

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 05.05.2006 until 30.05.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 31.05.2006, until 17:00.

Filled application, which is a part of the auction documentation, with the signed draft of the Sale and Purchase Agreement and the deposit payment evidence, is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 080606, Privatization Agency, Belgrade, 23 Terazije Str".

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

THE AUCTION WILL BE HELD ON 08.06.2006.

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

08.06.2006, 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 (08.06.2006), 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 (08.06.2006), 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 parties 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 05.05.2006 until 30.05.2006, 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 05.05.2006.*

** *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 capital through method of the public auction is carried out by the Auction Commission, which is to be 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 obtained the auction participant status, attends the second bidding, that party is invited three times to accept the initial price. If the party 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 to be privatized: Društveno preduzeće INSA – Industrija satova, sa p.o., BEOGRAD

Auction Sale Code: <u>080606-1123</u>	The entire estimated capital value to be privatized amounts to: CSD 421.049.000 or *EUR 4.868.746 , representing 70 % of the total subject capital. Deposit for auction participation: CSD 50.526.000 or *EUR 584.250 The initial auction price: CSD 101.052.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 19.620.000
Official ID number of the Subject: 07006357	
Field of work: Production of measuring instruments and apparatus	

The most important property of the subject to be privatized

A) Buildings – main facilities (m²): 1. Production plant II, 21 Tršćanska Str, Belgrade (4879) 2. Production plant I, 21 Tršćanska Str, Belgrade (5153) 3. Administration building, 21 Tršćanska, Belgrade (5472) 4. Surface protection facility, 21 Tršćanska, Belgrade (1344) 5. Chemicals warehouse, 21 Tršćanska, Belgrade (110)	B) The most important equipment: 1) Generating unit (WFrank) 2) Processing machine (HOLEN) 3) Press 4) Cutting press 5) Semi-automatic plane 6) Powder line
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C) Land capacities (m²): Construction land: (20420) – in state ownership

Balance sheet per year:		2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR	
Total business revenues	259.670.000	3.557.026	254.412.000	3.068.643	
Total business expenses	249.344.000	3.415.578	256.928.000	3.098.990	

Main products/ services: 1) Alarm clocks 2) Water meters 3) IB counters 4) Repair shop

Total number of employees: 312; **of which BS/ BA:** 22

2) Basic information on the subject to be privatized: Društveno preduzeće za proizvodnju i obradu duvana i lekovitog bilja BAJINOVAC, BAJINA BAŠTA

Auction Sale Code: <u>080606-1357p</u>	The entire estimated capital value to be privatized amounts to: CSD 13.222.000 or *EUR 152.892 , representing 70 % of the total subject capital. Deposit for auction participation: CSD 661.000 or *EUR 7.645 The initial auction price: CSD 1.322.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 2.012.000
Official ID number of the Subject: 07216599	
Field of work: Tobacco fermentation	

The most important property of the subject to be privatized

A) Buildings – main facilities (m²): 1. Three-floor tobacco warehouse Bajina Bašta (2742) 2. Collection point Bajina Bašta (1061) 3. Stockhouse Bajina Bašta (132) 4. Administration building Bajina Bašta (247) 5. Boiler room (61)	B) The most important equipment: 1) Drying-room 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")
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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 its 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 which BS/ BA:** 2

3) Basic information on the subject to be privatized: Društveno preduzeće fabrika signalnih uređaja FSU, BEOGRAD

Auction Sale Code: <u>080606-1469</u>	The entire estimated capital value to be privatized amounts to: CSD 319.171.000 or *EUR 3.690.686 , representing 70 % of the total subject capital. Deposit for auction participation: CSD 38.300.000 or *EUR 442.882 The initial auction price: CSD 76.601.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 99.921.000
Official ID number of the Subject: 07007400	
Field of work: Electrician materials production	

The most important property of the subject to be privatized

A) Buildings – main facilities (m²): 1. Old building, 12a Ustanička Str, Belgrade (3001) 2. New building, 12a Ustanička Str, Belgrade (1782) 3. Green hut, 12a Ustanička Str, Belgrade (295) 4. Surface protection facility, 12a Ustanička Str, Belgrade (236) 5. Warehouse, 12a Ustanička Str, Belgrade (203) 6. Bunkhouses, Zemun polje (749)	B) The most important equipment: 1) Hydraulic press 2) Copier press «Trumf» (WEBER) 3) Devices for optical cable testing (TEXTRONX) 4) Devices for relay groups testing (MAKITA) 5) Means of transportation
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C) Land capacities (m²): Construction land: (5049) – in state ownership

