

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(5th floor), Novi Sad, from 09:00-17:00, on working days in period from 21.07.2006 until 14.09.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 15.09.2006, 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 250906, 10 Bulevar Mihaila Pupina (5th 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 SHALL BE HELD ON 25.09.2006.

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

25.09.2006, 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 (25.09.2006), 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 (25.09.2006), 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 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 21.07.2006 until 14.09.2006, 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 21.07.2006.*

** *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: Akcionarsko društvo konfekcija ŽELJEZNIČAR, SUBOTICA

Auction Sale Code:	<u>250906-0854</u>	The entire estimated capital value to be privatized amounts to: CSD 135.253.000 or *EUR 1.626.620 , representing 66,346 % of the total subject capital. Deposit for auction participation: CSD 13.525.000 or *EUR 162.662 The initial auction sale price: CSD 27.051.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 15.549.000
Official ID number of the Subject:	08057478	
Field of work:	Clothes manufacture	

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²): 1. Production plant and warehouse (1317) 2. Tailor's shop, final processing, sewing room (1982) 3. Administration building (178) 4. Tailor's shop (824)	B) The most important equipment: 1) Suit coat line, (buttonhole–line, Brother) 2) Suit coat line, cover sewing machine (Durkopp) 3) Suit coat line, pocket-automate (Brother) 4) Manufacture line for trousers, two–needle (Pfaff) 5) Manufacture line for trousers, (hatching–line, Strobel)
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C) Land (m²): *Construction land: (9791) – owned by state*

Balance sheet per year:	2004		2005	
	Shown in:	CSD	**EUR	CSD
Total business revenues	92.279.000	1.264.061	67.167.000	810.149
Total business expenses	114.531.000	1.568.875	78.339.000	944.902

Main products/ services: 1) Manufacture of the heavy ready-to-wear clothes 2) Men's style ready-to-wear clothes 3) Women's style ready-to-wear clothes

Total number of employees: 183; **of which BS/ BA:** 8

2) Basic information on the subject undergoing privatization: Mlinsko–pekarsko preduzeće MLIN–PEK, SONTA

Auction Sale Code:	<u>250906-1452p</u>	The entire estimated capital value to be privatized amounts to: CSD 19.988.000 or *EUR 240.390 , representing 70,00 % of the total subject capital. Deposit for auction participation: CSD 1.599.000 or *EUR 19.231 The initial auction sale price: CSD 3.198.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 414.000
Official ID Number of the Subject:	08644578	
Field of work:	Milling industry	

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²): 1. Mill facility (250) 2. Warehouse of finished products (513) 3. Warehouse (96) 4. Vapour baker's shop (109) 5. Working facilities (85) 6. Laboratory facilities (196)	B) The most important equipment: 1) Passenger vehicle (Jugo Skala Poly) 2) Full PC installations 3) Printer (Epson LX 300) 4) Telephone connection 5) Switchboard (Panasonic) 6) Palette forklift truck 7) Voltage transformer (G 250) 8) Fireplace Rustic
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B) Land (m²): *Construction land: (2668) – state owned*

Balance sheet per year:	2004		2005	
	Shown in:	CSD	**EUR	CSD
Total business revenues	7.315.000	100.203	3.365.000	40.588
Total business expenses	8.610.000	117.942	7.055.000	85.095

Main products/ services: 1) Milling industry products 2) Production of bread and rolls

Total number of employees: 15; **of which BS/ BA:** 1

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

Auction Sale Code:	<u>250906-1649p</u>	The entire estimated capital value to be privatized amounts to: CSD 253.190.000 or *EUR 3.044.984 , representing 70 % of the total subject capital. Deposit for auction participation: CSD 20.255.000 or *EUR 243.599 The initial auction sale price: CSD 40.510.000 Minimum of obligatory investments into the subject to be privatized amounts to: CSD 22.552.000
Official ID number of the Subject:	08105219	
Field of work:	Fabrication of agricultural tractors	

