

In accordance with Article 38 of the Law on Privatization ("Official Gazette of RS", no-s. 38/01, 18/03 and 45/05), and Article 5 of the Decree on Sale of capital and property by public auction ("Official Gazette of RS" no. 52/05), the Privatization Agency announces:

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

Those who are interested can purchase auction documentation at the price of: **CSD 40000**, 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 Mihajla Pupina (5<sup>th</sup> floor), Novi Sad from 9:00 to 17:00, from 27.09.2006 to 26.10.2006.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 27.10.2006. UNTIL 17:00**

Filled application which is a part of the auction documentation with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 061106, 10 Bulevar Mihajla Pupina (5<sup>th</sup> 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 WILL BE HELD ON: 06.11.2006.**

at the address: **Novi Sad, JP Sportsko poslovni centar Vojvodina-SPENS at 11:00**. The registration of the auction participants will take place at the same address on:

**06.11.2006, from 09:00 to 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 (06.11.2006.) 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 (06.11.2006.) 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 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 27.09.2006 to 26.10.2006, at the time previously established by the Privatization Agency, tel: 021/452-959 or fax: 021/452-967.

\* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 27.09.2006.*

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

## Brief Description of 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 persons 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: Joint-stock company for ready-made clothes ŽELJEZNIČAR, SUBOTICA

**Auction Sale Code:** 061106-0854p

Official ID number of the Subject: **08057478**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **CSD 137.154.000 or \*EUR 1.656.445** which amounts to **66,346 %** of the total capital of the subject.

**Deposit** for auction participation: **CSD 6.858.000 or \*EUR 82.822**

**Initial price at auction sale:** **CSD 13.715.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 15.767.000**

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

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

1. Production hall and a warehouse (1317) 2. Tailor's workshop, final works, sewing workshop (1982) 3. Administrative building (178) 4. Tailor's workshop (824)

##### B) Main Equipment:

1) Jacket line, hole making machine (Brother) 2) Jacket line, sewing machine (Durkopp) 3) Jacket line, pocket automatic machine (Brother) 4) Trousers line, machine (Pfaff) 5) Trouser line, machine (Strobel)

##### C) Land (m<sup>2</sup>): *Construction land: (9791) – state owned*

Balance sheet per year	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
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) Production of large ready-made clothes 2) Men's fashion garments 3) Women's fashion garments

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

### 2) Basic information on the subject undergoing privatization: Socially-owned enterprise for ready-made clothes TATRAN, BAČKI PETROVAC

**Auction Sale Code:** 061106-1712p

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

Field of work: **Production of work clothes**

The entire estimated capital value to be privatized amounts to: **CSD 33.255.000 or \*EUR 401.630** which amounts to **70 %** of the total capital of the subject.

**Deposit** for auction participation: **CSD 1.663.000 or \*EUR 20.082**

**Initial price at auction sale:** **CSD 3.325.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 2.846.000**

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

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

1. Production hall I (332) 2. Production hall II – user (408) 3. Production hall III – user (288) 4. Finished goods warehouse – user (461) 5. Administrative building (1249)

##### B) Main 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 (m<sup>2</sup>): *Construction land: (10889) – state owned*

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 jackets 4) Women's trousers

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

### 3) Basic information on the subject undergoing privatization: Socially-owned enterprise MIP LIMARI – KLIMATIZERI, SUBOTICA

**Auction Sale Code:** 061106-1714p

Official ID number of the Subject: **08297681**

Field of work: **Final woks**

The entire estimated capital value to be privatized amounts to: **CSD 7.750.000 or \*EUR 93.596** which amounts to **70 %** of the total capital of the subject.

**Deposit** for auction participation: **CSD 387.000 or \*EUR 4.680**

**Initial price at auction sale:** **CSD 775.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 448.000**

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

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

1. Administrative building – right of use and disposal (104) 2. Tinsmith's workshop – non-registered (140)

##### B) Main Equipment:

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

##### C) Land (m<sup>2</sup>): *Construction land: (1140) – state owned*

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

**Main products/ services:** 1) Prerada metala 2) Razne građevinske usluge

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

**4) Basic information on the subject undergoing privatization: Enterprise for catering trade, tourism and trade TURIST doo, BEZDAN**

**Auction Sale Code: 061106-1716p**

Official ID number of the Subject: **08068755**

Field of work: **Bars**

The entire estimated capital value to be privatized amounts to: **CSD 47.340.000 or \*EUR 571.740** which amounts **52,059%** of the total capital of the subject.

**Deposit** for auction participation: **CSD 3.787.000 or \*EUR 45.739**

**Initial price at auction sale: CSD 7.574.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 5.051.000**

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

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

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

**B) Main Equipment:**

1) Vehicle Poli 1.1 (2 komada) 2) Vehicle Poli 1.3 3) Vehicle Jugo (2 komada) 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) - state owned)*

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

**Main products/ services:** 1) Catering trade services 2) Wholesale and retail trade 3) Tourist services

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