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

Total business revenues	74.866.000	1.025.534	22.283.000	268.771
Total business expenses	105.430.000	1.444.207	94.435.000	1.139.047

Main products/ services: 1) Relay K-50 and supporting relay 2) Switching device 3) AS-device 4) Level device 5) Dash-boards 6) Magnetic rail contact 7) Installation device 8) Signal boards 9) Manufacture, installation and maintenance of SS-devices 10) Production of TT-networks

Total number of employees: 175; **of which BS/ BA:** 22

4) Basic information on the subject to be privatized: Društveno preduzeće za dubinska istraživanja, bušenja i druga geološka istraživanja DIB-KNJAŽEVAC, KNJAŽEVAC

Auction Sale Code: 080606-1627p

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 18.216.000** or ***EUR 210.642**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.457.000** or ***EUR 16.851**

The initial auction price: **CSD 2.915.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 1.323.000**

The most important property of the subject to be privatized

A) Buildings – main 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		
	Shown in:	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 which BS/ BA:** 2

5) Basic information on the subject to be privatized: Akcionarsko društvo NAPREDAK za promet robe, KOVIN

Auction Sale Code: 080606-1631p

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

Field of work: **Retail trade**

The entire estimated capital value to be privatized amounts to: **CSD 252.011.000** or ***EUR 2.914.097**, representing **68,25 %** of the total subject capital.

Deposit for auction participation: **CSD 20.161.000** or ***EUR 233.128**

The initial auction price: **CSD 40.322.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 28.597.000**

The most important property of the subject to be privatized

A) Buildings – main 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 and system 2) Juice plant installations 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) Overhaul of motor vehicles

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

6) Basic information on the subject to be privatized: Montersko–instalatersko i metaloprerađivačko preduzeće ZMAJ, SMEDEREVO

Auction Sale Code: 080606-1632p

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

Field of work: **Installation and assembly**

The entire estimated capital value to be privatized amounts to: **CSD 118.795.000** or ***EUR 1.373.672**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 9.504.000** or ***EUR 109.894**

The initial auction price: **CSD 19.007.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 5.452.000**

The most important property of the subject to be privatized

A) Buildings – main 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) Sheet metal/ tin goods 3) Locksmith's trade

Total number of employees: 159; of which BS/ BA: 3

7) Basic information on the subject to be privatized: Društveno preduzeće za prevoz robe u drumskom saobraćaju KUČAJ-TRANS, ZAJEČAR

Auction Sale Code: 080606-1633p

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

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

The entire estimated capital value to be privatized amounts to: **CSD 37.392.000** or ***EUR 432.376**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 2.991.000** or ***EUR 34.590**

The initial auction price: **CSD 5.983.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 980.000**

The most important property of the subject to be privatized

A) Buildings - main facilities (m²):

1. Administration building, warehouse, workshop (188) 2. Repair shop for motor vehicles (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 truck (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 transportation by road traffic home and abroad

Total number of employees: 17; of which BS/ BA: 1

8) Basic information on the subject to be privatized: Društveno preduzeće za transport, unutrašnju i spoljnu trgovinu DUNAV, LEŠTANE

Auction Sale Code: 080606-1655

Official ID number of the Subject: **07027931**

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

The entire estimated capital value to be privatized amounts to: **CSD 12.538.000** or ***EUR 144.980**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.254.000** or ***EUR 14.498**

The initial auction price: **CSD 2.508.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 72.000**

The most important property of the subject to be privatized

A) Buildings - main facilities (m²):

1. Container, 27 Save Kovačevića Str, Leštane (12) 2. Porter's lodge, 27 Save Kovačevića Str, Leštane (3)

B) The most important equipment:

1) Mobile telephone (Motorola) 2) Switchboard (Panasonic) 3) Telephone (KX-T) 4) Printer (Epson 750)

C) Land capacities (m²): *Construction land: (2000) - owned by state*

Balance sheet per year:		2004		2005	
Shown in:	CSD		**EUR	CSD	**EUR
Total business revenues	12.697.000		173.927	8.279.000	99.859
Total business expenses	13.737.000		188.173	12.156.000	146.622

Main products/ services: 1) Goods transportation in road traffic

Total number of employees: 38; of which BS/ BA: 1

9) Basic information on the subject to be privatized: Akcionarsko društvo izdavačko preduzeće VUK KARADŽIĆ, PARAĆIN

Auction Sale Code: 080606-1656

Official ID number of the Subject: **07115610**

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

The entire estimated capital value to be privatized amounts to: **CSD 35.817.000** or ***EUR 414.170**, representing **67,641 %** of the total subject capital.

