



Pursuant to the Article 38 of the Privatization Law ("Official Gazette RS", nos. 38/01, 18/03 and 45/05), the Law on Share Fund ("Službeni glasnik RS" br. 38/01 i 45/05), Law on Privatization Agency ("Official Gazette RS" 38/01, 135/04) and the Article 9 of the Decree on sale of capital, i.e. assets by public auction ("Official Gazette RS" no. 52/05),

The Privatization Agency and the Share Fund announce:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION

Basic Data on Auction Sale

The Privatization Agency and the Share Fund offer, within joint offer, the share of the Republic Pension Fund in the capital of Enterprise JUVELA DOO for production, trade and services, which amounts to 2,95% of the entire capital of the enterprise.

The interested parties can purchase the auction documents at the price of **CSD: 15.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. The purchase of the auction documents is obligatory. After the payment evidence has been submitted, the auction documents can be collected at the following address:
Privatization Agency, Belgrade, 23 Terazije St, from 9:00 to 17:00, from 18.06.2006 to 17.07.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 18.07.2007 UNTIL 16:00.

Filled application which is a part of the auction documents, 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 260707-A**", Privatization Agency, Belgrade, 23 Terazije St."

The amount of the deposit, stated in EUR, calculated according to the official rate on 12.06.2007.

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: 26.07.2007.

at the following 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: **26.07.2007, from 09:00 to 10:50.**

Means of payment can be in domestic currency or in foreign convertible currency. Declared buyer is to pay the purchase price AT ONCE.

Money deposit is to be paid into the account of the Privatization Agency no. 840-871621-94 call no. 260707-A-1976.

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 in the public auction is to be returned in the period of 8 days after the public auction has been held, to the participants who have not been declared a buyer, except for the participant who has bid the second best offer.

The Privatization Agency keeps the right to change the auction date as well as the deadline 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.

Brief Description of PUBLIC AUCTION Procedure

The sale of share by public auction is carried out by the Auction Committee established by the Privatization Agency and the Share Fund. The Committee supervises auction sale, registers auction participants, declares auction unsuccessful, signs the minute and performs other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out are fulfilled if at least one person has obtained the status of an 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.

If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. 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 finished. 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 returned 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 returned the deposit.

1) Basic data on Enterprise JUVELA DOO for production, trade and services, 39 Dobračina St, Beograd

Auction Sale Code: 260707-A-1976

Official ID Number of the Subject: 07722605

Field of Work: **production of clothes****Deposit for auction participation: CSD 1.191.500 or *EUR 14.561****Initial price at auction sale: CSD 2.383.000**

Balance sheet per year	2005	2006
Shown in:	CSD	CSD
Total business revenues	104.906.000	124.046.000
Total business expenses	101.386.000	118.846.000