

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, on weekdays in period from 09.06.2006 until 04.07.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 05.07.2006, until 17:00.

Filled application, which is a part of the auction documentation, with the signed draft of the Sales-Purchase Agreement and the deposit payment evidence, is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 130706, Privatization Agency, Belgrade, 23 Terazije St".

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 13.07.2006.

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:

13.07.2006, 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 capital sale (13.07.2006), issued to the natural persons, who are citizens of the Republic of Serbia. If the participant applies only for the second bidding, 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 date of the capital sale (13.07.2006), 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 09.06.2006 until 04.07.2006, 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 09.06.2006.*

** *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 the method of 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 za transport, unutrašnju i spoljnu trgovinu DUNAV, LEŠTANE

Auction Sale Code: 130706-1655p

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 13.136.000** or ***EUR 150.381**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 657.000** or ***EUR 7.519**

The initial auction sale price: **CSD 1.314.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 76.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

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

B) The most important equipment:

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

C) Land (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

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

Auction Sale Code: 130706-1656p

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 37.526.000** or ***EUR 429.602**, representing **67,641 %** of the total subject capital.

Deposit for auction participation: **CSD 1.876.000** or ***EUR 21.480**

The initial auction sale price: **CSD 3.753.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 6.081.000**

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 (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) Gluing of boxes 4) Printing of forms 5) Printing of books

Total number of employees: 18; **of which BS/ BA:** 2

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

Auction Sale Code: 130706-1658p

Official ID number of the Subject: **07629249**

Field of work: **Fabrication of building machines**

The entire estimated capital value to be privatized amounts to: **CSD 30.585.000** or ***EUR 350.139**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 2.447.000** or ***EUR 28.011**

The initial auction sale price: **CSD 4.894.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 641.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

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

B) The most important equipment:

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

C) Land (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) Fabrication of mining equipment and machines 2) Fabrication of metal goods for building industry 3) Fabrication of pumps and compressors

Total number of employees: 35; **of which BS/ BA:** 2

