

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction Sale

Those who are interested can purchase the auction documentation at the price of: **CSD 40.000**, 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 St., from 09:00 – 17:00, in period from 24.03.2006 until 17.04.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 18.04.2006 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 sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 260406, 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 SHALL BE HELD ON 26.04.2006.

at the address: Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Large Hall at **11:00**. The registration of the auction participants is going to take place at the same address on:

26.04.2006, 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 due not later than the date of sale of the capital (26.04.2006), 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 become due until the capital sale date (26.04.2006), issued to the natural persons, who are citizens of the Republic of Serbia.

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

Deposit for participation is to be brought back 15 days after the public auction has been 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 site visit shall be carried out after the signing the Agreement on Confidentiality in period from 24.03.2006 until 17.04.2006, 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, was calculated according to the official exchange rate on 24.03.2006.

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

Brief description on 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, the 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: Društveno preduzeće za proizvodnju i obradu duvana i lekovitog bilja BAJINOVAC, BAJINA BAŠTA

Auction Sale Code: 260406-1357

Official ID number of the Subject: **07216599**

Field of work: **Tobacco fermentation**

The entire estimated capital value to be privatized amounts to: **CSD 13.327.000** or ***EUR 153.027**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.333.000** or ***EUR 15.303**

The initial auction price: **CSD 2.665.000**

Minimum of investments into the subject undergoing privatization: **CSD 2.028.000**

The most important property of the subject undergoing privatization

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

1. Three-floor tobacco warehouse Bajina Basta (2742) 2. Collection point Bajina Basta (1061) 3. Stockhouse Bajina Basta (132) 4. Administration building Bajina Basta (247) 5. Boiler room (61)

B) The most important equipment:

1) Drying-room with boiler 2) Cooling generating unit ("Mann Europ") 3) Passenger vehicle ("Lada 1105") 4) Passenger vehicle ("Yugo koral") 5) Passenger vehicle ("Yugo poli") 6) Goods vehicle ("Mercedes") 7) Goods vehicle ("Zastava")

C) Land capacities (m²): *Construction land: (15178) – in state ownership*

Balance sheet per year:		2004		2005	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	5.167.000		70.779	2.385.000	28.767
Total business expenses	33.865.000		463.891	11.671.000	140.772

Main products/ services: 1) Cultivation of raw tobacco and fermentation 2) Collection, goods sorting and packing of medicinal and aromatic herbs and wild fruits 3) Wholesale and retail of consumer goods

Total number of employees: 38; **of whom BS/ BA:** 2

2) Basic information on the subject undergoing privatization: Akcionarsko društvo za doradu semena SEME TAMIŠ, PANČEVO

Auction Sale Code: 260406-1625

Official ID number of the Subject: **08047634**

Field of work: **Agricultural services**

The entire estimated capital value to be privatized amounts to: **CSD 100.017.000** or ***EUR 1.148.433**, representing **69,538 %** of the total subject capital.

Deposit for auction participation: **CSD 10.002.000** or ***EUR 114.843**

The initial auction price: **CSD 20.003.000**

Minimum of investments into the subject undergoing privatization: **CSD 9.258.000**

The most important property of the subject undergoing privatization

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

1. Establishment for business service (224) 2. Seed drying-room (744) 3. Floor storehouse (3055) 4. Silo (2779) 5. Warehouse (1871) 6. Dumper ramps (467)

B) The most important equipment:

1) Corn husking device 2) Vibro desk (GA 80) 3) Selecting device Delta (106) 4) Paletting machine (aorum) 5) Split system (SN-A 123 KE) 6) Switchboard (N VE Jut)

C) Land capacities (m²): *Agricultural land: (91866) – in state ownership*

Balance sheet per year:		2004		2005	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	148.469.000		2.033.766	121.246.000	1.462.434
Total business expenses	143.554.000		1.966.439	131.791.000	1.589.625

Main products/ services: 1) **Final processing service:** a) Maize seed b) Wheat germ c) Soy bean seed d) Barley seed 2) **Silo services:** a) Mercantile maize b) Mercantile wheat c) Mercantile soy bean

Total number of employees: 69; **of whom BS/ BA:** 7

3) Basic information on the subject undergoing privatization: POSLOVNI CENTAR INDUSTRIJE VRENJA društvo sa ograničenom odgovornošću u društvenoj svojini, BEOGRAD

Auction Sale Code: 260406-1626

Official ID number of the Subject: **07019432**

Field of work: **Consulting and management**

The entire estimated capital value to be privatized amounts to: **CSD 5.423.000** or ***EUR 62.265**, representing **68,656 %** of the total subject capital.

