

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

Those who are interested can purchase the auction documents 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 documents is obligatory and on their receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents can be collected at the following address:
Privatization Agency, Belgrade, 23 Terazije St., on working days from 09:00–17:00, in period from 04.08.2006 until 05.09.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 06.09.2006, until 17:00.

Filled application, which is a part of the auction documents, 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 140906, 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 SHALL BE HELD ON 14.09.2006.

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

14.09.2006, 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 (14.09.2006), 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 be due until the date of sale of the capital (14.09.2006), 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 04.08.2006 until 05.09.2006, after previously the timetable 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 04.08.2006.*

** *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 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, it is declared a buyer and the initial price becomes at the same time 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 projektovanje, konsalting, finansijski i tehnički inženjering SINTEZA, BEOGRAD

Auction Sale Code: 140906-1726

Official ID number of the Subject: **07091397**

Field of work: **Planning of building constructions and other facilities**

The entire estimated capital value to be privatized amounts to: **CSD 77.604.000** or ***EUR 934.989**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 9.313.000** or ***EUR 112.199**

Initial auction sale price: CSD 18.625.000

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 508.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office building, Belgrade, 15a Šajkaška Str. (520) 2. Office building, Niš, 2a Dečanska Str. (319) 3. Office space in Kraljevo (29,67) 4. Office space in Sarajevo (60,94)

B) The most important equipment:

1) Old switchboard-dismantled (KEATC 100/15) 2) New switchboard KXT7030X (Panasonic) 3) Passenger vehicle (Renault 19) 4) Passenger vehicle (Audi 200)

C) Land (m²):

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		13.524.000	185.255	81.000	977
Total business expenses		18.735.000	256.637	3.711.000	44.761

Main products/ services: 1) Planning, consulting, financial and technical engineering

Total number of employees: 16; **of which BS/ BA:** 1

2) Basic information on the subject undergoing privatization: JUGOSLOVENSKA REVIJA, BEOGRAD

Auction Sale Code: 140906-1727

Official ID number of the Subject: **07011717**

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

The entire estimated capital value to be privatized amounts to: **CSD 11.410.000** or ***EUR 137.469**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.369.000** or ***EUR 16.496**

Initial auction sale price: CSD 2.738.000

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 37.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office space, Motovun, municipality of Pazin, Republic of Croatia (357)

B) The most important equipment:

C) Land (m²):

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		113.000	1.737	34.000	466
Total business expenses		479.000	7.363	687.000	9.411

Main products/ services: 1) Publishing of books

Total number of employees: 2; **of which BS/ BA:** 0

3) Basic information on the subject undergoing privatization: DP za proizvodnju delova za motorna vozila i metalnih proizvoda za kablovsku industriju i rudarstvo ZASTAVA METAL, RESAVICA

Auction Sale Code: 140906-1728

Official ID number of the Subject: **07609582**

Field of work: **Fabrication of spare parts and equipment for motor vehicles**

The entire estimated capital value to be privatized amounts to: **CSD 164.208.000** or ***EUR 1.978.410**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 19.705.000** or ***EUR 237.409**

Initial auction price: CSD 39.410.000

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 10.000.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Industrial facility I with administration building (3285) 2. Industrial facility II (2160) 3. Compressor station (31) 4. Porter's lodge (14) 5. Water treatment facility (42)

B) The most important equipment:

1) Press (ABKANT PST 165/4000) 2) Hydraulic shears (MHS 13/3100) 3) Punkt apparatus (TA200) 4) Pipe bender (HILGERS HYB50) 5) Dye-house & lacquer's shop 6) Passenger vehicle (JUGO FLORIDA 1,3)

C) Land (m²): *Construction land: (19638) – socially-owned*

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		61.194.000	838.251	84.359.000	1.017.514
Total business expenses		74.221.000	1.016.698	101.592.000	1.225.373

Main products/ services: 1) Mining equipment 2) Trucks and machinery 3) Consumer goods 4) Tools

Total number of employees: 96; **of which BS/ BA:** 7

4) Basic information on the subject undergoing privatization: Preduzeće za eksploataciju, obradu i montažu kamena ZLATIBOR–MERMER, UŽICE

Auction Sale Code: 140906–1729

Official ID number of the Subject: 17123254

Field of work: Stone cutting, shaping and processing

The entire estimated capital value to be privatized amounts to: **CSD 68.008.000** or ***EUR 819.371**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 8.161.000** or ***EUR 98.325**

Initial auction price: **CSD 16.322.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 3.783.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Stone processing plant (889) 2. Stone processing building (434) 3. Building for frame-saw (351) 4. Administration building (241) 5. Frame-saw-production plant (326)

B) The most important equipment:

1) Stone cutting machine 2) Quarry milling machine (Ajkula) 3) Machine televar (TDV 55) 4) Stone cutting machine (OSSA 1) 5) Tracklaying vehicle

C) Land capacities (m²): *Construction land: (13313)((12699) – in state ownership; (614) – socially-owned); Agricultural land: (25236) – socially-owned; Wood area (23880) – socially-owned; Other land (17853) – socially-owned*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	18.068.000	247.500	15.192.000	183.241
Total business expenses	22.684.000	310.731	26.833.000	323.652

Main products/ services: 1) Polished plates 2) Polished stair treads 3) Polished stair risers 4) Stone block

Total number of employees: 88; **of which BS/ BA:** 2

5) Basic information on the subject undergoing privatization: STANDARD – PROMET d.o.o., BEOGRAD

Auction Sale Code: 140906–1730

Official ID number of the Subject: 08655081

Field of work: Glassware and paints wholesale

The entire estimated capital value to be privatized amounts to: **CSD 5.225.000** or ***EUR 62.946**, representing **45,794 %** of the total subject capital.

Deposit for auction participation: **CSD 627.000** or ***EUR 7.553**

Initial auction price: **CSD 1.254.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 225.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office space – 16 Koče Kapetana Str. (58)

B) The most important equipment:

1) Armchairs (22 items) 2) Desks (7 items) 3) Hand forklift truck, 2t 4) Telephones (8 items) 5) Office copier (Canon 1520)

C) Land (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	1.162.000	15.917	1.937.000	23.364
Total business expenses	2.747.000	37.629	3.377.000	40.732

Main products/ services: 1) Wholesale and retail of stainless and fireproof dishes and services 2) China, porcelain and glassware wholesale

Total number of employees: 2; **of which BS/ BA:** 0