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²): 1. Administration building with offices (253) 2. Repair shop (540) 3. Compressor station (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 shop (1020)	B) The most important equipment: 1) Universal lathe (several items, 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) Installations for painting shop 4) Forklift truck (TU –32 Dizel) 5) Passenger vehicle (Opel astra 1,7 DTL) 6) Truck (TAM–1300)
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C) Land (m²): *Construction land: (43233) – owned by state*

Balance sheet per year:	2004		2005	
	Shown in:	CSD	**EUR	CSD
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: Poljoprivredno proizvodno preduzeće MLADI BORAC, SONTA

Auction Sale Code: 250906-1711

Official ID number of the Subject: **08644586**

Field of work: **Cultivation of grains, crops and planted areas**

The entire estimated capital value to be privatized amounts to: **CSD 114.329.000** or ***EUR 1.374.971**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 13.719.000** or ***EUR 164.997**

The initial auction sale price: **CSD 27.439.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 9.957.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building (336) 2. Dining room I (247) 3. Warehouse for protective means (276) 4. Two storied warehouse (1596) 5. Hall for agricultural machinery (825) 6. Garage for agricultural machinery (1768)

B) The most important equipment:

1) Tractors (Ferguson, IMT) 2) Harvesters (Zmaj, Đuro Đaković) 3) Sprinkler/ distributor of artificial fertilizer 4) Preparing machines for sowing 5) Passenger vehicle (2 items, Lada & Lada Niva)

C) Land (m²): *Agricultural land: (15848129) ((3058819) – socially-owned; (12789310) – owned by state)*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	54.382.000	744.938	46.943.000	566.213
Total business expenses	58.905.000	806.896	56.112.000	676.807

Main products/ services: 1) Cultivation of agricultural cultures (seed and merchandising wheat, seed and merchandising corn, sugar beat, merchandising soy bean) 2) Wholesale and retail 3) Warehousing

Total number of employees: 55; **of which BS/ BA:** 3

5) Basic information on the subject undergoing privatization: Konfekcijsko društveno preduzeće TATRAN, BAČKI PETROVAC

Auction Sale Code: 250906-1712

Official ID number of the Subject: **08054657**

Field of work: **Manufacture of overalls**

The entire estimated capital value to be privatized amounts to: **CSD 32.794.000** or ***EUR 394.399**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 3.279.000** or ***EUR 39.440**

The initial auction sale price: **CSD 6.559.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 2.806.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Works no. I (332) 2. Works no. II – user (408) 3. Works no. III – user (288) 4. Warehouse of finished products – user (461) 5. Administration building (1249)

B) The most important equipment:

1) Sewing machines (Juki DDL 555) 2) Sewing machines (BM 755 MK) 3) Sewing machines (BM 875 MK) 4) Steam boiler (Kirka-suri) 5) Passenger vehicle (Lada 112)

C) Land (m²): *Construction land: (10889) – owned by state*

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	15.749.000	215.734	18.539.000	223.612
Total business expenses	15.256.000	208.981	18.132.000	218.703

Main products/ services: 1) Women's coat 2) Men's coat 3) Women's blazer 4) Women's slacks

Total number of employees: 108; **of which BS/ BA:** 1

6) Basic information on the subject undergoing privatization: Društveno preduzeće ALFA 24, za promet roba i usluga, eksport–import, SUBOTICA

Auction Sale Code: 250906-1713

Official ID number of the Subject: **08133751**

Field of work: **Organizing of fairs**

The entire estimated capital value to be privatized amounts to: **CSD 7.300.000** or ***EUR 87.799**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 730.000** or ***EUR 8.780**

The initial auction sale price: **CSD 1.460.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 845.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building (238)

B) The most important equipment:

1) Crane 2) Shelves 3) Office furniture

C) Land (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	100.615.000	1.378.250	126.407.000	1.524.684
Total business expenses	97.972.000	1.342.045	125.825.000	1.517.664