Deposit for auction participation: **CSD 542.000** or ***EUR 6.226**

The initial auction price: **CSD 1.085.000**

Minimum of investments into the subject undergoing privatization: **CSD 333.000**

The most important property of the subject undergoing privatization

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

1. Shop – 19 Baba Visnjina St., Belgrade (93,5)

B) The most important equipment:

1) Passenger vehicle (Jugo koral) 2) Computer (Pentium IV) 3) Leather armchairs – 3 items 4) Printer (Lexmark) 5) Office copier (Canon 7025) 6) Mobile phone (Panasonic)

C) Land capacities (m²):

Balance sheet per year:		2003		2004	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	1.924.000		29.574	1.240.000	16.986
Total business expenses	1.858.000		28.560	1.167.000	15.986

Main products/ services: 1) Commercial and organizational service

Total number of employees: 3; **of whom BS/ BA:** 1

4) Basic information on the subject undergoing privatization: Društveno preduzeće za dubinska istraživanja, bušenja i druga geološka istraživanja DI B-KNJAŽEVAC, KNJAŽEVAC

Auction Sale Code: 260406-1627

Official ID number of the Subject: 07128819

Field of work: **Ground testing by drilling and soundings**

The entire estimated capital value to be privatized amounts to: **CSD 18.361.000** or ***EUR 210.828**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 2.203.000** or ***EUR 25.299**

The initial auction price: **CSD 4.407.000**

Minimum of investments into the subject undergoing privatization: **CSD 1.333.000**

The most important property of the subject undergoing privatization

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

1. Office building (304) 2. Technical warehouse (192) 3. Workshop facility (154) 4. Workshop (151)

B) The most important equipment:

1) Passenger vehicle (Opel Omega) 2) Two-piston pump(PC80) 3) Drilling set (Dib 3) 4) Fax machine (KH-F2681)

C) Land capacities (m²): *Construction land: (3813) – in state ownership*

Balance sheet per year:	2004		2005	
Исказан у:	CSD	**EUR	CSD	**EUR
Total business revenues	2.332.000	31.944	250.000	3.015
Total business expenses	5.677.000	77.765	4.174.000	50.346

Main products/ services: 1) Ground testing by drilling and soundings

Total number of employees: 14; **of whom BS/ BA:** 2

5) Basic information on the subject undergoing privatization: Društveno preduzeće JASKO JASENOVO, JASENOVO

Auction Sale Code: 260406-1628

Official ID number of the Subject: 17103199

Field of work: **Underwear manufacture**

The entire estimated capital value to be privatized amounts to: **CSD 9.527.000** or ***EUR 109.392**, representing **70 %** of the total subject capital

Deposit for auction participation: **CSD 953.000** or ***EUR 10.939**

The initial auction price: **CSD 1.905.000**

Minimum of investments into the subject undergoing privatization: **CSD 1.804.000**

The most important property of the subject undergoing privatization

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

1. Garment industry facility (1432)

B) The most important equipment:

1) Sewing machines – 34 items (Juki) 2) Sewing machines – 3 items (Nechi) 3) Bansek (SK-ZB)

C) Land capacities (m²): *Agricultural land: (6354) – socially-owned*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	102.000	1.397	0	0
Total business expenses	9.944.000	136.215	10.010.000	120.738

Main products/ services: 1) Underwear manufacture

Total number of employees: 62; **of whom BS/ BA:** 1

6) Basic information on the subject undergoing privatization: Akcionarsko društvo drumskog saobraćaja SRBIJATRANSPORT, BEOGRAD

Auction Sale Code: 260406-1629

Official ID number of the Subject: 07032137

Field of work: **Agent services related to traffic**

The entire estimated capital value to be privatized amounts to: **CSD 1.342.000** or ***EUR 15.413**, representing **33,901 %** of the total subject capital.

