

# 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 02.06.2006 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, **2<sup>nd</sup> 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 02.06.2006 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 02.06.2006.*

\*\* *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 MLADOST industrija konfekcije, POŽEGA

<b>Auction Sale Code:</b>	<b>130706-0877</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 80.042.000</b> or <b>*EUR 913.321</b> , representing <b>70 %</b> of the total subject capital.		
Official ID number of the subject:	07190573	<b>Deposit</b> for auction participation: <b>CSD 8.004.000</b> or <b>*EUR 91.332</b>		
Field of work:	Manufacture of underwear	<b>The initial auction sale price:</b> <b>CSD 16.008.000</b>		
		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 9.396.000</b>		
<b>The most important property of the subject undergoing privatization</b>				
<b>A) Buildings – main facilities (m²):</b>		<b>B) The most important equipment:</b>		
1. Works, dressmaker's shop (6842) 2. Technical preparation facility (934) 3. Works, Roge (544) 4. Warehouse for packing & wrapping material (628) 5. Restaurant (315)		1) Seam machines 2) Sewing machines 3) Electrical steam irons with tables 4) Steam boiler 5) Passenger vehicle (Laguna Concorde 1.8)		
<b>C) Land (m²):</b> <i>Construction land: (32968) ((1126) – socially-owned; (31842) – owned by state)</i>				
<b>Balance sheet per year:</b>		<b>2004</b>		<b>2005</b>
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	38.211.000	523.424	35.721.000	430.856
Total business expenses	63.694.000	872.497	64.187.000	774.205
<b>Main products/ services:</b> 1) Men's shirts 2) Women's blouses 3) Men's and women's underwear 4) Women's dresses				
<b>Total number of employees:</b> 239; <b>of which BS/ BA:</b> 4				

### 2) Basic information on the subject to be privatized: Građevinsko preduzeće SOKOLICA d.p., DESPOTOVAC

<b>Auction Sale Code:</b>	<b>130706-1680</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 36.805.000</b> or <b>*EUR 419.961</b> , representing <b>70 %</b> of the total subject capital.		
Official ID number of the subject:	07126786	<b>Deposit</b> for auction participation: <b>CSD 4.417.000</b> or <b>*EUR 50.395</b>		
Field of work:	Rough construction works	<b>The initial auction sale price:</b> <b>CSD 8.833.000</b>		
		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 1.500.000</b>		
<b>The most important property of the subject undergoing privatization</b>				
<b>A) Buildings – main facilities (m²):</b>		<b>B) The most important equipment:</b>		
1. Administration building (225) 2. Carpenter's shop facility, canteen (228) 3. Warehouse – drying-room of the carpenter's shop (104) 4. Main warehouse facility (157) 5. Works (1231) 6. Shed-warehouse, brickworks (215)		1) Self-propelled vibro roller (38KW, "14. Oktobar" Kruševac) 2) Excavator (610 C, 70KW, "14. Oktobar" Kruševac) 3) Caterpillar tractor (TG-110, "14. Oktobar" Kruševac) 4) ULT wheel tractor (ULT-160 B, "14. Oktobar" Kruševac) 5) Low bearing trailer-annexation (25t "GOŠA" (50-25JA)) 6) Metal supports		
<b>C) Land (m²):</b> <i>Construction land: (26783) ((18272) – socially-owned, (8511) – owned by state)</i>				
<b>Balance sheet per year:</b>		<b>2004</b>		<b>2005</b>
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	25.000	342	5.000	60
Total business expenses	4.032.000	55.231	3.183.000	38.392
<b>Main products/ services:</b> 1) Complex of dwellings 2) Office buildings 3) Industrial facilities 4) Health facilities 5) Educational facilities				
<b>Total number of employees:</b> 10; <b>of which BS/ BA:</b> 0				

### 3) Basic information on the subject to be privatized: MINEL PROJEKTINŽENJERING AD preduzeće za inženjering, projektovanje, konsalting i komercijalno-finansijske poslove, BEOGRAD

<b>Auction Sale Code:</b>	<b>130706-1683</b>	The entire estimated capital value to be privatized amounts to: <b>CSD 112.464.000</b> or <b>*EUR 1.283.283</b> , representing <b>67,725 %</b> of the total subject capital.		
Official ID number of the subject:	07451466	<b>Deposit</b> for auction participation: <b>CSD 13.496.000</b> or <b>*EUR 153.994</b>		
Field of work:	Planning of constructions and other facilities	<b>The initial auction sale price:</b> <b>CSD 26.991.000</b>		
		<b>Minimum of obligatory investments</b> into the subject to be privatized amounts to: <b>CSD 17.073.000</b>		
<b>The most important property of the subject undergoing privatization</b>				
<b>A) Buildings – main facilities (m²):</b>		<b>B) The most important equipment:</b>		
1. Business complex, 30 Brankova St, Belgrade (934)		1) Passenger vehicle (PEUGEOT) 2) Passenger vehicle (JUGO SKALA 101/55) 3) Van 4) Switchboard 5) Computer (35 items)		
<b>C) Land (m²):</b> <i>Construction land: (2756) – owned by state</i>				
<b>Balance sheet per year:</b>		<b>2004</b>		<b>2005</b>
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	23.580.000	323.005	27.142.000	327.379
Total business expenses	35.240.000	482.727	35.398.000	426.960

**Main products/ services:** 1) Planning 2) Engineering  
**Total number of employees:** 55; **of which BS/ BA:** 23

**4) Basic information on the subject to be privatized: Društveno preduzeće za remont, održavanje i izradu procesne opreme HIP-PETROREMONT sa p.o., PANČEVO**

**Auction Sale Code:** 130706-1684

**Official ID number of the subject:** 08192766

**Field of work:** **Machines of general purpose**

The entire estimated capital value to be privatized amounts to: **CSD 143.557.000** or **\*EUR 1.638.069**, representing **70 %** of the total subject capital.