Main products/ services: 1) Automobile inspection services 2) Sales of goods

Total number of employees: 14; **of which BS/ BA:** 2

7) Basic information on the subject undergoing privatization: Društveno preduzeće MIP LIMARI – KLIMATIZERI, SUBOTICA

Auction Sale Code: 250906-1714

Official ID number of the Subject: 08297681

Field of work: Finishing works

The entire estimated capital value to be privatized amounts to: **CSD 7.642.000** or ***EUR 91.911**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 764.000** or ***EUR 9.191**

The initial auction sale price: **CSD 1.528.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 441.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building – the right of use and disposal (104) 2. Tinsmith's shop – off-booked (140)

B) The most important equipment:

1) Goods vehicle (1307 DU BK) 2) Switchboard (KX-T206) 3) Power pneumatic drill (GBH 2-24DSR) 4) Telephone (Panasonic)

C) Land (m²): *Construction land: (1140) – in state ownership*

Balance sheet per year:	2004		2005	
Shown in:	CSD		CSD	**EUR
Total business revenues	10.903.000		149.352	1.781.000
Total business expenses	9.682.000		132.627	4.360.000
				21.482
				52.589

Main products/ services: 1) Metal processing 2) Various services in building industry

Total number of employees: 14; **of which BS/ BA:** 0

8) Basic information on the subject undergoing privatization: ZORA Hemijska čistiona i praona ad, SUBOTICA

Auction Sale Code: 250906-1715

Official ID number of the Subject: 08058466

Field of work: Washing and dry cleaning

The entire estimated capital value to be privatized amounts to: **CSD 42.748.000** or ***EUR 514.112**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 5.130.000** or ***EUR 61.694**

The initial auction sale price: **CSD 10.260.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 409.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office building (1595) 2. Shop – Stara Moravica (32)

B) The most important equipment:

1) Chemical machines (15 items) 2) Boiler (Varporax) 3) Washing machine (Inox) 4) Drying machines 5) Storage heater (6 items)

C) Land (m²):

Balance sheet per year:	2004		2005	
Shown in:	CSD		CSD	**EUR
Total business revenues	6.240.000		85.477	6.356.000
Total business expenses	7.418.000		101.614	7.954.000
				76.664
				95.939

Main products/ services: 1) Dry cleaning, painting and ironing of clothings 2) Dry cleaning of carpets

Total number of employees: 23; **of which BS/ BA:** 1

9) Basic information on the subject undergoing privatization: Preduzeće za vršenje poslova ugostiteljstva, turizma i trgovine TURIST doo, BEZDAN

Auction Sale Code: 250906-1716

Official ID number of the Subject: 08068755

Field of work: Bars

The entire estimated capital value to be privatized amounts to: **CSD 46.684.000** or ***EUR 561.446**, representing **52,059 %** of the total subject capital.

Deposit for auction participation: **CSD 5.602.000** or ***EUR 67.374**

The initial auction sale price: **CSD 11.204.000**

Minimum of obligatory investments into the subject to be privatized amounts to: **CSD 4.981.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. "Čarda na Dunavu" – restaurant (499) 2. Administration building (384) 3. Restaurant "Gidran" (587) 4. Restaurant "Šaran" (380) 5. Restaurant "Omega" (107) 6. Restaurant "Vijetnam" (216)

B) The most important equipment:

1) Motor vehicle Poli 1.1 (2 items) 2) Motor vehicle Poli 1.3 3) Passenger vehicle Jugo (2 items) 4) Truck Z35 SA 3000 5) Truck Z640 6) Truck TAM 130 7) Motorcycle (Piaggio)

C) Land (m²): *Construction land: (9053) ((8177) – socially-owned, (876) – in state ownership)*

Balance sheet per year:	2004		2005	
Shown in:	CSD		CSD	**EUR
Total business revenues	67.267.000		921.441	53.756.000
Total business expenses	75.557.000		1.034.999	59.305.000
				648.389
				715.320

Main products/ services: 1) Catering trade services 2) Wholesale and retail 3) Services in tourism

Total number of employees: 155; **of which BS/ BA:** 1