Deposit for auction participation: **CSD 134.000** or ***EUR 1.541**

The initial auction price: **CSD 268.000**

Minimum of investments into the subject undergoing privatization: **CSD 415.000**

The most important property of the subject undergoing privatization

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

B) The most important equipment:

1) Passenger vehicle (Nubira II) 2) PC (3 items, H 586 103/C) 3) Office copier 6317 (Canon NP) 4) Air-conditioner (3 items, HAS 9,12)

C) Land capacities (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	7.600.000	104.107	6.238.000	75.241
Total business expenses	5.795.000	79.381	6.369.000	76.821

Main products/ services: 1) Sale of goods and services 2) Transportation and commission services

Total number of employees: 7; **of whom BS/ BA:** 4

7) Basic information on the subject undergoing privatization: Društveno preduzeće za telekomunikacije ELEKTROVEZE-SERVIS, BEOGRAD

Auction Sale Code: **C** 260406-1630

Official ID number of the Subject: **06014399**

Field of work: **Repair of radio and TV-sets**

The entire estimated capital value to be privatized amounts to: **CSD 9.139.000** or ***EUR 104.934**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.097.000** or ***EUR 12.592**

The initial auction price: **CSD 2.193.000**

Minimum of investments into the subject undergoing privatization: **CSD 149.000**

The most important property of the subject undergoing privatization

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

1. Prefabricated building, 27 Baje Sekulica (248)

B) The most important equipment:

1) Office equipment

C) Land capacities (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	1.241.000	17.000	751.000	9.058
Total business expenses	1.476.000	20.219	1.334.000	16.090

Main products/ services: 1) Reparation of telecommunication equipment 2) Installation of telecommunication equipment 3) Control of installations and chimneys 4) Purchase of switchboards, fax machines and installing equipment

Total number of employees: 6; **of whom BS/ BA:** 0

8) Basic information on the subject undergoing privatization: Akcionarsko društvo NAPREDAK za promet robe, KOVIN

Auction Sale Code: 260406-1631

Official ID number of the Subject: **08123187**

Field of work: **Retail trade out of shops**

The entire estimated capital value to be privatized amounts to: **CSD 254.013.000** or ***EUR 2.916.671**, representing **68,25 %** of the total subject capital.

Deposit for auction participation: **CSD 30.482.000** or ***EUR 350.001**

The initial auction price: **CSD 60.963.000**

Minimum of investments into the subject undergoing privatization: **CSD 28.825.000**

The most important property of the subject undergoing privatization

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

1. Department store "Kovin" (new one) (4565) 2. Department store "Kovin" (old one) (1155) 3. Unloading place "Drvar" (1800) 4. Department store "Mramorak" (1070) 5. Baker's shop "Kovin" (550)

B) The most important equipment:

1) Production equipment 2) Juice plant equipment 3) Juice plant heating 4) Truck-TAM 130 T11 5) Forklift truck (Litostroj) 6) Mixer (2 items) 7) Steam stove (3 items)

C) Land capacities (m²): *Construction land: (65831) ((64197) - in state ownership); (1634) - socially-owned)*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	4.533.000	62.094	752.000	9.070
Total business expenses	26.098.000	357.497	14.130.000	170.432

Main products/ services: 1) Bread, rolls and pasta production 2) Cooling drinks production 3) Fresh cakes production 4) Wholesale and retail 5) Repair of motor vehicles

Total number of employees: 198; **of whom BS/ BA:** 5

9) Basic information on the subject undergoing privatization: Montersko-inštalatersko i metalopreradivačko preduzeće ZMAJ, SMEDEREVO

Auction Sale Code: 260406-1632

Official ID number of the Subject: **07163916**

Field of work: **Other installation works**

The entire estimated capital value to be privatized amounts to: **CSD 119.739.000** or ***EUR 1.374.886**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 14.369.000** or ***EUR 164.986**

The initial auction price: **CSD 28.737.000**

Minimum of investments into the subject undergoing privatization: **CSD 5.495.000**

The most important property of the subject undergoing privatization

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

1. Administration building with canteen (870) 2. Administration building B, production plant B and shop (1976) 3. Sheet metal plant (1108) 4. Warehouse (947) 5. Boiler room (55)

B) The most important equipment:

1) Dredger (JCB) 2) Welding machine 3) Goods vehicle (ZASTAVA Z40) 4) Passenger vehicle (KIA SEPHIA 8H) 5) Passenger vehicle (LADA)

C) Land capacities (m²): *Construction land: (18767) - in state ownership*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR

Total business revenues	40.539.000	555.314	14.020.000	169.105
Total business expenses	50.297.000	688.981	37.387.000	450.951

Main products/ services: 1) Welding 2) Tin goods 3) Locksmith's trade

Total number of employees: 159; **of whom BS/ BA:** 3

10) Basic information on the subject undergoing privatization: Društveno preduzeće za prevoz robe u drumskom saobraćaju KUČAJ–TRANS, ZAJEČAR

