undergoing privatization: Drustveno preduzece KOVGRAP STAVITEL, KOVACICA

Auction Sale Code: 151205-1531

ID number of the Subject: **08582050**

Field of work: **Rough(basic) works in civil engineering**

The entire estimated value of the capital to be privatized: **CSD 16.349.000** or ***EUR 190.033**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 1.962.000** or ***EUR 22.804**

The initial auction price: **CSD 3.924.000**

Minimum of the investments into the subject to be privatized: **CSD 730.000**

The most important property of the subject undergoing privatization

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

1. Production plant with boiler room (348) 2. Central warehouse (200) 3. Head office building (226) 4. Rotating furnace in brickworks

B) The most important equipment:

1) Minibus (Z-635 AD) 2) Lorry (Z-50-8 NPK) 3) Bus Ikarus (IK 111R) 4) Vehicle (Lada Samara 2112) 5) Crane «Metalna» (LM 63HC) 6) Vibrating machine (Waker)

V) Land facilities (m²): *Construction land: (50323) – state owned (utilization right)*

Balance sheet per year:		2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	22.821.000	350.785	16.306.000	223.364	
Total business expenses	24.628.000	378.560	22.065.000	302.252	

Main products/ services: 1) Construction and building 2) Production of concrete flower stands

Total number of employees: 54; of which BS/ BA: 3

5) Basic information on the subject undergoing privatization: Preduzece za proizvodnju muske obuće i galanterije HOD d.o.o., NIS

Auction Sale Code: 1512105-1532

ID Number of the Subject: **17042777**

Field of work: **Leather footwear manufacture**

The entire estimated value of the capital to be privatized: **CSD 43.527.000** or ***EUR 505.932**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 5.223.000** or ***EUR 60.712**

The initial auction price: **CSD 10.446.000**

Minimum of the investment into the subject to be privatized: **CSD 2.433.000**

The most important property of the subject undergoing privatization

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

1. Main object–production halls, offices, Marka Oreskovica 12, Nis (527) 2. Workshop and warehouse, Marka Oreskovica 12, Nis (155) 3. Restaurant, storehouse and tailor's shop, Marka Oreskovica 12, Nis (195) 4. Porter's lodge and toilet block, Marka Oreskovica 12, Nis (38)

B) The most important equipment:

1) Tailor's machines (Ikos–Kranj, MTZ–Skoplje) 2) Sewing machines, pillar and flat machines (Minerva, Adler) 3) Assembly–circle with neighbouring machines (Conveyer belt HKT–circle)

V) Land facilities (m²): *Construction land: (920) – state owned*

Balance sheet per year:		2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	303.000	4.657	175.000	2.397	
Total business expenses	6.967.000	107.091	7.950.000	108.901	

Main products/ services: 1) Designed men's shoes 2) Protecting men's shoes 3) Women's handbags-leather 4) Men's bags-leather 5) Leather-goods

Total number of employees: 137; of which BS/ BA: 0

6) Basic information on the subject undergoing privatization: Drustveno preduzece IMEKSPLET eksport–import, BEOGRAD

Auction Sale Code: 151205-1533

ID Number of the Subject: **07037562**

Field of work: **Textile wholesale trade**

The entire estimated value of the capital to be privatized: **CSD 41.473.000** or ***EUR 482.056**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 4.977.000** or ***EUR 57.847**

The initial auction price: **CSD 9.953.000**

Minimum of the investment into the subject to be privatized: **CSD 2.312.000**

The most important property of the subject undergoing privatization

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

1. Office premises, Belgrade–Sarjevska 48 (224) 2. Office premises, Coka (47) 3. Office premises–parlour, Cuprija (520)

B) The most important equipment:

1) Office furniture 2) Passenger vehicle (Opel Vectra) 3) Passenger vehicle (Renault GTS)

V) Land facilities (m²): *Construction land: (2808) – state owned;*

Balance sheet per year:		2003		2004	
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Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	5.174.000	79.530	3.991.000	54.670
Total business expenses	8.465.000	130.117	9.119.000	124.914

Main products/ services: 1) Wholesale 2) Manufacture 3) Finishing operations
Total number of employees: 9; **of which BS/ BA:** 3

7) Basic information on the subject undergoing privatization: DP za graficku delatnost GRAFOS, ALEKSANDROVAC

Auction Sale Code: 151205-1534

ID Number of the Subject: **07193033**

Field of work: **Printing**

The entire estimated value of the capital to be privatized: **CSD 39.492.000** or ***EUR 459.035**, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 4.739.000** or ***EUR 55.084**