Deposit for auction participation: **CSD 3.582.000** or ***EUR 41.417**

The initial auction price: **CSD 7.163.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 5.804.000**

The most important property of the subject to be privatized

A) Buildings - main facilities (m²):

1. Administration building (1545) 2. Warehouse - "Žuta zgrada" (637) 3. Assembly plant (book-binding shop) (588) 4. Hangar «Soko» (234)

B) The most important equipment:

1) Planet machine (Poligraf) 2) Gluing device (Poligraf) 3) Gluing device with attachment (Milano) 4) Roland (Rekord) 5) Knife (2 items, Perfekta) 6) Press (Iberika)

C) Land capacities (m²): *Construction land: (3336) - owned by state*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	525.000	7.192	279.000	3.365
Total business expenses	7.360.000	100.819	7.440.000	89.739

Main products/ services: 1) Sale of books 2) Sale of notebooks 3) Box gluing 4) Printing of forms 5) Printing of books
Total number of employees: 18; **of which BS/ BA:** 2

10) Basic information on the subject to be privatized: Društveno preduzeće BETONJERKA, ČAČAK

Auction Sale Code: 080606-1657
Official ID number of the Subject: 06851363
Field of work: Concrete products

The entire estimated capital value to be privatized amounts to: **CSD 52.485.000** or ***EUR 606.901**, representing **70 %** of the total subject capital.
Deposit for auction participation: **CSD 5.248.000** or ***EUR 60.690**
The initial auction price: **CSD 10.497.000**
Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 8.913.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

1. Administration building – user (397) 2. Production plant – user (3391) 3. Pipe production plant – user (1440) 4. Steel-bending plant – user (1437) 5. Carpenter's shop – user (207)

B) The most important equipment:

1) Machine (Colle vib) 2) Pull vehicle (Tug truck MAN) 3) Forklift truck (DV) 4) Pillar mould (NN9)

C) Land capacities (m²): *Construction land: (8522) – owned by state*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	96.640.000	1.323.799	109.863.000	1.325.135
Total business expenses	90.819.000	1.244.062	107.075.000	1.291.507

Main products/ services: 1) Production of metal goods for building industry 2) Stone drawing for building industry 3) Drawing of sand and pebbles
Total number of employees: 127; **of which BS/ BA:** 3

11) Basic information on the subject to be privatized: Društveno preduzeće za proizvodnju opreme LEMIND-TEHNOMAŠINA, LESKOVAC

Auction Sale Code: 080606-1658
Official ID number of the Subject: 07629249
Field of work: Production of building machines

The entire estimated capital value to be privatized amounts to: **CSD 29.192.000** or ***EUR 337.562**, representing **70 %** of the total subject capital.
Deposit for auction participation: **CSD 3.503.000** or ***EUR 40.507**
The initial auction price: **CSD 7.006.000**
Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 612.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

1. Building no. 23 – plant (766) 2. Building no. 27 – nail production (251) 3. Building no. 29 – nail production (158) 4. Building no. 22 – administration (122)

B) The most important equipment:

1) Electric furnace for non-ferrous metals 2) LE 3) Argon machine (135a) 4) Power saw (UB) 5) Compressor

C) Land capacities (m²): *Construction land: (9137) – owned by state*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	13.650.000	186.981	14.069.000	169.696
Total business expenses	13.958.000	191.200	13.650.000	164.642

Main products/ services: 1) Production of mining equipment and machines 2) Production of metal goods for building industry 3) Production of pumps and compressors
Total number of employees: 35; **of which BS/ BA:** 2

12) Basic information on the subject to be privatized: IKP INICIJAL, BEOGRAD

Auction Sale Code: 080606-1659
Official ID number of the Subject: 07772726
Field of work: Publishing of books and brochures

The entire estimated capital value to be privatized amounts to: **CSD 730.000** or ***EUR 8.439**, representing **70 %** of the total subject capital.
Deposit for auction participation: **CSD 73.000** or ***EUR 844**
The initial auction price: **CSD 146.000**
Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 18.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

B) The most important equipment:

1) Fiscal printer (iskra)

C) Land capacities (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	5.227.000	71.601	7.034.000	84.842
Total business expenses	4.672.000	63.998	6.562.000	79.149

Main products/ services: 1) Editing of books and other kinds of publications 2) Editing of sound records 3) Other publishing activities

Total number of employees: 4; **of which BS/ BA:** 0