

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

The interested parties can purchase the auction documentation at the price of: **CSD 40000**, after they receive the 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 9:00 to 17:00, from 29.12.2006 to 06.02.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 07.02.2007 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 160207, 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 WILL BE HELD ON: 16.02.2007.

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall**, at 11:00. The registration of the auction participants will be held at the same address on: **16.02.2007, 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 (16.02.2007) 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 (16.02.2007) 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 29.12.2006 to 06.02.2007, at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 29.12.2006.*

** *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: Metal-processing socially owned enterprise RADNIK, PIROT

Auction Sale Code: 160207-1146

Official ID number of the Subject: **07131437**

Field of work: **Setting of electrical installations and equipment**

The entire estimated capital value to be privatized amounts to: **CSD 6.911.000 or 88.043 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 691.000 or *EUR 8.804**

Initial price at auction sale: **CSD 1.382.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 1.274.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Production hall – new part (1484) 2. Complex "Pima" – 5 production halls (1889)

B) Main Equipment:

1) Radial drill (TERB-4/A) 2) Apparatus (BST-3) 3) Plastic vacuum machine 4) Milling machine (FU 251) 5) Tool milling machine (ALG 100)

C) Land (m²): *Entire land: (31333); Construction land: (31333) ((31096) – state owned; (237) – socially owned)*

Balance sheet per year		2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR	**EUR
Total business revenues	2.172.000	29.753	19.160.000	231.102	
Total business expenses	6.950.000	95.203	24.208.000	291.990	

Main products/ services: 1) sockets 2) Floor boards 3) sheet metal twisting and cutting services

Total number of employees: 27; of which **BS/ BA:** 0

2) Basic information on the subject undergoing privatization: Socially-owned enterprise DOMAĆA RADINOST, LESKOVAC

Auction Sale Code: 160207-1811p

Official ID number of the Subject: **07196091**

Field of work: **Production of yarn**

The entire estimated capital value to be privatized amounts to: **CSD 53.980.000 or *EUR 687.638** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 4.318.000 or *EUR 55.011**

Initial price at auction sale: **CSD 8.637.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 1.063.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Production administrative building (1190) 2. Warehouse (232) 3. production building (28) 4. Warehouse (54)

B) Main Equipment:

1) Machines (3) (NECCHI) 2) Iberdeks (2) (KANSAI) 3) Weaving automatic device (MERIMA) 4) Machine 5) Supporting machine 6) Supporting machine (FM 5)

C) Land (m²): *Entire land: (7814); Construction land: (7814) – state owned*

Balance sheet per year		2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR	**EUR
Total business revenues	182.000	2.493	676.000	8.154	
Total business expenses	3.800.000	52.053	2.255.000	27.199	

Main products/ services: 1) Men's, women's and children's garments 2) Men's, women's and children's light garments 3) Garment program for catering trade and baking industry 4) Flags

Total number of employees: 8; of which **BS/ BA:** 1

3) Basic information on the subject undergoing privatization: Electric industry service AD, BEOGRAD

Auction Sale Code: 160207-1817p

Official ID number of the Subject: **07048661**

Field of work: **Repair of radios and TV sets**

The entire estimated capital value to be privatized amounts to: **CSD 332.187.000 or *EUR 4.231.681** which is **67,011 %** of the total capital of the subject.

Deposit for auction participation: **CSD 26.575.000 or *EUR 338.534**

Initial price at auction sale: **CSD 53.150.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 16.013.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office premises, Beograd, Oblakovska 51 (1154) 2. Administrative building, Beograd, corner of Milana Jovanovića and Bondžulićeve (user) (1767) 3. Business premises, Beograd, Karađorđev trg 1 (83) 4. Business premises, Kikinda (118) 5. Business premises, Kragujevac (korisnik) (84)

B) Main Equipment:

1) vehicle (RIVAL KOMBI 35.8) 2) Passenger vehicle (PEUGEOT 406) 3) Electrician's case 4) Fork-lift truck feeler 5) Truck (ZA. 85.14 TURBO ZETA) 6) Fiscal ccash registars (27)

C) Land (m²):

Balance sheet per year		2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR	**EUR
Total business revenues	91.539.000	1.253.925	77.922.000	939.872	
Total business expenses	114.846.000	1.573.190	102.130.000	1.231.862	