Auction Sale Code: 260406–1633

Official ID number of the Subject: **07147520**

Field of work: **Goods transportation in road traffic**

The entire estimated capital value to be privatized amounts to: **CSD 37.689.000** or ***EUR 432.758**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 4.523.000** or ***EUR 51.931**

The initial auction price: **CSD 9.045.000**

Minimum of investments into the subject undergoing privatization: **CSD 988.000**

The most important property of the subject undergoing privatization

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

1. Administration building, warehouse, workshop (188) 2. Vehicle overhaul plant (300)
3. Carpenter's shop with dining-room (187) 4. Garage for passenger vehicles (32) 5. Fuel and lubricants storehouse (25)

B) The most important equipment:

1) Tug track (10 vehicles, Fiat-turbo) 2) Semi-trailer (10 items, Utva) 3) Passenger vehicle (Golf VW 1.4) 4) Lathe (Ada)

C) Land capacities (m²): *Construction land: (1505) – in state ownership*

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		12.235.000	167.598	14.771.000	178.163
Total business expenses		16.137.000	221.049	16.241.000	195.894

Main products/ services: 1) Goods transport in road traffic home and abroad

Total number of employees: 17; **of whom BS/ BA:** 1

11) Basic information on the subject undergoing privatization: Društvo sa ograničenom odgovornošću JUGOTERM, MEROŠINA

Auction Sale Code: 260406–1634

Official ID number of the Subject: **17255207**

Field of work: **Radiator and boiler production**

The entire estimated capital value to be privatized amounts to: **CSD 105.363.000** or ***EUR 1.209.823**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 10.536.000** or ***EUR 120.982**

The initial auction price: **CSD 21.073.000**

Minimum of investments into the subject undergoing privatization: **CSD 26.392.000**

The most important property of the subject undergoing privatization

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

1. Administration building with storehouse (707) 2. Production plant (3201) 3. Finished products and production materials warehouse (737)

B) The most important equipment:

1) Radiator packaging device (KUPER) 2) Dot welding machine (SCHALCH) 3) Goods vehicles (6 items, VOLVO FH12) 4) Stable piston compressor 5) Forklift trucks (3 komada) 6) Passenger vehicle (Zastava 101) 7) Switching cabinet (RO-I/1)

C) Land capacities (m²): *Construction land: (25543) – socially-owned, Agricultural land: (5707) – socially-owned*

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		325.485.000	4.458.576	377.042.000	4.547.770
Total business expenses		322.610.000	4.419.194	364.312.000	4.394.225

Main products/ services: 1) Steel radiators, type 10, 11 and 20, height H=600 2) Steel radiators, type 22 and 33, height H=600 3) Steel radiators, type 10, 11 and 20, height H=400 and H=900 4) Steel radiators, type 22 and 33, height H=400 and H=900 5) Tube-shaped radiators, type LUX and JUGOLUX

Total number of employees: 190; **of whom BS/ BA:** 19

12) Basic information on the subject undergoing privatization: Društveno preduzeće VODOPRIVREDA, SMEDERVSKA PALANKA

Auction Sale Code: 260406–1636

Official ID number of the Subject: **07198230**

Field of work: **Water damaging influence protection**

The entire estimated capital value to be privatized amounts to: **CSD 68.987.000** or ***EUR 792.138**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 7.770.000** or ***EUR 89.223**

The initial auction price: **CSD 15.541.000**

Minimum of investments into the subject undergoing privatization: **CSD 9.203.000**

The most important property of the subject undergoing privatization

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

1. Office building (292) 2. Business service building (260) 3. Overhaul and repair facility (1987) 4. Warehouse and garage (1964) 5. Building for catering accomodation (788)

B) The most important equipment:

1) Working machines 2) Mowers 3) Concrete mixer 4) Means of transport and accessory equipment 5) IT equipment

C) Land capacities (m²): *Construction land: (26616) ((25718) – socially-owned; (898) – in state ownership), Agricultural land: (118303) – socially-owned*

Balance sheet per year:	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	77.927.000	1.067.464	98.347.000	1.186.233
Total business expenses	70.290.000	962.850	81.911.000	987.987

Main products/ services: 1) Facility maintenance and drainage 2) Overhaul, rebuilding, interventions, investments

Total number of employees: 80; **of whom BS/ BA:** 9