The initial auction price: **CSD 9.478.000**

Minimum of the investment into the subject to be privatized: **CSD 407.000**

The most important property of the subject undergoing privatization

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

1. Manufacture plant (1 545) 2. Porter's lodge (10)

B) The most important equipment:

1) Car (Lada 111) 2) Passenger vehicle (Opel Askona) 3) Boiler room–steam boiler 4) Automatic machine (PSA-3) 5) Typesetting machine (Linotip-N140) 6) Cutting knife (Maxima) 7) PC

V) Land facilities (m²): *Construction land: (13527) – socially-owned*

Balance sheet per year:		2003		2004	
Shown in:	CSD		**EUR	CSD	**EUR
Total business revenues		1.632.000	25.086	223.000	3.055
Total business expenses		11.881.000	182.624	9.772.000	133.859

Main products/ services: 1) Note pads, writing pads, coupons 2) Other kinds of forms

Total number of employees: 53; **of which BS/ BA:** 1

8) Basic information on the subject undergoing privatization: Drustveno preduzece za ugostiteljstvo i turizam JUNIOR, BEOGRAD

Auction Sale Code: 151205-1535

ID Number of the Subject: **07429096**

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

The entire estimated value of the capital to be privatized: **CSD 418.137.000** or ***EUR 4.860.173**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 50.176.000** or ***EUR 583.221**

The initial auction price: **CSD 100.353.000**

Minimum of the investment into the subject to be privatized: **CSD 13.762.000**

The most important property of the subject undergoing privatization

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

1. Hotel «Junior», Brzece, Kopaonik (user) (6258) 2. Headquarters building, Bulevar Umetnosti 27, Novi Beograd (509)

B) The most important equipment:

1) Passenger vehicle (Minibus New Turbo Rival Z 49,10 HDMPK) 2) Passenger vehicle (Florida 1,3 Poli LC) 3) Coffee machine (2 items) (Astoria Divina AEP/2) 4) Electrical oven (ESP-50) 5) Computer (10 items)(Brand code)

V) Land facilities (m²): *Agricultural land: (56465) – socially-owned*

Balance sheet per year:		2003		2004	
Shown in:	CSD		**EUR	CSD	**EUR
Total business revenues		68.827.000	1.057.949	73.595.000	1.008.123
Total business expenses		78.843.000	1.211.906	92.535.000	1.267.568

Main products/ services: 1) Hotel service 2) Restaurant service 3) Travel agencies 4) Mediation service in traffic 5) Retail sale

Total number of employees: 109; **of which BS/ BA:** 4

9) Basic information on the subject undergoing privatization: Drustveno preduzece za untrasnju i spoljnu trgovinu NERETVA, BEOGRAD

Auction Sale Code: 151205-1536

ID Number of the Subject: **07531699**

Field of work: **Milling industry products**

The entire estimated value of the capital to be privatized: **CSD 5.201.000** or ***EUR 60.451**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 520.000** or ***EUR 6.045**

The initial auction price: **CSD 1.040.000**

Minimum of the investment into the subject to be privatized: **CSD 640.000**

The most important property of the subject undergoing privatization

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

1. Flour mill in Rajla–Socijalistickog Saveza (561) 2. Baker's shop in Rajla–Socijalistickog Saveza (160)

B) The most important equipment:

1) Elevators (single-breasted) 2) Double roller 3) Furnace with burner unit 4) Elevators (double-breasted) 5) Transmission 6) Flour chambers

V) Land facilities (m²): *Construction land: (3456) – socially-owned*

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

Total business revenues	1.271.000	19.537	1.176.000	16.109
Total business expenses	1.144.000	17.585	3.566.000	48.848

Main products/ services: 1) Milling industry products 2) Wholesale and retail

Total number of employees: 6; of which BS/ BA: 0

10) Basic information on the subject undergoing privatization: Preduzece za unapredjenje proizvodnje, prometa i prerade papira, eksport–import CELPAPIR d.o.o., BEOGRAD

Auction Sale Code: 151205–1537

ID Number of the Subject: **07086792**

Field of work: **Marketing research and public opinion polls**

The entire estimated value of the capital to be privatized: **CSD 2.321.000** or *EUR 26.983, representing **45,185 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 232.000** or *EUR 2.698

