

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic data on Auction sale

Privatization Agency of the RS offers, within joint offer, 100,00 % of the socially-owned capital of the subject to be privatized, amounting to 81,29 % of the total capital and 100,00% of share of the FOND ZA RAZVOJ RS, BEOGRAD (DEVELOPMENT FUND OF THE RS, BELGRADE), amounting to 3,89 % of the total capital value and 100,00 % of share of the Republic of Serbia, amounting to 14,82 of the total capital. Totally is offered for sale 100,00 % of the subject capital. The share of the Republic of Serbia and the FOND ZA RAZVOJ, BEOGRAD in the subject capital, is offered for sale based upon the Power of Attorney delivered to the Privatization Agency.

Those who are interested can purchase 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, from 09:00 - 17:00 on weekdays, in period from 28.07.2006 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 the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 140906, Privatization Agency, Belgrade, 23 Terazije St".

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

**THE AUCTION SHALL BE HELD ON 14.09.2006.**

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> 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** for the part of the socially-owned capital to be sold within the joint offer (81,29 %), may 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 become due until the date of the capital sale (14.09.2006), issued to the natural persons, who are citizens of the Republic of Serbia.

**Since in the Društveno preduzeće za proizvodnju stakla INDUSTRIJA STAKLA PANČEVO u restrukturiranju, PANČEVO, has been carried out the restructuring procedure, the Sales-Purchase price is to be paid off at once, i.e. there is no possibility for payment in installments.**

**Means of payment for the share of the Republic of Serbia (14,82 %) and the Fond za razvoj RS, Beograd (3,89 %) in the entire capital of the subject to be privatized, may be SOLELY in domestic currency, as well as in the foreign convertible currency, on which occasion the part of the Sales-Purchase price (selling price achieved at the auction), in accordance with share of the Republic of Serbia and the Fond za razvoj RS, Beograd, in the subject undergoing privatization, is to be paid off AT ONCE, regardless of that, whether the participant has applied for the first or the second bidding.**

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 the interested parties on those 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 28.07.2006 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 28.07.2006.

\*\* The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.

Sale of capital by the public auction method 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 represented 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 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 proizvodnju stakla INDUSTRIJA STAKLA PANČEVO u restrukturiranju, PANČEVO**

**Auction Sale Code:** 140906-1694p

Official ID number of the Subject: **08005907**

Field of work: **Plate glass production**

The entire estimated capital value to be privatized amounts to: **CSD 1.499.444.000** or **\*EUR 18.035.165**, representing **100 %** of the total subject capital.

**Deposit** for auction participation: **CSD 119.955.000** or **\*EUR 1.442.813**

**Initial auction** sale price: **CSD 239.911.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 194.385.000**

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

**A) Buildings - main facilities (m²):**

1. Furnace facility no. IV-"Pitsburg" with watch tower (4566) 2. Cutting room of the Furnace no. IV and warehouse for investing equipment of the Furnace no. IV (7810) 3. Pamplex facility and 2. loading dock (8273) 4. Furnace facility I, II, III and cutting room of furnaces II, III (15900) 5. Furnace facility for cast glass (3640) 6. Glass cracking-off facility no. I (4015)

**B) The most important equipment:**

1) Drawing machine for sheet glass (6 items) 2) Furnace bath IV 3) Continuous electrical furnace 4) Furnace for glass cracking-off (SEN GOBEIN) 5) Furnace for horizontal cooling 6) Line with screen process and drying

**C) Land (m²):** *Construction land: (257490) - in state ownership*

**Balance sheet per year:**

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	316.543.000	4.336.087	168.551.000	2.033.013
Total business expenses	631.699.000	8.653.174	429.576.000	5.181.420

**Main products/ services:** 1) Drawn sheet glass 2) Cast glass 3) Tempered glass 4) Safety glass "Panpleks" 5) Bolster glass «Izopan» 6) Special glass 7) Medical packings

**Total number of employees:** 544; **of which BS/ BA:** 24