**Deposit** for auction participation: **CSD 17.227.000** or **\*EUR 196.568**

**The initial auction sale price:** **CSD 34.454.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 13.683.000**

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

**A) Buildings – main facilities (m<sup>2</sup>):**

1. Handicraft trades–facility 1 (6415) 2. Handicraft trades–facility 2 (491) 3. Industrial facility (684) 4. Accessory facility (311)

**B) The most important equipment:**

1) Turning transformer station 2) Transformer station 3) Corner grinding machine (9 items) 4) Welding automat 5) Electrical vibrating drilling machine (2 items)

**C) Land (m<sup>2</sup>):** *Construction land: (17460) – owned by state*

<b>Balance sheet per year:</b>	<b>2004</b>		<b>2005</b>	
<b>Shown in:</b>	<b>CSD</b>	<b>**EUR</b>	<b>CSD</b>	<b>**EUR</b>
Total business revenues	52.530.000	719.569	67.363.000	812.513
Total business expenses	82.772.000	1.133.832	107.156.000	1.292.484

**Main products/ usluge:** 1) Overhaul and maintenance of equipment 2) Planning and designing of processing equipment 3) Overhaul of piston and rotational equipment 4) Mechanical equipment 5) Electric-powered equipment and telecommunications

**Total number of employees:** 279; **of which BS/ BA:** 17

**5) Basic information on the subject to be privatized: Akcionarsko društvo za organizaciju i finansiranje proizvodnje i prometa proizvoda PIK KOVIN, KOVIN**

**Auction Sale Code:** 130706-1686

**Official ID number of the subject:** 08044317

**Field of work:** **Seeds and food wholesale**

The entire estimated capital value to be privatized amounts to: **CSD 79.548.000** or **\*EUR 907.685**, representing **60,858 %** of the total subject capital.

**Deposit** for auction participation: **CSD 9.546.000** or **\*EUR 108.922**

**The initial auction sale price:** **CSD 19.091.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 12.006.000**

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

**A) Buildings – main facilities (m<sup>2</sup>):**

1. Administration building (658) 2. Joint production facility (174)

**B) The most important equipment:**

1) Shop equipment 2) Fax machine (Panasonic) 3) Passenger vehicle (Zastava 101) 4) Various kinds of office furniture

**C) Land (m<sup>2</sup>):** *Construction land: (1356) – socially-owned; Agricultural land: (3457154) – socially-owned*

<b>Balance sheet per year:</b>	<b>2004</b>		<b>2005</b>	
<b>Shown in:</b>	<b>CSD</b>	<b>**EUR</b>	<b>CSD</b>	<b>**EUR</b>
Total business revenues	14.219.000	194.775	11.607.000	140.000
Total business expenses	17.770.000	243.418	17.940.000	216.387

**Main products/ services:** 1) Maize and wheat sales 2) Fodder sales 3) Sales of agricultural products

**Total number of employees:** 17; **of which BS/ BA:** 6

**6) Basic information on the subject to be privatized: Trgovinsko preduzeće ZAPADNA MORAVA DD, TRSTENIK**

**Auction Sale Code:** 130706-1687

**Official ID number of the subject:** 07154712

**Field of work:** **General goods retail**

The entire estimated capital value to be privatized amounts to: **CSD 325.919.000** or **\*EUR 3.718.921**, representing **69,202 %** of the total subject capital.

**Deposit** for auction participation: **CSD 39.110.000** or **\*EUR 446.270**

**The initial auction sale price:** **CSD 78.221.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 24.789.000**

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

**A) Buildings – main facilities (m<sup>2</sup>):**

1. Warehouse 1 (1800) 2. Warehouse 2 (1800) 3. Warehouse for nourishment with ramps and administration building (2708) 4. Administration building 3 (630) 5. Work's canteen (263) 6. Garage (497) 7. Shop "Brezovica" (101) 8. Shop "Tesla" (124) 9. Shop "Stari Trstenik" (60) 10. Shop "Bresno Polje" (52) 11. Shop "Prva Petoletka" (200)

**B) The most important equipment:**

1) Equipment for retail network 2) Office furniture 3) Computers 4) Electronical cash–registers 5) Forklift truck

**C) Land (m<sup>2</sup>):** *Construction land: (77484) ((8292) – owned by state; (69192) – socially-owned)*

<b>Balance sheet per year:</b>	<b>2004</b>		<b>2005</b>	
<b>Shown in:</b>	<b>CSD</b>	<b>**EUR</b>	<b>CSD</b>	<b>**EUR</b>

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Total business revenues	70.149.000	960.919	39.879.000	481.009
Total business expenses	101.526.000	1.390.729	89.392.000	1.078.220

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**Main products/ services:** 1) General goods retail  
**Total number of employees:** 189; **of which BS/ BA:** 4