

Terazije 23, 11000 Belgrade, Serbia and Montenegro,  
phone: 011/3020-804, 011/3020-803; fax: 011/3020-881

In accordance with Article 38 of the Law on Privatization ("Official Gazette of RS", no-s. 38/01, 18/03 and 45/05), and Article 9 of the Decree on Sale of capital and property by public auction ("Official Gazette of RS" no. 52/05), the Privatization Agency announces:

# 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: 10 Bulevar Mihaila Pupina(5<sup>th</sup> floor), Novi Sad, from 09:00– 17:00, on working days in period from 25.04.2006 until 08.06.2006.

**CLOSING DATE FOR THE APPLICATION SUBMISSION is 09.06.2006, 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 190606, 10 Bulevar Mihaila Pupina (5<sup>th</sup> floor), Novi Sad".

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 19.06.2006.

at the address: **Novi Sad, JP Sportsko–poslovni centar Vojvodina–Spens at 11:00.** Registration of the auction participants will take place at the same address on:

**19.06.2006, 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 the sale of capital (19.06.2006), 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 (19.06.2006), 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 be 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 on it the interested parties, until the auction date at the latest.

The site visit shall be carried out after the signing the Agreement on Confidentiality in period from 25.04.2006 until 08.06.2006, after previously the time–table with the Privatization Agency has been established, phone: 021/452–959 or by fax: 021/452–967.

\* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 21.04.2006.*

\*\* *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 by 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 undergoing privatization: AD PANONIJA Industrija kože, krzna i konfekcije, SUBOTICA**

<b>Auction Sale Code:</b>	<b>190606-1306</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 8.033.000</b> or <b>*EUR 92.920</b> , representing <b>67,088 %</b> of the total subject capital.	
Official ID number of the Subject:	<b>08227012</b>	<b>Deposit</b> for auction participation: <b>CSD 803.000</b> or <b>*EUR 9.292</b>	
Field of work:	<b>Hides and leather tanning and final processing</b>	<b>The initial auction sale price: CSD 1.607.000</b>	
<b>The most important property of the subject undergoing privatization</b>		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 488.000</b>	
<b>A) Buildings – main facilities (m<sup>2</sup>):</b> 1. Warehouse for raw materials, chemicals and finished products (1064) 2. Fur and ready-to-wear clothes manufacture plant (926) 3. Leather plant facility (820) 4. Power plant (200) 5. Management building (86)		<b>B) The most important equipment:</b> 1) Shear machine (Stratzian) 2) Wetting barrel 3) PH meter (Sentron 1001) 4) Hydraulic machine for leather filtering (B-10-0, Vind.) 5) Semi-barrel (Haschpla)	
<b>C) Land capacities (m<sup>2</sup>):</b> <i>Construction land: (39141) – socially-owned</i>			
<b>Balance sheet per year:</b>		<b>2004</b>	<b>2005</b>
Shown in:	CSD	<b>**EUR</b>	CSD
Total business revenues	29.212.000	400.153	25.070.000
Total business expenses	32.346.000	443.084	302.387
			304.196
<b>Main products/ services:</b> 1) Furs manufacture 2) Furs ready-making 3) Leather manufacture 4) Napa			
<b>Total number of employees:</b> 65; <b>of which BS/ BA:</b> 2			

**2) Basic information on the subject undergoing privatization: Vodoprivredno preduzeće HIDROGRAĐEVINAR–akcionarsko društvo u mešovitoj svojini, SREMSKA MITROVICA**