Main products/ services: 1) Repair of electrical and technical apparatuses 2) Trade in electrical goods

Total number of employees: 157; of which BS/ BA: 10

4) Basic information on the subject undergoing privatization: Wood industry enterprise NOVI HRAST DOO, MOROVIĆ

Auction Sale Code: 160207-1822p

Official ID number of the Subject: **08702276**

Field of work: **production of timber**

The entire estimated capital value to be privatized amounts to: **CSD 47.264.000 or 602.091 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 3.781.000 or *EUR 48.167**

Initial price at auction sale: **CSD 7.562.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 7.030.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Plane hall I (803) 2. Plane hall II (843) 3. New administrative building (391) 4. Garage with mechanization (136) 5. Old administrative building (235)

B) Main Equipment:

1) Transporter 2) Plane (1100 0-2) 3) Plane 4) Automatic plane 5) Truck (FAP)

C) Land (m²): *Entire land: (52433); Agricultural land: (52433) – state owned;*

Balance sheet per year		2004		2005	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	4.514.000	61.834		379.000	4.571
Total business expenses	17.739.000	242.993		16.177.000	195.122

Main products/ services: 1) Production of timber 2) Cutting services

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

5) Basic information on the subject undergoing privatization: Socially-owned enterprise KRISTAL, PREŠEVO

Auction Sale Code: 160207-1864

Official ID number of the Subject: **07308795**

Field of work: **Production and processing of glass**

The entire estimated capital value to be privatized amounts to: **CSD 29.399.000 or *EUR 374.514** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 3.528.000 or *EUR 44.942**

Initial price at auction sale: **CSD 7.056.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 2.370.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Grinding workshop–tenure holder(1200) 2. Warehouse of finished goods–tenure holder (1500) 3. Polishing workshop–tenure holder (748) 4. Boiler house–tenure holder (525) 5. Canteen (300)

B) Main Equipment:

1) Electric fork–lift truck 2) Devices with electric motors (154 komada) 3) Computer polishing machine (3 pieces) 4) Vertical grinder (2 pieces)

C) Land (m²): *Entire land: (27608); Construction land: (27608) – socially owned*

Balance sheet per year		2003		2004	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	441.000	6.779		906.000	12.411
Total business expenses	11.391.000	175.093		12.369.000	169.434

Main products/ services: 1) Glasses for whiskey, champagne and juice 2) Crystal mugs, dozers and sets 3) Crystal vases

Total number of employees: 103; of which BS/ BA: 1

6) Basic information on the subject undergoing privatization: BEOLAB LABORATORIJE socially-owned enterprise for production, engineering and control, with unlimited liability, BEOGRAD

Auction Sale Code: 160207-1865

Official ID number of the Subject: **07494661**

Field of work: **Production of organic chemicals**

The entire estimated capital value to be privatized amounts to: **CSD 57.500.000 or *EUR 732.480** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 5.750.000 or *EUR 73.248**

Initial price at auction sale: **CSD 11.500.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 2.913.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

B) Main Equipment:

1) Centrifugal device (FI 420) 2) Container (10 pieces) (V=100, V=150) 3) Passenger vehicle (3 pieces) (Nissan Primera) 4) Passenger vehicle (Lada Niva,4x4, 1.7IE) 5) Computer systems, monitors, printers

C) Land (m²):

Balance sheet per year		2004		2005	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	125.931.000	1.725.035		161.046.000	1.942.490
Total business expenses	114.738.000	1.571.710		148.018.000	1.785.350

Main products/ services: 1) Program - chemicals 2) Program – children's cosmetics 3) Program – medical cosmetics

Total number of employees: 34; of which BS/ BA: 7

7) Basic information on the subject undergoing privatization: Socially-owned enterprise ŽITOMLIN with unlimited liability, JAGODINA

Auction Sale Code: 160207-1866

Official ID number of the Subject: 07126034

Field of work: **Production of mill products**

The entire estimated capital value to be privatized amounts to: **CSD 144.966.000 or *EUR 1.846.702** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 17.396.000 or *EUR 221.604**

Initial price at auction sale: **CSD 34.792.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 20.683.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Silos 1, 2, 3 and 4 – tenure holder (5638) 2. Mill – tenure holder (2657) 3. Building of pasta production – tenure holder (2976) 4. Bakery in Jagodina – tenure holder (1312)

