

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

The Privatization Agency of RS offers, within the joint offer, 70,00 % of the socially-owned capital of the subject to be privatized, amounting to 21,00 % of the total capital and 100,00% of participation of ELEKTRONSKA INDUSTRIJA-EI, NISH, amounting to 70,00 % of the total capital value. Totally is offered 91,00 % of the subject capital to be privatized. The share of ELEKTRONSKA INDUSTRIJA-EI, NISH in the subject capital, is offered for sale based upon the Power of Attorney given to the Privatization Agency.

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, 23 Terazije Str., from 09:00 – 17:00 on weekdays, from 02.12.2005 until 16.12.2005.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 19.12.2005 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 271205, Privatization Agency, Belgrade, 23 Terazije".

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 27.12.2005.

at the address: **Privatization Agency, Belgrade, 23 Terazije Str., 2nd floor, Large Hall**, at 11:00. The registration of the auction participants is going to take place at the same address on: **27.12.2005, from 09:00 – 10:50.**

Means of payment for the share of the socially-owned capital to be sold within the joint offer (21,00 %) can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of the sale of capital (27.12.2005), issued to the natural 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 state bonds based upon the unpaid foreign currency savings of citizens, which are not to be due until the capital sale date (27.12.2005), issued to the natural persons, who are citizens of the Republic of Serbia.

Means of payment in the share of ELEKTRONSKA INDUSTRIJA-EI, NISH, (70,00 %) in the entire capital of the subject to be privatized, can be SOLELY in the local currency, as well as in the foreign convertible currency, on which occasion the part of the selling price (selling price realized at the auction), in accordance with the share of ELEKTRONSKA INDUSTRIJA-EI, NISH in the total capital of the subject to be privatized, is to be paid in SIX EQUAL ANNUAL INSTALLMENTS, regardless of the fact whether the participant has applied for the first or the second bidding.

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 on such changes, if any, until the auction date at the latest.

The visit to the subject undergoing privatization shall be carried out after the signing the Agreement on Confidentiality, in period from 02.12.2005 until 16.12.2005, 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 02.12.2005.

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

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 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 the party loses the right to be brought back the deposit.

1) Basic information on the subject undergoing privatization: D.o.o. za proizvodnju elektromedicinskih uredjaja i pribora EI ELEKTROMEDICINA, NIS

Auction sale code: 271205-1277p

Subject identification number: **07210973**

Field of work: **X-ray machine production**

The entire estimated capital value to be privatized amounts to: **CSD 140.390.000** or ***EUR 1.630.186**, representing **91,00 %** of the total capital value of the enterprise.

Deposit for auction participation for the share of ELEKTRONSKA INDUSTRIJA-EI, NISH: **CSD 2.894.000** or **33.605 *EUR**

Deposit for socially-owned capital to be offered at the auction amounts: **CSD 2.605.000** or ***EUR 30.249**

The initial auction sale price: **CSD 22.462.000**

The investments minimum into the subject to be privatized: **CSD 9.758.000**

The most important property of the subject undergoing privatization:

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

1. Factory hall no.1-upper ground floor, Bulevar Svetog Cara Konstantina 80-86, Nish (7420) 2. Manufacture hall no.2 – lower ground floor, Bulevar Svetog Cara Konstantina 80-86, Nish (2700) 3. Public shelter building, Bulevar Svetog Cara Konstantina 80-86, Nish (913) 4. Building of other industrial production, Bulevar Svetog Cara Konstantina 80-86, Nish (263)

B) The most important equipment:

1) Passenger vehicle «JUGO Tempo» 1.1 2) Universal lathe with accessories and equipment (pa 22/1000) 3) Universal lathe with accessories and equipment (2 pieces) (US 150/750) 4) Hydraulic press for bakelite (TOS 150t) 5) Hydraulic press (50/2500) 6) Radial device for sheet metal cutting off 7) Delivery van (vehicle) «Zastava rival ID» (35.8 HNFPK-3200)

V) Land capacities (m²): Construction land: (13755) – state owned

Balance sheet per year:

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	4.676.000	71.875	6.068.000	83.121
Total business expenses	23.613.000	362.959	18.026.000	246.925

Main products/services: 1) Orthopaedic aids manufacture, other medical equipment and instruments 2) Control and measuring instruments and apparatus manufacture 3) Pharmaceuticals wholesale 4) ECG devices 5) Physical therapy devices 6) Surgical apparatus 7) Outfit for electro-medical instruments 8) Merchandising (merchandise sales)

Total manpower number: 81; **of which BS/ BA:** 16