The initial auction price: **CSD 464.000**

Minimum of the investment into the subject to be privatized: **CSD 160.000**

The most important property of the subject undergoing privatization

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

1. Office premises–Svetozara Markovica 22–state owned, user (83)

B) The most important equipment:

1) Passenger car (Yugo) 2) PC (Pentium III) 3) Foto–copier (Canon)

V) Land facilities (m²):

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	39.668.000	609.742	33.097.000	453.371
Total business expenses	39.688.000	610.050	33.332.000	456.590

Main products/ services: 1) Goods sale and services

Total number of employees: 2; of which BS/ BA: 1

11) Basic information on the subject undergoing privatization: Društveno preduzece za trgovinu na veliko i malo, proizvodnju i usluge SLOBODA, NOVI PAZAR

Auction Sale Code: 151205–1538

ID Number of the Subject: **07191430**

Field of work: **Textile wholesale**

The entire estimated value of the capital to be privatized: **CSD 337.092.000** or *EUR 3.918.153, representing **70 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 40.451.000** or *EUR 470.178

The initial auction price: **CSD 80.902.000**

Minimum of the investment into the subject to be privatized: **CSD 160.000**

The most important property of the subject undergoing privatization

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

1. Warehouse – Novi Pazar (1819) 2. Head office building – Novi Pazar (275) 3. Warehouse no. 2 – Novi Pazar (624)

B) The most important equipment:

1) Computers (4 items) 2) Telephones (6 pieces)(Panasonic) 3) Electrical forklift truck (2 items) 4) Office furniture

V) Land capacities (m²): *Construction land: (29271) (13309) – socially-owned; (15962) – state owned; Agricultural land: (4666) – state owned*

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	4.585.000	70.477	5.887.000	80.642
Total business expenses	42.482.000	652.997	26.106.000	357.607

Main products/ services: 1) Wholesale 2) Retail

Total number of employees: 4; of which BS/ BA: 114

12) Basic information on the subject undergoing privatization: Društveno preduzece za alarmne sisteme, automatiku, regulaciju i merenje MINEL–ALARM, BEOGRAD

Auction Sale Code: 151205–1539

ID Number of the Subject: **07559763**

Field of work: **Manufacture of measuring instruments and apparatus**

The entire estimated value of the capital to be privatized: **CSD 7.298.000** or *EUR 84.827, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 876.000** or *EUR 10.179

The initial auction price: **CSD 1.752.000**

Minimum of the investment into the subject to be privatized: **CSD 38.000**

The most important property of the subject undergoing privatization

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

1. Office space, Patrijarha Dimitrija 36, 1st floor, Belgrade, Resnik (user)(100) 2. Office space, Patrijarha Dimitrija 36, groundfloor, Belgrade, Resnik (user)(40)

B) The most important equipment :

1) PC 2) Printer 3) Scanner (HP–4400) 4) Software

V) Land capacities (m²):

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

Total business revenues	12.316.000	189.311	9.255.000	126.777
Total business expenses	12.083.000	185.729	9.052.000	123.997

Main products/ services: 1) Setting of equipment for gas detection and calibration service for previously built-in devices

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

13) Basic information on the subject undergoing privatization: Trgovinsko preduzece INEKS-BUDUCNOST akcionarsko drustvo, POZEGA

Auction Sale Code: 151205-1540

ID Number of the Subject: 07190611

Field of work: **Non-specialized foods retail**

The entire estimated value of the capital to be privatized: **CSD 144.868.000** or ***EUR 1.683.860**, representing **67,809 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 17.384.000** or ***EUR 202.063**

The initial auction price: **CSD 34.768.000**

Minimum of the investment into the subject to be privatized: **CSD 1.775.000**

The most important property of the subject undergoing privatization

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

1. Department store (2510) 2. Storehouse (yard)(2000) 3. Shop «Izbor» (337) 4. Seeds warehouse (562) 5. Head office building (326)

B) The most important equipment :

1) Refrigerating cabinets 2) IT equipment 3) Forklift truck 4) Motor vehicle with refrigerator truck (FAP) 5) Cupboards 6) Passenger vehicle (Opel Omega)

V) Land capacities (m²): *Construction land: (19834) - state owned; Agricultural land: (2317) - state owned*

Balance sheet per year:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	59.080.000	908.127	23.036.000	315.553
Total business expenses	49.806.000	765.575	32.824.000	449.632

Main products/ services: 1) Foods wholesale, miscellaneous products wholesale 2) Foods retail, miscellaneous products retail

Total number of employees: 51; **of which BS/ BA:** 1