B) Main Equipment:

1) Tunnel furnace (2) 2) Trucks (6) (FAP) 3) Van (3) (VOLKSWAGEN) 4) Movable kiln (Minel 2,5 t) 5) Ventilator (2) (40 KW)

C) Land (m²): *Entire land: (25884); Construction land: (25884) ((23234) – state owned (user), (2650) – state owned (tenure holder))*

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	43.427.000	594.874	69.465.000	837.867
Total business expenses	86.246.000	1.181.420	127.696.000	1.540.232

Main products/ services: 1) Production of bread, pastry and pasta 2) Production of wheat and corn flour 3) Storage and corn handling 4) Production of fodder

Total number of employees: 120; of which BS/ BA: 6

8) Basic information on the subject undergoing privatization: Public enterprise for newspaper publishing SLOBODNA REČ, VRANJE

Auction Sale Code: 160207-1869

Official ID number of the Subject: 07139012

Field of work: **Newspaper publishing**

The entire estimated capital value to be privatized amounts to: **CSD 821.000 or 10.454 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 82.000 or *EUR 1.045**

Initial price at auction sale: **CSD 164.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 170.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

B) Main Equipment:

1) Computer (3) 2) Passenger vehicle (Zastava 101) 3) Switchboard 4) Fiscal cash register (Geneko) 5) Painting

C) Land (m²):

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	9.882.000	135.366	12.591.000	151.869
Total business expenses	10.127.000	138.722	11.746.000	141.677

Main products/ services: 1) Newspapers

Total number of employees: 17; of which BS/ BA: 9

9) Basic information on the subject undergoing privatization: Socially-owned enterprise for setting of all kinds of electrical installations MONTER – ELEKTROMONTAŽA, NIŠ

Auction Sale Code: 160207-1870

Official ID number of the Subject: 07245670

Field of work: **Setting of electrical installations and equipment**

The entire estimated capital value to be privatized amounts to: **CSD 18.313.000 or *EUR 233.283** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 2.198.000 or *EUR 27.994**

Initial price at auction sale: **CSD 4.395.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 726.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Workshop (administrative building), Šumadijska 4, Niš (170) 2. Workshop (labourer's-warehouse premises), Šumadijska 4, Niš (332)

B) Main Equipment:

1) Drill (T-22) 2) Drill (HILTI TE-6) 3) Mechanical scissors (IM 2,5) 4) Passenger vehicle (JUGO FLORIDA) 5) Truck – transporter

C) Land (m²):

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	54.405.000	745.254	20.358.000	245.552
Total business expenses	54.056.000	740.473	24.090.000	290.567

Main products/ services: 1) Electrical installations 2) Distributions devices

Total number of employees: 53; **of which BS/ BA:** 1

10) Basic information on the subject undergoing privatization: Socially-owned enterprise for manufacture and setting of electrical equipment for transfer and distribution of electric power LOZNICAELEKTRO, LOZNICA

Auction Sale Code: 160207-1871

Official ID number of the Subject: **07168969**

Field of work: **production of equipment for electric power distribution**

The entire estimated capital value to be privatized amounts to: **CSD 68.550.000 or 873.247 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 8.226.000 or *EUR 104.790**

Initial price at auction sale: **CSD 16.452.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 3.482.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Pld production hall (1795) 2. New production hall (580) 3. Administrative building (977) 4. Annex (141) 5. Warehouse of dyes and lacquers (95)

B) Main Equipment:

1) Truck (Turbo Zeta) 2) Sheet metal scissors 3) Hydraulic press 4) Press (P-55) 5) General press (Galeb)

C) Land (m²): *Entire land: (10010); Construction land: (10010) -state owned*

Balance sheet per year

	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	65.426.000	896.222	89.871.000	1.083.998
Total business expenses	74.122.000	1.015.342	90.922.000	1.096.675

Main products/ services: 1) High-voltage devices 10 kV, 20 kV and 35 kV 2) Low-voltage blocks 0,4 kV for substations 3) Substations 400, 630 and 1000 kVA 4) Portal substations PTS 10 i 20/0.4 kV, 400kVA 5) Public light pillars , with or without equipment 6) Low-voltage distribution cases with STS equipment

Total number of employees: 88; **of which BS/ BA:** 4