<b>Auction Sale Code:</b>	<b>190606-1648</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 89.967.000</b> or <b>*EUR 1.040.689</b> , representing <b>66,85 %</b> of the total subject capital.	
Official ID number of the Subject:	<b>08039577</b>	<b>Deposit</b> for auction participation: <b>CSD 10.796.000</b> or <b>*EUR 124.883</b>	
Field of work:	<b>Building of hydroconstructions</b>	<b>The initial auction sale price: CSD 21.592.000</b>	
<b>The most important property of the subject undergoing privatization</b>		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 18.993.000</b>	
<b>A) Buildings – main facilities (m<sup>2</sup>):</b> 1. Office building (406) 2. Management building and kitchen (685) 3. Machine workshop (1033) 4. Reinforcing plant and warehouse of building materials (461) 5. Porter's lodge (16)		<b>B) The most important equipment:</b> 1) Truck ("TATRA" 148 PPR S-3 SM 305-19) 2) Truck (KIPER FAP-1921 BK SM 202-96) 3) Tractor (GUSENIČAR TG-140A) 4) Excavator (GUSENIČAR BGH-600 B BR.263) 5) Bulldozer-tractor (GUSENIČAR TG-220 B/A)	
<b>C) Land capacities (m<sup>2</sup>):</b> <i>Construction land: (26749) – owned by state; Agricultural land: (35885) ((25885) – socially-owned; (10000) – owned by state)</i>			
<b>Balance sheet per year:</b>		<b>2004</b>	<b>2005</b>
Shown in:	CSD	<b>**EUR</b>	CSD
Total business revenues	77.959.000	1.067.902	127.857.000
Total business expenses	82.087.000	1.124.449	1.542.174
			1.436.598
<b>Main products/ services:</b> 1) Concrete coverings 2) Installation and assembly works 3) Excavations 4) Sand and gravel removal 5) Applied hydraulics works – water and sewage systems 6) Loading and transportation of materials			
<b>Total number of employees:</b> 105; <b>of which BS/ BA:</b> 4			

**3) Basic information on the subject undergoing privatization: Industrija mašina i opreme POLJOSTROJ, ODŽACI**

<b>Auction Sale Code:</b>	<b>190606-1649</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 245.531.000</b> or <b>*EUR 2.840.162</b> , representing <b>70 %</b> of the total subject capital.	
Official ID number of the Subject:	<b>08105219</b>	<b>Deposit</b> for auction participation: <b>CSD 29.464.000</b> or <b>*EUR 340.819</b>	
Field of work:	<b>Agricultural tractors production</b>	<b>The initial auction sale price: CSD 58.927.000</b>	
<b>The most important property of the subject undergoing privatization</b>		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 21.870.000</b>	
<b>A) Buildings – main facilities (m<sup>2</sup>):</b> 1. Administration building (253) 2. Repair hall (540) 3. Compressor shop (150) 4. Bookkeeping department with computer center in ground-floor (732) 5. Finance department in ground floor (2380) 6. Works (3775) 7. Prefabricated plant (hall) (4695) 8. Painting plant (1020)		<b>B) The most important equipment:</b> 1) Universal plane (several) (PA 501-750, PA 22-1000, PA 30-2000, PA 22-1000, PA 25-1000, PA 25-750) 2) Machine for sheet metal cutting across 3) Equipment for painting plant 4) Forklift truck (TU -32 Dizel) 5) Passenger vehicle (Opel astra 1,7 DTL) 6) Truck (TAM-1300)	
<b>C) Land capacities (m<sup>2</sup>):</b> <i>Construction land: (43233) – owned by state</i>			
<b>Balance sheet per year:</b>		<b>2004</b>	<b>2005</b>
Shown in:	CSD	<b>**EUR</b>	CSD
			<b>**EUR</b>

Total business revenues	122.892.000	1.683.406	129.610.000	1.563.318
Total business expenses	117.772.000	1.613.271	118.007.000	1.423.366

**Main products/ services:** 1) High pressure press 2) Corn shellers (for grits) 3) Sowing machines for grain 4) Artificial fertilizer sprinklers 5) Rotational chopping up machines

**Total number of employees:** 111; **of which BS/ BA:** 5

#### 4) Basic information on the subject undergoing privatization: Društveno preduzeće KONTINENTAL-ELEKTRONIKA, NOVI SAD

**Auction Sale Code:** 190606-1650

Official ID number of the Subject: **08574570**

Field of work: **Repairs**

The entire estimated capital value to be privatized amounts to: **CSD 975.000** or **\*EUR 11.278**, representing **70 %** of the total subject capital.

**Deposit** for auction participation: **CSD 98.000** or **\*EUR 1.128**

**The initial auction sale price:** **CSD 195.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 83.000**

#### The most important property of the subject undergoing privatization

##### A) Buildings - main facilities (m<sup>2</sup>):

1. Office space, Gagarinova 10/VII (54)

##### Б) Најзначајнија опрема:

1) Air conditioner 2) Chair (5 items) 3) Desk (6 items) 4) Mechanographic table 5) Goods vehicle 6) Passenger vehicle (RENAULT 4)

##### C) Land capacities (m<sup>2</sup>):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	1.041.000	14.260	862.000	10.397
Total business expenses	999.000	13.685	961.000	11.591

**Main products/ services:** 1) Office equipment trade

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