

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 02.02.2007 to 27.02.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 28.02.2007 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 080307, 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: 08.03.2007.

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: **08.03.2007, 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 (08.03.2007.) 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 (08.03.2007.) 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 02.02.2007 to 27.02.2007, 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 02.02.2006.*

** *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: BIGZ-Graphic enterprise, BEOGRAD

Auction Sale Code: 080307-1477p

Official ID number of the Subject: 17143611

Field of work: Newspaper printing

The entire estimated capital value to be privatized amounts to: **CSD 1.376.909.000 or 17.483.446 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: CSD 110.151.000 or *EUR 1.398.650

Initial price at auction sale: CSD 220.301.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 212.639.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Business premises, Bulevar Vojvode Mišića 17, Beograd (20265) 2. Residential building, Almaška 3, Novi Sad (513)

B) Main Equipment:

1) Gilding press (Bautrek) 2) Printing machine (Heidelberg) 3) Automatic machine for notebook production 4) Line for brochure book covers 5) Offset machine(Roland Rekord)

C) Land (m²): *Entire land: (7947); Construction land: (7947) – state owned;*

Balance sheet per year	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		163.942.000	2.245.719	106.568.000	1.285.392
Total business expenses		163.930.000	2.245.555	113.455.000	1.368.461

Main products/ services: 1) Book printing - paperback 2) Book printing - hardcover 3) Magazine printing 4) Printing of advertising materil 5) Printing of forms

Total number of employees: 227; **of which BS/ BA:** 7

2) Basic information on the subject undergoing privatization: Socially-owned enterprise for production and trade of processing equipment ZASTAVA PROCESNA OPREMA, KRAGUJEVAC

Auction Sale Code: 080307-1612p

Official ID number of the Subject: 06979386

Field of work: General machines

The entire estimated capital value to be privatized amounts to: **CSD 141.167.000 or *EUR 1.792.479** which is **70 %** of the total capital of the subject.

Deposit for auction participation: CSD 11.293.000 or *EUR 143.399

Initial price at auction sale: CSD 22.587.000 Din

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 5.542.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Business premises PO-04 (417) 2. Warehouse PO-03 (787) 3. Old par of the production hall (1973) 4. New part of the production hall (564) 5. Annex in the hall (422)

B) Main Equipment:

1) Heating installation 2) Hydraulic sheet metal scissors 3) Fork-lift truck (ZCZ 18-76) 4) Car jack (CO KT 201) 5) Automobile (Florida 1.3 CW IN) 6) Generator "Uljanik" (AKA 45)

C) Land (m²): *Entire land: (12272); Construction land: (12272) – state owned;*

Balance sheet per year	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		56.881.000	779.170	41.547.000	501.128
Total business expenses		56.846.000	778.691	75.118.000	906.051

Main products/ services: 1) Dyeing mchines 2) Separation machines 3) Pipelines 4) Steel structure 5) Ventilation

Total number of employees: 134; **of which BS/ BA:** 16

3) Basic information on the subject undergoing privatization: Socially-owned enterprise for production and trade of electric products ZASTAVA PES, SURDULICA

Auction Sale Code: 080307-1669p

Official ID number of the Subject: 07630867

Field of work: production of electrical equipment for motors, vehicles

The entire estimated capital value to be privatized amounts to: **CSD 504.920.000 or *EUR 6.411.280** which is **70 %** of the total capital of the subject.

Deposit for auction participation: CSD 40.394.000 or *EUR 512.903

Initial price at auction sale: CSD 80.787.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 3.000.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Hall Surdulica (12365) 2. Annex of the hall in Surdulica (1895) 3. Garage(775) 4. production hall (472) 5. Neutralization facility (251)

B) Main Equipment:

1) Assemblage line (15W) 2) Forging machine (BIT-TUB) 3) Plastic spraying machine (ES1 300/275) 4) Motor survey device (9/14GM) 5) Coordinate drill (2E 440 2) 6) Rotor processing device

C) Land (m²): *Entire land: (55780); Construction land: (51155) ((48266) – socially owned, (2889) – state owned); Agricultural land: (4625) – socially owned;*

Balance sheet per year	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		112.241.000	1.537.506	152.526.000	1.839.724
Total business expenses		147.943.000	2.026.561	175.150.000	2.112.608

Main products/ services: 1) Motors 2) Rotors 3) Relays 4) Tools 5) Magnestic lighters

Total number of employees: 257; **of which BS/ BA:** 21